

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CONQUEST OPERATOR SERVICES)
CORP. FOR A CERTIFICATE OF PUBLIC CON-)
VENIENCE AND NECESSITY TO OPERATE AS A) CASE NO. 89-203
RESELLER OF TELECOMMUNICATIONS SERVICES,)
WITHIN THE STATE OF KENTUCKY)

O R D E R

On June 21, 1989, ConQuest Operator Services Corp. ("ConQuest") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to provide intrastate interLATA/intraLATA long distance and operator-assisted telecommunications services throughout the Commonwealth of Kentucky.

The Commission ordered ConQuest to file additional information by Orders dated August 11, 1989, and September 20, 1989. ConQuest filed its responses on September 5, 1989 and September 27, 1989, respectively. ConQuest also filed a motion for confidentiality for Appendix A of its response to the August 11, 1989 Order. Appendix A contains ConQuest's contracts and/or agreements with some motels and its line of credits. This issue of confidential treatment is pending Commission decision.

On August 16, 1989, South Central Bell Telephone Company ("South Central Bell") filed a motion for full intervention in this case. The Commission granted this motion on August 25, 1989.

On August 17, 1989, ConQuest filed a copy of its proposed tariff.

On September 6, 1989, ConQuest notified the Commission that it no longer desired to apply for intraLATA authority as previously stated in its application. Therefore, ConQuest requested that the first paragraph of its application be amended to reflect this change. By Order of September 19, 1989, the Commission approved this request.

On September 21, 1989, South Central Bell filed comments to ConQuest's response to the Commission's August 11, 1989 Order. On October 6, 1989, the Commission ordered ConQuest to file its response to these comments. ConQuest's response was filed on October 17, 1989.

The Commission established Administrative Case No. 330¹ in order to address the restrictions and guidelines for the provision of operator-assisted services by all non-local exchange carriers. The Order of this Administrative Case was issued on September 8, 1989. The non-local exchange carriers were given 30 days from the date of the Order to provide evidence or testimony why they should not have to comply with the restrictions and conditions of service contained in the Order and request for a public hearing.

ConQuest, in its September 5, 1989 response, requested an exemption from the requirement to give a caller another carrier's

¹ Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services.

identification code per request by the caller. It further stated that if the Commission deemed it necessary, ConQuest would comply with this requirement.

The Commission, having considered the application of ConQuest, the information provided by ConQuest in response to the Commission's Orders, and being otherwise sufficiently advised, finds that:

1. ConQuest should be granted authority to provide intrastate interLATA long distance and operator-assisted services, subject to all guidelines, requirements, restrictions, and conditions of service addressed in the Administrative Case No. 330 Order, dated September 8, 1989.

2. ConQuest's request for exemption from the requirement to provide other carriers' identification codes should be denied at this time. This issue will be addressed in the proceedings for Administrative Case No. 330.

IT IS THEREFORE ORDERED that:

1. ConQuest be and it hereby is granted authority to provide intrastate interLATA long distance and operator-assisted telecommunications services, subject to all restrictions, conditions of service, and guidelines described in the Administrative Case No. 330 Order, dated September 8, 1989. Those requirements are:

a. Operator-assisted services shall be subject to rate regulation and rates shall not exceed AT&T Communications of the South Central States, Inc.'s ("AT&T") maximum approved rates. "Maximum approved rates" is defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Carriers are not permitted to include any other surcharges or to bill for uncompleted calls. Time-of-day discounts shall also be applicable. Carriers are also required to rate calls using the same basis that AT&T uses to rate calls, i.e., distance calculations based on points-of-call origination and termination, definitions of chargeable times, billing unit increments, rounding of fractional units, and minimum usages. In Case No. 9889,² the Commission allowed AT&T a limited amount of rate flexibility in that it was allowed to reduce certain rates up to a maximum of 10 percent without filing the full cost support normally required in a rate proceeding. Carriers are not required to match AT&T's rate reductions resulting from this rate flexibility. However, when there is any change in AT&T's maximum approved rates, carriers shall file tariffs if necessary to comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

² Case No. 9889, Adjustment of Rates of AT&T Communications of the South Central States, Inc.

b. Except as otherwise indicated in this Order, non-dominant carriers shall be subject to regulation as delineated in the May 25, 1984 Order in Administrative Case No. 273,³ as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order shall take precedence, unless a carrier is specifically relieved from compliance with any conditions contained herein. AT&T shall remain subject to dominant carrier regulations.

c. Access to the operator services of competing carriers shall not be blocked or intercepted; however, this requirement does not pertain in situations where the customers who have control of premises equipment are also the users and bill-payers of the services.

d. Access to the local exchange carrier's operators shall not be blocked or otherwise intercepted. Specifically, all "0 minus" calls, that is, when an end-user dials zero without any following digits, shall be directed to the local exchange carrier operators. In equal access areas, "0 plus"⁴ intraLATA calls shall not be intercepted or blocked. In non-equal access areas, it is prohibited to block or intercept "0 minus" calls; however it is permissible to intercept "0 plus" calls.

³ Administrative Case No. 273, An Inquiry Into Inter- and IntraLATA Intrastate Competition in Toll and Related Services Markets in Kentucky.

⁴ A "0 plus" or "0+" call occurs when an end-user dials zero and then dials the digits of the called telephone number.

e. Blocking and interception prohibitions shall be included in tariffs and contracts by stating that violators will be subject to immediate termination of service after 20 days notice to the owners of non-complying customer premises equipment.

f. Operators shall provide, upon specific request, carrier identification codes that are used in 10XXX0 dialing sequences.

g. Carriers shall provide tent cards and stickers to be placed near or on telephone equipment used to access their services and shall include provisions in tariffs and contracts that subject violators to termination of service.

h. Operators shall be required to identify the carrier at both the beginning and conclusion of the operator contact on every call.

i. Operators shall provide an indication of the carrier's rates to any caller upon request.

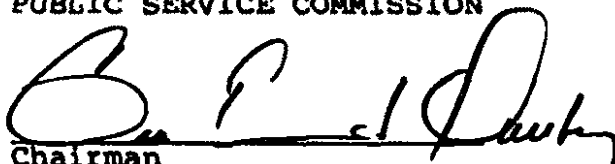
j. Carriers shall not accept calling cards for billing purposes if they are unable to validate the card.

2. This authority to provide service is strictly limited to those services described in this Order and ConQuest's application.

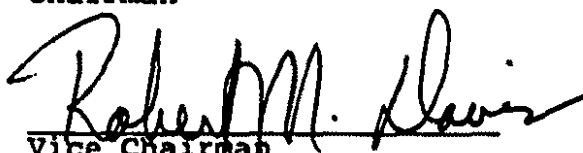
3. Within 30 days from the date of this Order, ConQuest shall file its tariff sheets to conform to the restrictions and conditions of service contained herein.

Done at Frankfort, Kentucky, this 8th day of November, 1989.

PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman

Commissioner

ATTEST:

Executive Director