

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF COIN PHONE MANAGEMENT)
COMPANY FOR IMPLEMENTATION OF) CASE NO. 93-038
INTRASTATE DIAL-AROUND COMPENSATION)

O R D E R

IT IS ORDERED that Coin Phone Management Company ("Coin Phone Management") shall file the original and 10 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. If the information cannot be provided by the stated date, Coin Phone Management 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.

1. Coin Phone Management's petition states at paragraph 2 that "no compensation is provided for the use of the pay telephone and associated investment and costs." Provide the costs and expenses associated with the intrastate calling from your

paystations. If this cannot be done, explain how Coin Phone Management can be sure that these investments and costs are not being recovered through the federal compensation rates or through 1+ and local calling.

2. If compensation were ordered by the Commission on an intrastate basis, which utilities should be required to provide such compensation and what criteria should be used for determining these utilities?

3. In the Federal Communication Commission's ("FCC") order, a significant amount of discussion was centered on how best to develop a compensation rate. Why do you propose to establish a rate in the intrastate market without a similar analysis? Is it your position that an intrastate call incurs the same expenses and costs as an interstate call? Explain fully.

4. a. Coin Phone Management contends at paragraph 3 of its petition that it is requesting compensation for dial-around calls based on "fundamental equity and on other grounds." Explain what is meant by "fundamental equity" in this context. To what "other grounds" are you referring?

b. Is it equitable that independent payphone providers are authorized to impose a fee on interexchange carriers ("IXCs") and the local exchange carriers are not? Explain your response.

5. In your opinion, will the IXCs, subject to payment of the dial-around compensation, seek to pass this additional expense on to the end-user? If not, why?

6. In your opinion, does this compensation equate to a subsidy of independent payphone providers' operations? If not, why?

7. Detail the factors taken into consideration by Coin Phone Management in negotiating commissions to be received from the operator service provider to which Coin Phone Management is presubscribed.

8. Is it Coin Phone Management's position that all of the issues and findings set forth in the FCC's order in CC Docket No. 91-35 should be adopted in their entirety by this Commission?

9. Provide the return on equity and the return on investment earned by Coin Phone Management on a company-wide basis. Provide exhibits illustrating the computation of these returns.

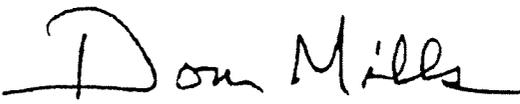
10. On what percentage of interstate calls made on Coin Phone Management paystations do end-users dial access codes? Is the percentage the same for intrastate calls? On what do you base your response?

IT IS FURTHER ORDERED that information requests of all intervenors to Coin Phone Management shall be due 45 days from the date of this Order.

Done at Frankfort, Kentucky, this 11th day of May, 1993.

By the Commission

ATTEST:


Executive Director