

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DEREGULATION OF LOCAL EXCHANGE)
COMPANIES' PAYPHONE SERVICE) ADMINISTRATIVE
CASE NO. 361

O R D E R

The Commission began this proceeding on its own motion in response to recent FCC orders that deregulated payphone equipment and provision of service by Local Exchange Carriers ("LECs"). The Commission has issued two information requests in this proceeding, in part requiring all LECs to file revised tariffs to deregulate payphone service provided by the LEC. The Commission, in an effort to meet federal deadlines to allow LECs to begin collecting compensation for previously non-compensated calls,¹ approved the tariffs filed in this docket on an interim basis. However, the tariffs filed with the Commission lack uniformity relative to the language and conditions. The Commission, in an effort to ensure uniformity and capture all elements that should be in the tariffs, has prepared a generic tariff attached as Appendix A. The tariffs of GTE South Incorporated ("GTE"), BellSouth Telecommunications, Inc. ("BellSouth"), and Cincinnati Bell Telephone Company ("CBT") will be addressed in a separate Order pending resolution of the complaint of Coin Phone Management Company which was consolidated into this case.² The Commission will address the tariffs of all other LECs in this Order.

¹ CC Docket Nos. 96-128 and 91-35, released September 20, 1996, paragraph 186.

² Order dated April 17, 1997.

LECs will become providers of Access Line Service for the provision of payphone service to other Payphone Service Providers ("PSPs") (formerly known as "COCOTs"). LECs will also offer payphone service on a nonregulated basis within the company or through a separate subsidiary. BellSouth is the only LEC that has chosen to offer payphone service through a separate subsidiary. Although the LECs' payphone equipment has been deregulated and the local coin service rate will be deregulated on October 6, 1997,³ the Commission retains jurisdiction over the access line rate and certain conditions of service. The Commission also retains jurisdiction over the rates of certain payphone features, such as central office coin supervision, unbundled as a result of deregulation and provided by the LEC. The LECs are required to include all unbundled elements in their tariffs. Also, these tariffs should include information regarding the level of operator service and long-distance rates charged by the LEC. Because LECs will provide payphone service in like manner as other PSPs, their tariffs must contain the same provisions. Commission regulations require that these provisions be included in all PSP tariffs; therefore, included in the tariff contained in Appendix A are these provisions.

The Commission invites comments on Appendix A and any requests for an informal conference with staff.

IT IS THEREFORE ORDERED that:

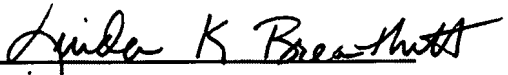
1. Within 30 days of the date of this Order, all LECs with the exception of GTE, BellSouth, and CBT shall file comments, if any, regarding Appendix A.

³ CC Docket Nos. 96-128 and 91-35, released September 20, 1996, paragraph 61.

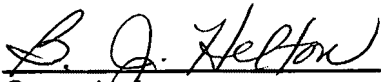
2. Within 30 days of the date of this Order, any requests for an informal conference with staff shall be filed.

Done at Frankfort, Kentucky, this 1st day of October, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 361 DATED OCTOBER 1, 1997

GENERAL SUBSCRIBER SERVICES TARIFF

Telephone Company Name

PSC 1
Section G
First revised Sheet 3
Canceling Original Sheet 3

2. Rule and Regulations For Providing Public Telephone Service
- a. The Company does not charge toll rates that are greater than 15% above the average rates of AT&T, MCI, and Sprint for comparable service.
 - b. The Company does not allow access to the service of competing carriers to be blocked or intercepted.
 - c. Access to the local exchange carrier's operators will not be blocked or otherwise intercepted. Specifically, all "0-" calls (that is when an end-user dials zero without any following digits) will be directed to the local exchange carrier operators. In equal access areas, "0+" intraLATA calls will not be intercepted or blocked. "0+" call occurs when an end-user dials zero and then dials the digits of the called telephone number. In non-equal access areas, it is prohibited to block or intercept "0+" calls.
 - d. Where an end-user utilizing the Company's Public Telephone dial "0+" seven or ten digits for an intraLATA call, the Company will not intercept or block the call, but will allow it to be carried by the LEC.
 - e. Where an end-user utilizing the Company's Public Telephone dials 10XXX-0+, the Company will allow the call to be carried by the identified carrier.
 - f. The Company is not required to provide access codes of competitors.
 - g. The Company places stickers near or on its telephone equipment specifying the name, address, and telephone number of the entity pre-subscribed for operator services.
 - h. The Company requires that if an operator service provider rates and bills calls, then the operator service provider must be identified to end-users at least once during every call before any charges are incurred.
 - i. The Company ensures that its operator services provider provides a way for any caller, upon request, to be informed as to the applicable rates.
 - j. The Company does not accept calling cards for billing purposes if it is unable to validate the card.
 - k. If Public Telephone Services in correction facilities and mental health facilities are provided by the

Issued: July 1, 1997

Effective: July 31, 1997

Issued By: _____

Signature of Officer

Title

Dated

GENERAL SUBSCRIBER SERVICES TARIFF

Telephone Company Name

PSC 1
Section G
First revised Sheet 4
Canceling Original Sheet 4

Company, the services are in accordance with the following requirements: Inmate phone service will only provide automated collect and debit card service for local and long distance calls from Public Telephones located at correctional or mental health facilities in accordance with institutionally authorized telephone programs.

l. The Company understands that if it is found to violate Sections b, c, or g contained in these rules, it may be subject to immediate termination of service after 20 days notice.

m. Choose One:
[If (3) is chosen, a rate sheet is attached]

- (1) The Company's rates are no greater than those of _____, its underlying toll carrier,
OR
- (2) The Company concurs with rates for 1+ and 0+ calls of _____, its underlying toll carrier, OR
- (3) The Company charges the following rates for "1+" sent paid (cash) calls:

Issued: July 1, 1997 Effective: July 31, 1997

Issued By: _____
Signature of Officer Title Dated

GENERAL SUBSCRIBER SERVICES TARIFF

Telephone Company Name

PSC 1
Section G
First revised Sheet 5
Canceling Original Sheet 5

3. Service Options

At the request of the subscriber, certain options may be added to the access line for Public Telephone Service and will be billed at the approved tariff rate. All options must be compatible with the hardware and software in use by the existing telephone Company switching equipment.

a. Coin Supervision Additive Service

The Company will provide Coin Supervision Additive Service to PSPs who order Access Line Service for the provision of Public Telephone Service and where the Public Telephone equipment connected to the Access Line Service requires central office coin supervision capability.

Coin Supervision Additive Service provides the capability of central office line equipment to pass signals and/or tones from the Access Line Service to a trunk terminating at the PSPs operator service provider. These signals enable an operator service provider to recognize coin deposits and return coins to the Public Telephone user. Coin Supervision Additive Service also permits a suitable equipped operator service provider to automatically ring back the originating access line upon completion of a call.

This option require special central office line card which differs from the standard access line card and will be provided where facilities exist.

b. Public Telephone Screening / Blocking

Screening / Blocking for Public Telephone access lines includes Company provided services necessary to coordinate with operator connections or block subscribers from making specific types of calls. This service includes software translations done at the Company's facilities and also includes coordination between the Company and connecting Company databases.

Issued: July 1, 1997

Effective: July 31, 1997

Issued By: _____

Signature of Officer

Title

Dated

