

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On August 17, 1995, Coin Phone Management Company ("Coin Phone Management") filed a "'Set Use' Fee Petition" asking the Commission to authorize all independent pay telephone providers to receive a \$.25 "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). The Commission found that Coin Phone Management raised legitimate issues that should be considered, opened this case, and notified all providers of telecommunications in Kentucky of their right to participate in the proceeding. It now appears that all parties wishing to participate in this case have been joined, and that further proceedings, including a hearing, are necessary to determine whether Coin Phone Management's petition should be granted in part or in its entirety.

The Commission being sufficiently advised, IT IS HEREBY ORDERED that:

1. Coin Phone Management shall respond to the requests for information contained in Appendix A within 30 days of the date of this Order.

2. All parties shall adhere to the procedural schedule attached as Appendix B to this Order.

3. Motions for extensions of time with respect to the procedural schedule shall be made in writing and will be granted only upon a showing of compelling reasons.

4. Each response to a request for information shall include the name of the witness who will be responsible for responding to the questions related to the information provided, with copies to all parties of record and 11 copies to the Commission.

5. Nothing contained in this Order shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 4th day of January, 1996.

PUBLIC SERVICE COMMISSION


Linda K. Breathitt
For the Commission

ATTEST:


Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 356 DATED JANUARY 4, 1996.

1. The Independent Telephone Group ("ITG") filed, on October 18, 1995, a statement citing the expense of altering LECs' billing systems to accommodate "set use" fees and recommending that any "set use" authorization apply only in LEC service areas where the LECs seek authorization for "set use" fees for their own payphones. Provide a response to this recommendation.

2. Provide evidence that the dial-around fee established by the FCC does, or does not, provide compensation sufficient to allow Coin Phone Management to recover total interstate and intrastate investments and costs.

3. Does BellSouth receive any compensation for the use of its payphones and a return on its investment or return of costs from the interstate jurisdiction? Explain.

4. On April 13, 1994, in Case No. 93-038, Coin Phone Management filed a motion for continuance on the grounds that it and AT&T were near a settlement of the dial-around compensation issue presented in that case. On May 4, 1994, Coin Phone Management stated that AT&T and the trade association of which Coin Phone management is a part had tentatively agreed that AT&T would pay \$.25 per call to compensate the competitive pay telephone industry for dial around calls. Is this agreement, or a similar one, now in effect?

(a) If no, why not?

(b) If yes, provide a copy of the agreement.

5. If the agreement discussed in Item 4 is in effect, explain why Coin Phone Management should be allowed to collect an additional \$.25 fee for set use.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN ADMINISTRATIVE CASE NO. 356 DATED JANUARY 4, 1996.

All requests for information to parties
shall be due at the Commission no later than02/01/96

Responses to requests for information
shall be due at the Commission no later than03/02/96

Prefiled Testimony, if any, shall be filed
in verified prepared form no later than.....04/01/96

Last day for Coin Phone Management to
publish notice of hearing date.....04/17/96

Public Hearing to begin at 10:00 a.m.,
Eastern Daylight Time, in Hearing Room 1
of the Commission's offices at
730 Schenkel Lane, Frankfort, Kentucky.....04/24/96