

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INQUIRY INTO THE FEASIBILITY OF SET USE) ADMINISTRATIVE
FEE FOR TELECOMMUNICATIONS SERVICES IN) CASE NO. 356
THE COMMONWEALTH OF KENTUCKY)

O R D E R

On August 17, 1995, Coin Phone Management Company ("Coin Phone Management") filed a "'Set Use' Fee Petition" [attached as an appendix hereto] asking the Commission to authorize all independent pay telephone providers ("IPPs") to receive a "set use" fee for all local, intraLATA, and interLATA long-distance 0-/0+ revenue producing calls made on Kentucky COCOTs (customer owned, coin-operated telephones). Citing the Commission's Order in Case No. 95-015,¹ Coin Phone Management states that South Central Bell Telephone Company ("South Central Bell") has already received Commission approval to implement a \$.25 "set use" fee for all 0-/0+ local and intraLATA long-distance revenue producing calls from public payphones.

"Set use" fees are charges, typically \$.25 per call, assessed for the use of the payphone in those situations for which the payphone operator currently receives no compensation. Coin Phone Management says that the "set use" fee would appear as a component

¹ Case No. 95-015, The Tariff Filing of South Central Bell Telephone Company to Introduce an Additional Charge Associated with Certain Calls Made From BellSouth Telecommunications Public and Semipublic Calling Stations, Order dated June 16, 1995.

of total charges for 0+/- local, intraLATA, and interLATA calls. Coin Phone Management acknowledges that local exchange carriers ("LECs") will incur costs to make billing system changes necessary to remit "set use" fees to IPPs. Therefore, it requests that LECs be required to offer billing and collection services at cost plus a fair rate of return, and suggests that "set use" fees be applied by LECs as credits on IPPs' existing telephone bills.

The Commission finds that Coin Phone Management raises a legitimate issue which should be considered. However, it appears that the interests of other Kentucky COCOT providers, as well as the interests of Kentucky LECs and interexchange carriers, may be affected by any proceeding wherein the Commission considers this matter. Consequently, all Kentucky telecommunications providers should be permitted an opportunity to participate in this proceeding, and all shall receive a copy of this Order. Any provider of telecommunications in Kentucky who wishes to participate as a party to this proceeding should file a statement to that effect with the Commission within 30 days of the date of this Order. The statement should also include a brief description of issues the filing provider deems relevant to the implementation of "set use" fees statewide. Those providers filing statements shall be made parties to this proceeding.

IT IS THEREFORE ORDERED that:

1. All telecommunications providers in the state of Kentucky are hereby notified that, should they wish to become parties to

this docket, they shall file a statement to that effect with the Commission within 30 days of the date of this Order.

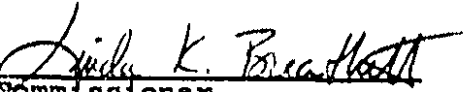
2. Said statement shall include a brief description of issues the filing provider deems relevant to the proceeding.

Done at Frankfort, Kentucky, this 2nd day of October, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 356 DATED October 2, 1995.

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

AUG 17 1995

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

PETITION OF COIN PHONE MANAGE-
MENT COMPANY FOR THE APPLICATION
OF SET USE FEES TO INDEPENDENT
PAYPHONE PROVIDERS

CASE NO. _____

"SET USE" FEE PETITION

Coin Phone Management Company ("Coin Phone Management") hereby requests that the Public Service Commission order concurrent treatment for independent pay telephone providers ("IPPs") by authorizing the application of "set use" fees to all local, intraLATA, and interLATA long distance 0-/0+ revenue producing calls. In support of its Petition, Coin Phone Management states:

1. Coin Phone Management is a Kentucky corporation. Its Articles of Incorporation and all amendments thereto are attached. Coin Phone Management's address is:

Coin Phone Management Company
1846 Cargo Court
Louisville, KY 40299

Coin Phone Management is an IPP. The Commission is authorized to grant this petition regarding "set use" fees by KRS 278.030, and other provisions of KRS Chapter 278; as well as by the Commission's order in Case No. 99-015 dated June 19, 1995 (the "Order").

2. In the Order, South Central Bell Telephone Company ("South Central Bell") received approval to implement a \$.25 "set use" fee for all 0-/0+ local and intraLATA long distance revenue producing calls from its public payphones.

3. The \$.25 "set use" fee represents the cost of using the payphone to place these operator-assisted calls and is not a separate amount to be deposited in order to use the equipment.

4. Just as South Central Bell has been authorized to do for its own payphones, Coin Phone Management requests that the Commission permit IPPs to implement the same \$.25 "set use" fees on local, intraLATA and interLATA long distance 0-/0+ revenue producing calls from their payphones.

5. Coin Phone Management believes the application of "set use" fees is in the public interest in promoting uniform operation of all payphones and in allowing a return on investment on all revenue producing intrastate calls made from IPP equipment in order to promote the placement of payphones throughout the state.

6. In order for the "set use" fees to be remitted to IPPs for 0-/0+ local and intraLATA long distance revenue producing calls, LECs would be required to make certain changes in their billing systems to accommodate the collection of the fees from end users of the payphones. Similar LEC billing system changes are also necessary to apply the "set use" fees to their own payphones. Such systems are currently operable in Florida for remittance of "set use" fees. Therefore, Coin Phone Management requests that, as is done in Florida, the "set use" fees be applied by the LECs as credits on the IPPs' existing telephone bills to alleviate additional administrative costs for all parties.

7. Coin Phone Management acknowledges that certain costs must be incurred by the LECs to make the required billing system changes to remit "set use" fees to IPPs. Therefore, Coin Phone

Management would request that the LECs be required to offer their billing and collection services for the "set use" fees at cost plus a fair rate of return, while taking into account economies achieved with the associated billing system changes required to provision the "set use" fees on their own payphones.

WHEREFORE, Coin Phone Management respectfully requests that the Commission authorize the implementation of "set use" fees for local, intraLATA, and interLATA 0-/0+ long distance revenue producing calls from IPP stations under the terms and conditions identified above.

Respectfully submitted,



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