

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE TARIFF APPLICATION OF)
SOUTH CENTRAL BELL FOR)
ACCESS LINE SERVICE FOR)
CUSTOMER-PROVIDED PUBLIC)
PHONES)
AND) CONSOLIDATED CASES
NO. 9220 AND 9223
THE TARIFF APPLICATION OF)
CINCINNATI BELL TELEPHONE)
COMPANY TO ESTABLISH)
REGULATIONS, RATES AND)
CHARGES FOR MEASURED RATE)
COIN SERVICE FOR USE WITH)
CUSTOMER-PROVIDED PUBLIC)
PHONES)

O R D E R

On November 15, 1984, South Central Bell ("SCB") filed a tariff to allow registered, customer-provided, coin-activated telephone ("pay-phones") to be connected to its switched network. The proposed tariff would allow the connection of these pay-phones on a measured-service basis where that service is available. Where measured service is not available, a "surrogate" flat rate, based on average usage of utility-provided pay-phones, would be assessed.

Cincinnati Bell Telephone Company ("Cincinnati Bell") filed a similar tariff on November 20, 1984. Cincinnati Bell's proposed tariff would assess the utilities' message-rate access charge where measured service is not available in its serving area.

These tariffs were subsequently suspended and consolidated for purposes of further consideration by the Commission.

On January 17, 1985, a formal conference was held in these matters. Issues discussed were as follows:

1) Whether a decision to allow registered pay-phones would be inconsistent with the Commission's Order in Case No. 8883, dated December 22, 1983, which ordered that the Commission would not deviate from the existing telephone equipment registration rules of the Federal Communications Commission ("FCC") and therefore would not allow the connection of non-registered pay-phones to the switched network;

2) Whether a decision to allow registered pay-phones would be inconsistent with any of the findings of that same Order; and

3) Some limited discussion of the merits of the respective tariffs.

Parties actually participating in the formal conference included SCB, Cincinnati Bell, and AT&T Communications of the South Central States, Inc. ("ATTCOM"). Parties granted full intervention status in these cases included ATTCOM, Phoenix Enterprises, Capital Tel Systems, Inc., Circle K Corporation, and William-Tel Phone Company. Parties granted limited intervention status include Michael K. Guest, ApCon, Inc., and Better Telephones and Technology, Inc.

On March 27, 1985, the Commission issued an Order in these cases wherein the Commission took the position that FCC-registered pay-phones would be allowed to be connected to the public switched

telephone network, subject to reasonable terms and conditions in telephone utility tariffs, and set a hearing, which was held on April 24, 1985. In addition to testimony relative to the proposed tariffs filed by SCB and Cincinnati Bell, testimony was also received on three propositions set forth in the Order:

1) The name, address, and telephone number of the person or entity responsible for the pay-phone must be affixed to that phone to assist in the resolution of user complaints (i.e., return of coins for uncompleted calls, maintenance, etc.);

2) The pay-phones must meet requirements of federal law relative to accessibility to the physically-handicapped and hearing impaired; and

3) The pay-phones must provide coin-free access to emergency numbers such as 911, where those emergency numbers are available.

Principally, the intervenors (the pay-phone proponents) complained of what they considered excessive rates for the proposed access line charges. However, they offered no proof in support of their position in favor of a low flat rate or a low message rate rather than the measured service rates proposed in the two tariffs.

ATTCOM's objection to directory assistance charges on customer-owned pay-phone service where none was charged SCB's own pay-phone customers has been rendered moot by the Commission's decision in Bell's most recent rate case, dated May 2, 1985, in Case Number 9160, Petition of South Central Bell Telephone Company to Change and Increase Certain Rates Charges for Intrastate

Telephone Service, where directory assistance charges were imposed on all such service.

No party opposed the Commission's three proposed conditions, set forth above, and in fact, when specifically asked on cross-examination, all parties affirmatively supported them. However, SCB pointed out that it would cost approximately \$5,000,000 and 3 years to provide truly coin-free access (dial tone without a coin) for its own pay-phones. SCB suggested that the third proposition be changed to require only that customer-provided phones have the same access to emergency numbers as the telephone utilities. Whether to require universal coin-free 911 service is outside the scope of this proceeding, but for the present, the Commission will require that customer-owned pay-phones only be equipped the same as those of telephone utilities.

Both SCB and Cincinnati Bell voiced strong reservations against any requirement that they be made to "police" these Commission-imposed requirements. However, they did not object to a certification requirement. The Commission directs that they obtain from every pay-phone customer a certification that the customer's phone meets Commission requirements, and forward the certifications to the Commission.

Customer-owned pay-phones have some of the characteristics of the larger issue of resale of local telephone service, and may be re-examined in a generic proceeding which will be established. Pending the outcome of such a proceeding, pay-phone operators should be aware that Commission requirements for such service may

be changed or expanded. Therefore, the Commission will not at this time require other telephone utilities to file tariffs for this service.

The Commission, having considered this matter, and being advised, is of the opinion and finds that:

1) Cincinnati Bell's proposed tariff, as filed November 20, 1984, is reasonable and should be approved;

2) SCB's proposed tariff, as filed November 15, 1984, is reasonable and should be approved;

3) The following conditions are reasonable and should be required to be included in the above tariffs:

(a) The name, address, and telephone number of the person or entity responsible for the pay-phone must be affixed to that phone to assist in the resolution of user complaints (i.e., return of coins for uncompleted calls, maintenance, etc.);

(b) The pay-phones must meet requirements of federal law relative to accessibility to the physically-handicapped and hearing impaired; and

(c) The pay-phones must provide access to emergency numbers and services under the same terms and conditions as that required of telephone utilities' coin phones; and

4) SCB and Cincinnati Bell should be required to obtain and file with the Commission a statement from each pay-phone operator for each installation that such equipment meets the requirements imposed in this Order.


IT IS THEREFORE ORDERED that the tariffs mentioned in findings one and two will be effective on and after the date of this Order.


IT IS FURTHER ORDERED that both SCB and Cincinnati Bell shall refile tariffs on these subjects within 10 days of the date of this Order, to incorporate the conditions mentioned in finding three.


IT IS FURTHER ORDERED that SCB and Cincinnati Bell shall obtain and file with the Commission a statement from each pay-phone operator for each installation that such equipment meets the requirements imposed in this Order.

Done at Frankfort, Kentucky, this 13th day of May, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary