COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TELECARE, INC.

ALLEGED VIOLATION OF KRS 278.020 AND KRS 278.160 CASE NO. 92-351

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ORDER

On August 28, 1992, Telecare, Inc. ("Telecare") was ordered to show cause why it should not be penalized pursuant to KRS 278.990 for its alleged failure to comply with KRS 278.020 and KRS 278.160. On September 11, 1992, Telecare appeared at an informal conference to negotiate a proposed settlement resolving the issues in this case. The proposed Settlement Agreement, attached hereto and incorporated herein as Appendix A, was filed into the record on September 16, 1992. The settlement expresses Staff and Telecare's agreement on a mutually satisfactory resolution of all the issues in this case.

In determining whether the results of the Settlement Agreement are in the public interest and are reasonable, the Commission has taken into consideration the steps taken by Telecare to remediate and cure the outstanding violations.

After consideration of the proposed Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the proposed Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement is hereby adopted and approved in its entirety as a reasonable resolution to the issues in this case. Telecare shall adhere to and comply with all provisions of the Settlement Agreement the same as if individually ordered herein.

2. Within 10 days of the date of this Order, Telecare shall pay the agreed penalty of \$2,500 by certified check or money order made payable to Treasurer, Commonwealth of Kentucky. Said check or money order shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

Done at Frankfort, Kentucky, this 1st day of October, 1992.

PUBLIC SERVICE COMMISSION

ice Chairman

ATTEST:

Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-351 DATED October 1, 1992.

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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REOWING

In the Matter of:

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TELECARE, INC.

PUBLIC CE CASE NO. 92-351

ALLEGED VIOLATION OF KRS 278.020 AND KRS 278.160

SETTLEMENT AGREEMENT

WHEREAS, on August 28, 1992, the Commission issued an Order requiring Telecare, Inc. ("Telecare") to appear before the Commission on September 30, 1992 to show cause why it should not be penalized pursuant to KRS 278.990 for its alleged violation of KRS 278.020 and 278.160.

WHEREAS, on September 8, 1992, Telecare filed a motion requesting an informal conference to allow Telecare and Staff to discuss a settlement of the issues.

WHEREAS, Telecare and Staff have reached an agreement on the resolution of the issues. Telecare agrees to pay a penalty of \$2,500 and to make refunds or credits to its customers in accordance with paragraphs 2 and 3 of this Agreement.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Telecare shall pay a penalty in the amount of \$2,500 to be paid in full within 10 days of an Order approving this Settlement Agreement. A certified check for the full amount of the penalty shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel of the Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601. 2. Telecare shall commence making refund payments or credits upon issuance of a final Order by the Commission to its Kentucky customers for all charges billed by Telecare for intrastate telecommunications service from March 1992 until such time as Telecare is authorized to provide intrastate services. Within six (6) months of commencing to make refund payments or credits, Telecare shall have completed the crediting and refunding.

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3. Within 30 days of the date of the Order approving the proposed settlement Telecare shall provide a list to the Commission of the names, addresses, amounts paid, and method of payment for customers entitled to and receiving a refund or credit. Thereafter, Telecare shall provide monthly reports to the Commission in performing its obligations under this Settlement Agreement.

4. This Settlement Agreement is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving any other utility.

5. If the Commission issues an order adopting this Settlement Agreement in its entirety, Telecare agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to Franklin Circuit Court from such order.

6. If the Settlement Agreement is not adopted in its entirety, Telecare reserves the right to withdraw from it and

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require that hearings go forward upon all or any matters involved herein, and that in such event that terms of the agreement shall not be deemed binding upon the signatories hereto, nor shall such agreement be admitted into evidence or referred to or relied on in any matter by any signatory hereto.

7. All the parties hereto agree that the foregoing Settlement Agreement is reasonable and in the best interest of all concerned, and urge that this Commission adopt this agreement in its entirety.

AGREED TO BY:

Mafk R. Overstreet Attorney for Telecare, Inc. G//5/52

Date

Hon, Amy E. Dougherty on behalf of Commission Staff

Date