

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION**

May 17, 1996

Nashville, Tennessee

**IN RE: INVESTIGATION OF OPERATOR  
SURCHARGE RATES**

**DOCKET No. 94-01211**

**ORDER**

This matter is before the Commission upon its own motion. On July 6, 1994 the Commission initiated this investigation due to questions raised about operator surcharges on calls from jails and prisons in Docket 93-09024 and increases proposed in operator surcharges. Also ongoing in 1994 was a rulemaking proceeding regarding Interexchange Carriers in Docket 93-08872. On August 25, 1994, a conference was held in this docket before Ralph B. Christian Administrative Judge and the following appearances were entered:

Mr. David Yates for the Consumer Advocate Division, Office of the Attorney General

Mr. Charles L. Howorth, Jr. for BellSouth Telecommunications d/b/a South Central Bell Telephone Company

Mr. Roger A. Briney for AT&T Communications of the South Central States

Mr. Jeff E. Gough for Citizens Telecom, Eastern Division

Mr. Jack Derrick for United Telephone Southeast

Mr. Tony Key for Sprint Communications

Mr. Scott Haynes for MCI Telecommunications Corporation

Ms. Jeanne Moran for the Public Service Commission Staff

The Commission noticed all Certificate holders who had operator services tariffs on file.

The parties discussed the data requested by the Commission which was set forth in Attachment A to the Order of July 6, 1994. A proposed schedule was set forth for the parties to file data and for the Staff to review the data and to prepare a report concerning the costs of providing operator services. The Docket file reflects that letters were sent by the Staff to those providers of operator services that were not present at the conference advising them of the due dates for the data.

Due to the insufficiency of the data responses of many of the parties and due to the fact that some of the parties did not cost out operator services, but rather "priced off" of other parties, the Staff was unable to prepare a report. Furthermore, on December 20, 1994, the Commission approved rules for the Interexchange Carriers in Docket 93-08872 which became effective on June 13, 1995. These rules capped the prices charged for operator surcharges by the Interexchange carriers in effect on June 13, 1995. The Interexchange

surcharges have not increased since before the issuance of the original order on July 6, 1994.


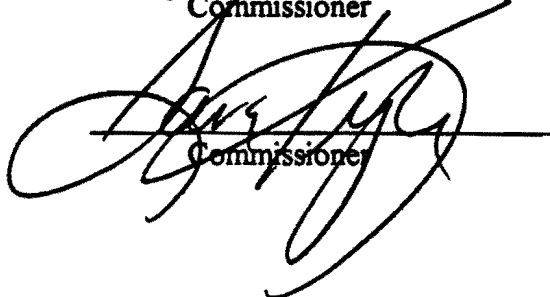
Another dramatic action was taking place in the Tennessee General Assembly. The Legislature was considering a sweeping telecommunications bill that would introduce competition into the exchange areas of local exchange carriers ( LECs ) and would allow LECs to seek price regulation. The bill passed the Legislature and was signed into law on June 6, 1995, as Chapter 408 of the Public Acts of 1995. The Act allows LECs which opt for price regulation to have their services designated as "basic" and "non-basic." Non-basic services include toll services and operator services among other things. To date the Commission has certified thirteen Competing Telecommunications Services Providers and has issued orders granting price regulation to South Central Bell Telephone, United Telephone Southeast and Citizens Telecom pursuant to the Act. Under the Act LECs are given flexibility to adjust non-basic rates within certain parameters. For these reasons and due to the fact that data gathered in this docket is stale, the Commission is of the opinion that this investigation should be dismissed and the docket closed.

**IT IS THEREFORE ORDERED THAT:**

1. The investigation of operator surcharges is hereby dismissed and this docket is hereby closed; and
2. Any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten ( 10 ) days from and after the date of this Order; and
3. Any party aggrieved with the Commission's decision in this matter has a right of judicial review by filing a petition with the Tennessee Court of Appeals, Middle Section, within sixty ( 60 ) days from and after the date of this Order.

ATTEST:

  
Executive Director

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Commissioner  
  
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Commissioner  
  
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Commissioner