

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EXECUTONE INFORMATION SYSTEMS, INC. )  
 )  
 ) CASE NO. 94-057  
 )  
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 )  
ALLEGED VIOLATIONS OF KRS 278.020 AND KRS )  
278.160 )

O R D E R

On February 14, 1994, the Commission initiated this show cause proceeding against Executone Information Systems, Inc. ("Executone") upon finding a probable violation of KRS 278.020 and KRS 278.160. The probable violation arose from the utility having billed Kentucky customers \$8,520.55 for service rendered prior to the utility's receipt of a Certificate of Convenience and Necessity to provide intrastate long-distance telecommunications service.

After issuance of our show cause Order, Executone contacted the Commission Staff to initiate a settlement. Negotiations were held and a proposed Settlement Agreement has been filed which includes the following salient points:

1. Executone will refund by check or bill credit all charges collected from Kentucky customers for intrastate long-distance services.

2. By no later than May 1, 1994, Executone will provide a list of names and addresses of all Kentucky customers entitled to a refund by check or bill credit and the amount.

3. All refund checks and bill credits will be completed by no later than July 1, 1994.

4. Executone agrees to pay a civil penalty in the amount of \$100.

In determining whether the results of the Settlement Agreement are in the public interest and are reasonable, the Commission has taken into consideration the comprehensive nature of the Settlement Agreement and the amount of the penalty to be paid. Based on the evidence of record and being advised, the Commission hereby finds that the Settlement Agreement is in accordance with the law and does not violate any regulatory principal. The Settlement Agreement is the product of serious arms-length negotiations among capable, knowledgeable participants, is in the public interest and results in a reasonable resolution of all issues and charges pending in this case.

IT IS THEREFORE ORDERED that:

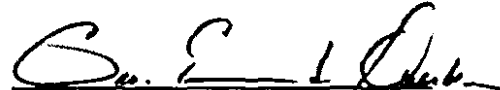
1. The Settlement Agreement, attached hereto and incorporated herein as Appendix A, be and it hereby is adopted and approved in its entirety as a complete resolution of all issues and charges in this case.

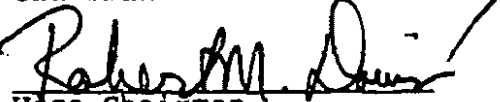
2. Executone shall pay \$100 as a civil penalty within 10 days of the date of this Order by certified check or money order made payable to the Kentucky State Treasurer and mailed to the Office of General Counsel, Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this

29th day of March, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director



2. Executone shall pay a civil penalty in the amount of \$100. A certified check for the full amount of the penalty shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601 within 10 working days of an Order by the Commission adopting this Settlement Agreement.

3. Upon issuance by the Commission of an Order adopting this Settlement Agreement, Executone shall begin making refund payments or credits to all customers for all charges collected for intrastate long distance telecommunications services provided in Kentucky. Executone has determined the amount of such charges to be \$8,520.55. Executone shall complete all refunding and crediting by July 1, 1994.

4. No later than May 1, 1994 Executone shall file with the Commission a list of names and addresses and the amount of refund or credit against future services provided by Executone to which each customer is entitled.

5. If this Settlement Agreement is not adopted and approved in its entirety by the Commission, Executone reserves the right to withdraw from this Settlement Agreement and require that a hearing be held on all issues involved herein and, in such event, the terms of this Settlement Agreement shall not be binding upon the parties hereto, nor shall this Settlement Agreement be admitted into evidence, referred to or relied upon in any manner by any party hereto.

6. The parties hereto agree that this Settlement Agreement is reasonable, in the best interest of all concerned and should be adopted in its entirety by the Commission.

7. In consideration of Executone performing the actions required of it pursuant to the terms of this Settlement Agreement, the Commission hereby waives and releases any right to take any additional action against Executone or impose further penalties or fines of any kind for services provided prior to the date of this Settlement Agreement.

AGREED TO BY:



Barbara C. Anderson  
Vice President and General Counsel  
Counsel for Executone

3/14/94  
Date



Richard G. Raff  
Counsel for Commission Staff

3/17/94  
Date