

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INQUIRY INTO THE PROVISION AND REGULATION ) ADMINISTRATIVE  
OF CELLULAR MOBILE TELEPHONE SERVICE IN ) CASE NO. 344  
KENTUCKY )

O R D E R

IT IS ORDERED that all Cellular Mobile Telephone Service Providers shall file the original and 12 copies of the following information with the Commission within 30 days from the date of this Order, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information has been provided, in the format requested herein, with the original application, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If the information cannot be provided by the stated date, providers should submit a motion for an extension of time stating the reason

a delay is necessary and a date by which the information will be furnished. Such motion will be considered by the Commission.

All Cellular Mobile Telephone Service Providers shall file responses to Items 1-40.

1. Are rates which are offered to an end-user defined as "retail rates"? If not explain your definition of the word "retail."

2. Are rates which are offered to a "middleman" who will eventually resell the service to an end-user defined as "wholesale rates"? If not, explain your definition of the word "wholesale."

3. Does the amount of service, (i.e. whether one line or one minute or 1000 lines or 1000 minutes), provided to an end-user determine whether the transaction is wholesale or retail? Explain your answer.

4. Are you familiar with the Federal Communications Commission's ("FCC") definition in its cellular orders regarding the distinction between retail and wholesale? If yes, explain your interpretation of this definition.

5. Provide references to all orders issued by the FCC regarding the regulation of cellular rates, either wholesale, retail or other.

6. Explain your definition of the word "reseller" in the context of the cellular industry.

7. Provide the names of resellers in your franchise area and provide a description of their operations.

8. Do you agree with the economic concept that true price competition cannot occur in a market that does not provide for freedom of entry? If not, explain your position.

9. In a market limited to only two participants, could each be realizing returns above those seen as fair, just, and reasonable, while offering substantially the same rates for the same service? If not explain your position.

10. Are the alternatives to cellular service mentioned in the responses to the Commission's October 9, 1992 Order, i.e. pagers, answering services and personal communications systems, perfect substitutes for cellular service? Explain.

11. Is the range of a Personal Communication System ("PCS") more limited than that of a cellular telephone? Explain your position.

12. Is a pager or answering service as convenient as a cellular telephone with respect to emergency situations and immediate response requirements? Explain your position.

13. Provide price comparisons between comparable service for paging, PCS and cellular service.

14. Does the cellular industry anticipate that an individual would subscribe to at least two of the above services at the same time, i.e. an answering service and a cellular telephone? If not, explain. If yes, and if the services are perfect substitutes, why would someone choose to have both services available?

15. What service, feature or advantage can your cellular company offer that the other licensee in your area cannot? Explain in detail how these are different.

16. Have you ever inspected your competitor's tariff either at the Commission or at some other location where the tariff is available? If yes, why? If no, why not?

17. Have you ever discussed pricing issues with the other licensee in your area? If yes, for what reason?

18. Have you computed your company's rate of return on investment or equity or some other measurement? If not, how can you determine the operation's profitability? If yes, provide the computations for the times you have made such a calculation.

19. Provide the following information:

a. the date your FCC license was granted or acquired if purchased from another licensee.

b. if purchased, list the selling company, the purchase price, purchase price per customer, the terms of the sale, and the names of the owners of the selling company.

c. the names of the individuals or entities with controlling interests and of the individual members of the board of directors of your own company.

20. For those cellular companies operating in an RSA or MSA that borders and includes counties from other states (for example the Louisville and Cincinnati MSA's):

a. Are your operations in the neighboring counties of other states identical to your Kentucky operations? Explain.

b. Do you charge identical wholesale and retail prices? If not, explain.

c. Do you offer the same contracts to all similar customers in your operating territory? Explain.

21. Does your company or your company's parent organization directly, by partnership or through an affiliate own a percentage of and/or operate more than one cellular company in Kentucky? If so:

a. List the companies and their operating territories.

b. List the names of the individuals or entities with controlling interests and the names of the individuals serving on each company's board of directors.

22. Do any of your affiliated companies or stockholders obtain rates for cellular service which are different from or preferential to the tariffed wholesale rates which are available to other customers?

23. Provide a complete description and sample copies of every type of initial and renewal subscription contract that your company currently offers through agents or its own sales force to subscribers and end-users and the number of people served under each contract.

24. Discuss the terms under which a potential reseller of retail cellular services would arrange to obtain service through your company. Provide a copy of any contracts which would apply to this situation. Would this type of arrangement be negotiable? Explain.

25. List all companies with whom you have roaming agreements.
26. Do your subscribers roam to a competitor's facility under any circumstance? Explain.
27. Do your subscribers roam to a facility of a company with whom you do not have a roaming agreement? Explain.
28. Explain your method of accounting for roamer revenues.
29. Explain your method of accounting for equipment sales.
30. Explain your views regarding appropriate changes, if any, in the Commission's procedure for granting certificates to construct cellular towers.
31. Explain your views regarding appropriate changes, if any, in the current annual reporting requirements.
32. Explain your views regarding the extent and nature of competition which exists in your service area between cellular providers and non-cellular alternatives (e.g. paging, etc.).
33. Explain any competitive advantage or disadvantage you have vis-a-vis other cellular providers in your market.
34. Provide an organizational chart depicting all of your Kentucky cellular operations. The chart should include all corporate names, business names, and any other names under which you provide services.
35. In reference to Schedule 7 (pp. 10 and 11) of the Annual Report:
  - a. List and explain items accounted for on page 10, lines 1-7, Wholesale Cellular Income.

b. List and explain items accounted for on page 10, lines 8-14, Retail Cellular Income.

c. List and explain items accounted for in Account 450, Income - Non-Cellular Operations.

d. List and explain items accounted for in Account 454, Income Deductions - Non-Cellular Operations.

36. Do end-users incur a cost for incomplete calls?

37. Discuss the reasons why new or existing customers are required to enter into a contract with a cellular carrier for a period longer than one month?

38. If your cellular company requires subscribers to sign a contract for a stated period of time, is there a penalty if the subscriber changes carriers? For purposes of this question, penalty means that a customer would either forfeit a deposit paid to the carrier, be required to pay an exit fee for voiding the service contract, or be required to pay the full amount which would have been paid pursuant to the terms of the contract.

39. In reference to Item 1 of the Commission's October 9, 1992 Order, provide the date and percentage of change for each retail price change for the basic service option since your company began providing service. For purposes of this item, a price change could mean changes in cost per minute, roaming charges, deposit activation fees, exit or contract obligation fees or monthly service charges. A price change does not mean the inclusion of any other service option at "no charge" with the basic plan, reduction

in equipment costs or any price changes connected to any type of limited sales promotion.

40. List the number of service complaints received annually from the date your company began providing service and an estimate of the average time required to resolve those complaints.

Responses to Items 41-51 shall be filed by the designated companies.

41. BellSouth Mobility shall provide complete responses to Items 4, 10, 23 and 29 of the Commission's October 9, 1992 Order.

42. Mountaineer Cellular shall provide a map which shows all specific cell site locations, rather than coverage areas.

43. West Virginia Cellular shall provide a legible map copy showing all specific cell site locations.

44. Taconis Cellular shall provide a map showing specific cell site locations, rather than coverage areas, and respond to Items 31 and 32 of the Commission's October 9, 1992 Order.

45. Cellular Phone of Kentucky, Inc. shall respond to Items 2, 3, 4, 7, 8, 9, and 24 of the Commission's October 9, 1992 Order.

46. Independent Cellular shall respond to Item 4 of the Commission's October 9, 1992 Order.

47. Southern Ohio Telephone Company shall provide a larger map of its service area cell site locations.

48. Alpha Cellular shall provide a map which shows specific cell site locations, rather than coverage areas.



49. Danbury Cellular shall provide a map which shows all specific cell site locations, as opposed to a previously provided map showing coverage areas.

50. Evansville Cellular shall provide a map which shows specific cell site locations.

51. Ameritech Mobile shall respond to Items 4, 9, 14, 16, and 27 of the Commission's October 9, 1992 Order.

Done at Frankfort, Kentucky, this 21st day of June, 1993.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director