

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN INQUIRY INTO INTER- AND)	
INTRALATA INTRASTATE COMPE-)	ADMINISTRATIVE
TITION IN TOLL AND RELATED)	CASE NO. 273
SERVICES MARKETS IN KENTUCKY)	

O R D E R

The Public Service Commission ("Commission") in its Order on Rehearing in this case scheduled a formal conference for July 20, 1984. The lack of technical and/or engineering information on the Specialized Common Carrier ("SCC") systems has hampered the Commission's effort in this proceeding. It is the Commission's intention to use the formal conference to gather technical information on the proposed methods of deferring or preventing unauthorized intraLATA toll calling. The Commission is of the opinion that this conference will satisfy at least some of its information needs and should facilitate the rehearing.

There have been four methods proposed by the various parties for preventing unauthorized intraLATA calling. The methods proposed have included blocking, billing at comparable exchange company toll rates, auditing with disconnect and advertising by the SCCs. A list of questions concerning each method has been included so that all affected (interested) parties can be prepared to respond at the conference. Additionally, the Commission requests that the SCCs and AT&T Communications of the South

Central States, Inc., file written responses to the questions on the date of the formal conference. The Commission anticipates that each SCC will have the technical personnel available to respond to these questions and to other questions which may be posed by the Commission, Commission staff, and other parties at the conference.

IT IS THEREFORE ORDERED that all parties seeking rehearing on this issue or other parties having an interest shall have in attendance at the Formal Technical Conference technical personnel qualified to respond to the Commission's questions as provided in the following section of this Order:

Blocking

1. Will local exchange companies have the capability to block intraLATA toll calls from interexchange carriers connected on the trunk side of the local switch?
2. Provide technical differences between line side connections and trunk side connections to local switches. Provide an explanation as to why ANI is an essential feature in blocking intraLATA calls from each type of connection.
3. Provide estimates as to the effect on switch capacity (i.e., number of customers served) if the Commission required reprogramming switches to block unauthorized intraLATA calling for line side connections? Provide cost estimates (if available) on reprogramming switches to block intraLATA calls.
4. Provide technical description of switching equipment for each SCC. Provide a map of Kentucky showing the location of existing switching centers and all transmission facilities in the state. Provide information on the local central office to which each of the SCCs' switches are connected.
5. Provide a listing of the locations where interstate intraLATA calling can occur in each SCC territory. Provide a listing of the areas in Kentucky where an SCC switch may be accessed by an interLATA non-toll call.

Billing

1. If an SCC has line side connections what is the first point at which the SCC becomes aware of a call? The carrier's switch? For billing purposes, does the distance-sensitive transport charge reflect distance as measured from the carrier's switch to the termination point?
2. Provide an explanation on how the call data is extracted from the switch and imputed into the billing program? What flexibilities does the SCC's billing program have for billing calls at the rates set by the Commission, i.e., what are the steps involved in reprogramming and how complex an operation is reprogramming to this extent?
3. If the Commission should determine in an ex post sense to add a flat surcharge to each intrastate intraLATA toll call what technical problems would exist for the SCC? What additional costs would be imposed by such a surcharge and what specific technical adjustments would have to be made for billing purposes? Compare and contrast the technical problems and costs with those involved in blocking.
4. Provide current estimates of unauthorized intrastate calling. If the SCC has an estimated percentage of revenue for unauthorized intraLATA in any state then please provide.

Auditing

1. Provide an explanation of the technical difficulties involved in auditing billing records for unauthorized intraLATA calling. Provide an estimate of the costs. Compare and contrast the technical problems and costs with those involved in blocking and/or surcharge solutions. Should the Commission order an SCC customer disconnected for non-compliance with its intraLATA ban, provide details of technical problems this would generate or additional costs imposed.

Advertising

1. MCI's application for rehearing indicates the Commission can monitor by a periodic sampling to determine marketing, advertising and customer education practices are discouraging intraLATA calling. Provide specifics on the approach, including estimated costs and how monitoring would be accomplished. What sort of information would be provided if the Commission elects to take this course of action?

Done at Frankfort, Kentucky, this 11th day of July, 1984.

PUBLIC SERVICE COMMISSION

Richard D. L. Loman, Jr.
For the Commission

ATTEST:

Acting Secretary