

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT PETITION OF AT&T COMMUNICATIONS OF)
THE SOUTH CENTRAL STATES, INC., MCI)
TELECOMMUNICATIONS CORPORATION, SPRINT)
COMMUNICATIONS COMPANY L.P., AND LDDS) CASE NO. 94-286
METROMEDIA COMMUNICATIONS, INC. TO REDUCE)
THE TARIFF FILING NOTICE PERIOD FOR)
INTEREXCHANGE CARRIERS)

PETITION OF AT&T COMMUNICATIONS OF THE)
SOUTH CENTRAL STATES, INC. TO REDUCE THE)
TARIFF FILING NOTICE PERIOD APPLICABLE TO) CASE NO. 94-500
SPECIAL SERVICE PROMOTIONS MADE AVAILABLE)
TO KENTUCKY CUSTOMERS)

O R D E R

On November 21, 1995, BellSouth Telecommunications, Inc. ("BellSouth") filed for rehearing of the Orders relieving interexchange carriers ("IXCs") and resellers from the 30-day notice requirement for traditional long-distance toll service tariffs and promotional tariffs. This exemption was denied to local exchange carriers ("LECs") though some are toll service providers. No party filed a response to BellSouth's motion.

The Commission denied the tariff relief sought by the LECs based on the potential of abuse in the market. Competition in the intraLATA 1+ long-distance market is as yet underdeveloped; the LECs retain a dominant position in their areas.

BellSouth correctly asserts that "[d]isparate regulatory treatment is not compatible with a competitive market." (Motion at 1.) However, neither BellSouth nor any LEC faces a competitive 1+ toll market at this time. BellSouth's request for reconsideration must therefore be denied. In the future, BellSouth and other LECs may demonstrate that the 1+ intraLATA market has matured to the

extent that competition exists. Exemptions from the 30-day notice requirement for tariffs will be granted upon such demonstration.

On its own motion, the Commission will clarify its final Orders in these proceedings regarding public notice for rate increases. The Commission erroneously failed to extend the exemption to 807 KAR 5:011, Section 8. Without exempting IXCs and resellers from the requirement to publish rate changes three times before the rates may be effective, the elimination of a 30-day review period is meaningless. Customer redress for rate increases in a competitive market is not available through the regulatory process as implied by published notice, but rather through selection of a different provider available in a competitive arena.

The Commission, having considered BellSouth's motion and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. BellSouth's motion for reconsideration of the November 7, 1995 Orders is denied.

2. IXCs and resellers are exempted from the customer notice requirements contained in 807 KAR 5:011, Section 8, for changes in traditional long-distance services and promotional offerings.

Done at Frankfort, Kentucky, this 8th day of December, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director