BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 90-613-C - ORDER NO. 91-73

JANUARY 30, 1991

IN RE: Application of Corporate Telemanagement Group for a Certificate of Public Convenience and Necessity to Provide for interLATA resale of interexchange telecommunications services in the State of South Carolina	))))))	ORDER GRANTING CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed by Corporate Telemanagement Group (the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to provide interLATA resale of interexchange telecommunications services in the State of South Carolina. The Application was filed pursuant to S.C. Code Ann., Section 58-9-520 (Cum. Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed the Company to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas, once a week for two consecutive weeks. The purpose of the Notice of Filing was to inform interested parties of the nature of the Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Thereafter, the Company provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone &

Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A public hearing was held on Wednesday, January 9, 1991 at 11:00 a.m. in the Hearing Room of the Commission at 111 Doctor's Circle, Columbia, South Carolina, with the Honorable Marjorie Amos-Frazier presiding. Bill C. Killough, Esquire, and Thorton Kirby, Esquire, represented the Company; Carl F. McIntosh, Esquire, represented the Consumer Advocate; Harry M. Lightsey III, Esquire, represented Southern Bell; and Marsha A. Ward, General Counsel, represented the Commission Staff.

A Stipulation between Southern Bell and the Company was read into the record whereby the Company agreed that it would seek authority only for interLATA services; that if any intraLATA calls were inadvertently completed by the Company, it would reimburse the LEC; and that the only operator services it would provide would be for interLATA calls and would hand off the "0+", "0-", and intraLATA calls to the LEC. Based on the Company's agreement with these stipulations, Southern Bell withdrew its intervention.

The Company presented the testimony of Anita M. Sleeman in support of its Application. No other witnesses were introduced.

Witness Sleeman provided a brief overview and explanation of the request of the Company for a certificate to operate as a reseller of interexchange telecommunications services in South Carolina. Ms. Sleeman described the financial status of the Company and its financial ability to meet its goals of providing resold long distance services in South Carolina by relying on the financial integrity of its underlying carriers.

The Commission has considered the evidence in the record before it presented by the Company, the Consumer Advocate, and the Commission Staff and that based upon the evidence the Commission makes the following findings of fact and conclusions of law:

1. Corporate Telemanagement Group is a non-facilities based or switchless long distance reseller of interLATA interexchange services.

2. That the Company intends to provide resold interexchange long distance services primarily to small and medium-sized business customers.

3. That the Company is a South Carolina corporation with its principal place of business in Greenville, South Carolina.

4. That as a "switchless" resale carrier, the Company will provide service over facilities leased from other carriers authorized to provide service in South Carolina.

5. Presently, the Company has contracted with MCI and U.S. Sprint to resell their services.

6. That the Company has the experience and the resources to execute its business plan as described in its Application.

7. That the Company herein has shown itself to be fit, willing, and able to provide resale telecommunications services and that, therefore, it should be granted a Certificate of Public Convenience and Necessity to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Service (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service (FX) and Private Line Services, or any other services authorized for resale and reflected as such in tariffs of

facility based carriers approved by the Commission.

8. That the Company should be required to block or switch to the local exchange carrier (LEC) all intraLATA calls which are attempted over its network; and, if it accidentally or incidentally completes any intraLATA calls, it should be required to compensate the local exchange carrier consistent with the provisions of our Order No. 86-793 issued in Docket No. 86-187-C.

9. That any operator services will be provided for interLATA calls only and any "0+" or "0-" intraLATA or local calls will be handed off to the LEC.

10. That the charges for any "0+" or "0-" intrastate interLATA calls handled by the Company should not be higher than the charges of AT & T Communication at the time such calls are completed.

11. That the Commission herein adopts the rate design for the Company which includes only a maximum rate level for each tariff charge.

12. That while the Commission is conscious of the need for resellers to adjust rates and charges timely to reflect the forces of economic competition, rate and tariff adjustments below the approved maximum level should not be accomplished without notice to the Commission and to the public. The Company shall incorporate provisions for filing proposed rate changes and publication of notice of such changes two weeks prior to the effective date of such changes, and affidavits of publication must be filed with the Commission. Any proposed increase in the maximum rate level reflected in the tariffs of the Company which should be applicable to the general body of subscribers that constitute a general

ratemaking proceeding would be treated in accordance with the notice and hearing provisions of S.C. Code Ann., Sections 58-9-540 (Cum. Supp. 1989).

13. That the Company may only use underlying carriers for the provision of intrastate telecommunications service that are certified by this Commission to provide such service and the Company will notify the Commission in writing as to its underlying carrier or carriers and of any change in its carriers.

14. That the Company is hereby ordered to file tariffs and a price list to reflect the findings herein within thirty (30) days from the date of this Order.

15. That the Company has been providing intrastate toll prior to being certified by this Commission, and the Consumer Advocate made a motion requesting that the Company make its best efforts to contact those customers billed for service the Company was unauthorized to provide. The Company should contact customers through bill inserts concerning the customers' entitlements to refund or credit for service provided to the customer and for which compensation was received by the Company prior to the Company being authorized to provide such service by the Commission.

16. That the Company will notify the Commission when refunds or credits have been completed so that the Staff may verify the amount of the refund or credit, the period of time involved, the number of customers affected, and that the Company refunded or credited such amounts using the Commission approved rate of interest of 12%, as provided by S.C. Code Ann. Section 58-9-540(B) (1976), as amended.

17. That the Company is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined the resellers should be treated similarly to facilities based interexhange carriers for access purposes.

18. That the Company shall file on a yearly basis surveillance reports with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports should be included as Attachment A hereof.

BY ORDER OF THE COMMISSION:

Marjorie Amos-Frazier
Chairman

ATTEST:

Charles Saltzer
Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1)SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2)SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3)RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4)PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5)PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6)ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).