

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ESTABLISHMENT OF AN OPERATOR SURCHARGE) ADMINISTRATIVE
RATE FOR COLLECT TELEPHONE CALLS FROM) CASE NO. 378
CONFINEMENT FACILITIES)

O R D E R

IT IS ORDERED that each party shall file the original and 10 copies of the following specified information with the Commission with a copy to all parties of record no later than April 30, 1999 and shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

Telecommunications Companies

1. a. List the states in which you provide station-to-station or operator-assisted collect calls for inmate facilities.
- b. Identify by name all Kentucky confinement facilities in which you serve.
- c. Do you have an exclusive contract with the Kentucky facilities served by your company? If so, identify the facilities, the date on which the contracts were executed, and the date on which the contract will expire.
- d. Provide documentation of all rates and surcharges applicable to inmate services in each state, such as tariff sheets or contracts. Include local, intraLATA and interLATA calls.

e. What are your current rates (both surcharges and per minute) for inmate and non-inmate collect calls in Kentucky?

f. What were your Kentucky rates for inmate and non-inmate calls 2 years ago, 5 years ago, and 10 years ago?

2. a. Is it feasible to limit the application of the surcharge to once in a 24 hour period and bill subsequent calls within that 24 hour period on a per-minute basis only? Explain your response.

b. What other alternatives do you propose for eliminating high telephone bills for recipients of inmate calls?

3. If a commission is paid to the inmate facility, how do you calculate the amount of the commission or percentage of revenue you return to the inmate facility?

4. Is a commission required by all inmate facilities?

5. Are you aware of any contracts between inmate facilities and other phone service providers that do not require a commission payment?

6. If a commission were not required to be paid to an inmate facility, how would you arrive at your bid for providing the service?

7. Does your company provide different services to inmate facilities with which it has contracts?

8. If there are different services offered, provide a list of the service features that are available for each level and the rates and equipment associated with each service.

MCI WorldCom

9. Provide the gross billed revenue amounts for completed calls from 1995 through 1998 upon which the Department of Corrections commission was determined pursuant to IPB page 21, third paragraph.

The Plaintiffs Group

10. Regarding the appropriateness of a cost/profit analysis to address the reasonableness of the surcharge:

a. Are you aware that a telecommunications provider's equipment and expenses serve both the interstate and intrastate jurisdictions?

b. Are you aware that FCC accounting (separation) rules which divide this equipment and expenses between interstate and intrastate jurisdictions for the purpose of determining intrastate and interstate profitability and rates are not applicable to interexchange carriers?

c. If IXCs providing inmate services do not separate equipment and expenses between jurisdictions, how can the Commission make a determination as to cost/profit in the intrastate jurisdiction?

Done at Frankfort, Kentucky, this 5th day of April, 1999.

By the Commission

ATTEST:

Executive Director