

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

NEWS RELEASE

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For Further Information Contact: Daniel Long - 919-733-0835

Mary Steel - 919-733-0846

**NORTH CAROLINA UTILITIES COMMISSION APPROVES
DEFINED-RADIUS PLANS, MAKES TRIANGLE/TRIAD
CALLING EXPERIMENTS PERMANENT**

The North Carolina Utilities Commission has issued a series of Orders approving the concept of defined-radius and defined-area calling plans, declaring the Triangle and Triad experimental calling plans permanent service offerings, and imposing a moratorium on new extended area service proposals.

The defined-radius plans (DRPs) and defined-area plans (DAPs) are proposals by various local exchange companies (LECs) to offer 50% discounts from existing intraLATA toll rates and seven-digit calling to customers over an extended area. The DRPs generally extend out in a 40-mile radius from a given exchange, while DAPs consist of certain named exchanges. Both Southern Bell Telephone and Telegraph Company and Carolina Telephone and Telegraph Company propose to offer DRPs on a company-wide, intraLATA basis throughout their franchise territories.

In its Order, the Utilities Commission required that LECs proposing DRPs and DAPs conform their proposals to certain conditions. For example, in order to preserve the recently approved facilities-based intraLATA competition, DRP/DAP areas will be open to intraLATA 10XXX-1+ competition from long-distance interexchange carriers (IXCs) on a non-discriminatory basis. In addition, LECs will be required to provide free customer-optional call detail to customers in DRP/DAP areas for the measured rate calls.

In a related matter, the Utilities Commission declared the existing experimental Triangle and Triad Calling Plans permanent service offerings. These calling plans generally offer a 50% discount from existing intraLATA toll rates and seven-digit dialing and were officially due to expire this summer. The Triangle and Triad calling plans will have to be modified to conform to general DRP/DAP requirements; but, with the exception of customer-optional free call detail, the impact on customers will be minimal.

The Utilities Commission also imposed a moratorium pending further Order on most new extended area service proposals. Extended area service proposals involve non-optional, flat-rate calling between separate exchanges, with the imposition of a rate additive to the local service rate. The Utilities Commission said that a moratorium was advisable to allow time to effectuate and assess the DRP/DAP offerings.

Due to network, software, and other necessary modifications, it is uncertain at this point as to when the DRP/DAP proposals will be implemented at any given location. The LECs were directed to file revised tariffs conforming to the Utilities Commission's Order as soon as practicable.