

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TELECOMMUNICATIONS RELAY)
SERVICES AND THE FUNDING PROCESS)
FOR THE TELECOMMUNICATIONS RELAY) ADMINISTRATIVE
SERVICE AND THE TELECOMMUNI-) CASE NO. 357
CATIONS DEVICES FOR THE DEAF)
PROGRAMS)

O . R D E R

On July 19, 1996, the Commission awarded AT&T Communications of the South Central States ("AT&T") the contract for the provision of Telecommunications Relay Service ("TRS") for the period of July 19, 1996 through September 19, 1998. On August 7, 1996, Sprint Communications Company, L.P. ("Sprint") filed a petition for rehearing pursuant to KRS 278.400. On August 21, 1996, AT&T filed a response to Sprint's petition.

Sprint states in its petition that it believes the Commission based its decision on factors that were not identified in the Request for Proposal ("RFP") as evaluation criteria, specifically, average call length. The Commission is charged with the duty of determining the most cost-effective method of providing TRS by KRS 278.548, therefore average call length in conjunction with cost per minute is a relevant factor to determine estimated total contract cost. However, the Commission will grant rehearing to consider the issue of average call length and allow Sprint and AT&T to fully compare their average call lengths, including call set up time.

The Commission also considered features that were to be provided for the cost per minute. All bidders met the mandatory requirements of the RFP and went beyond the requirements of the RFP. AT&T proposed to provide more features than the other bidders in its basic cost per minute. Sprint identified several features in its proposal that would be an additional cost. The Commission will grant rehearing to allow Sprint to identify all features that it can provide as compared to AT&T, and the total cost per minute.

These two factors determine the "most cost-effective method of providing TRS" and provide the most benefits to the citizens of the Commonwealth. Because of the possibility of factual errors as a foundation for the July 19, 1996 decision, the Commission is granting this rehearing.

Sprint and AT&T shall submit to the Commission data that demonstrates the average call length and average set up time for relay calls in each state they serve and for each relay center they serve. Sprint and AT&T shall also submit to the Commission a list and description of the features that they provide for the cost per minute and prices for each additional feature. Based on these two factors the Commission will reconsider its determination of the most cost-effective method for providing TRS.

The operational date for the new contract is September 3, 1996. Due to this rehearing and the time needed to review additional information, it is not possible to meet this date. Therefore, AT&T's original contract is extended to and including September 30, 1996.

IT IS THEREFORE ORDERED that:

1. Sprint's request for rehearing is granted for the limited issues of determining lowest average call length and the total features that each bidder can provide and the total cost per minute.

2. Within 10 days of the date of this Order, Sprint and AT&T shall submit to the Commission the information described in this Order.

3. AT&T's original contract is extended to and including September 30, 1996.

Done at Frankfort, Kentucky, this 27th day of August, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director