

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

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|-------------------------------------|---|-------------------------|
| In the Matter of the Application of |) | Application No. C-990 |
| Peoples Telephone Company, Inc., |) | |
| Miami, Florida which seeks transfer |) | GRANTED AND CERTIFICATE |
| of the certificate of Convenience |) | NO. C-862 REVOKED |
| and Necessity previously granted |) | |
| Kantel Communications, Inc., Law- |) | |
| rence, Kansas in Application No. |) | |
| C-862. |) | |
| |) | Entered: August 2, 1993 |

Appearances

For the Applicant
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For the Communications Dept.
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PRELIMINARY MATTERS

This application by Peoples Telephone Company, Inc. ("Peoples") was filed with the Commission April 20, 1992. The applicant seeks the Commission's approval for a transfer of Kantel Communications, Inc.'s ("Kantel's") intrastate authority.¹ Kantel currently is authorized to provide interexchange telecommunications services within the State of Nebraska as granted to it in Application No. C-862 (January 15, 1992).² This language is broad enough to, and does, include both interLATA and intraLATA operating authority. No protests to the application were received within thirty days after notice was published in the Omaha Daily Record April 21, 1993. Hearing on this matter was held in the Commission Hearing Room, Lincoln, Nebraska on June 25, 1993 with appearances as shown. Commissioner Landis chaired the proceeding.

Peoples is a publicly traded New York corporation domiciled in Miami, Florida. The applicant has been certified by the

¹ Transfer applications are governed by Neb. Rev. Stats. §§75-146 to 75-151 (Reissue 1990).

² Reseller applications are governed by Neb. Rev. Stat. §86-805 (Reissue 1987) and Title 291 NAC Ch. 5, Rule 003.12.

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Nebraska Secretary of State to do business in Nebraska as a foreign corporation. Peoples's business address is:

Peoples Telephone Company, Inc.
8041 Northwest 14th St.
Miami, Florida 33126
305.593.9667

Kantel and Peoples entered into an Asset Purchase Agreement (the "Agreement") as of February 1, 1993. Peoples agreed to purchase and Kantel agreed to sell all of Kantel's assets, including its intangibles and licenses.

Peoples engages in furnishing intrastate telecommunications services to end users who use a Peoples pay telephone. Such services are available to end users from customer locations through Peoples's pay telephones and via resold transmitted facilities procured from interexchange carriers and local exchange carriers in accordance with the provision of its tariff.

Peoples's pay telephones are not part of a joint undertaking with any other entity providing telecommunications channels, facilities or services, but do involve the resale of Message Toll Services ("MTS"), Wide Area Telecommunications Services ("WATS"), and local services of underlying common carriers subject to the Commission's intrastate jurisdiction.

Peoples provides pay telephone services to customers such as hotels, motels, hospitals, business establishments, and federal, state, local, and private prison facilities which provide pay telephone service to inmates. Its services are available on a seven days per week, 24 hour per day, basis.

The authority which Peoples seeks through this transfer application will provide Peoples the authorization to resell intrastate interLATA and intraLATA interexchange long distance telecommunications services in Nebraska. More importantly from the applicant's standpoint, it will step into Kantel's position and take over Kantel's inmate telephone facilities in Nebraska.

Steven Alexander testified on behalf of Peoples. He is its Director of Regulatory Affairs. Peoples provides various telecommunications services in 38 states. It operates 27,000 pay telephones in those states. Peoples provides inmate pay telephone systems as well as operator services³ and the and

³ We note that Kantel does not have Alternate Operator Services ("AOS") authority
(Footnote Continued)

interexchange long distance resale. The applicant has also delved into the cellular telephone business. Current financial information on Peoples is found in its annual report and SEC Form 10-Q (Exhibits 3 and 4). The company's financial condition appears to be more than adequate to support its operations. As an example, Peoples earned \$24 million in revenue for the first quarter of 1993 compared to earnings of \$15 million for the first quarter of 1992.

There are no complaints pending against Kantel or against Peoples in Nebraska. Approval of the above-described transfer does not appear to alter or adversely affect the current Kantel customers in Nebraska.

The application is fair and reasonable; approval is in the interest of the public, Kantel's current customers, Kantel, and Peoples. The application for transfer should be granted. The order previously granting Kantel authority should be revoked.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-990 be, and it is hereby, granted. The Kantel Communications, Inc. intrastate operating authority is hereby transferred to Peoples Telephone Company, Inc. of Miami, Florida and that company is granted authority to operate as a resale common carrier of intrastate interexchange interLATA and intraLATA telecommunications services within the State of Nebraska.

IT IS FURTHER ORDERED that the two parties complete the necessary transactions contemplated to carry out this order.

IT IS FURTHER ORDERED that the certificate of authority previously granted to Kantel Communications, Inc. in Application No. C-862 be, and it is hereby, revoked.

IT IS FURTHER ORDERED that Peoples Telephone Company, Inc. shall file, in accordance with the applicable statutes, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) the annual report to stockholders, and (c) for the State of

(Footnote Continued)

in Nebraska. We have consistently held that a grant of interexchange reseller authority does not include a grant of AOS authority. The transfer of Kantel's certificate does not give Peoples AOS authority in Nebraska. Peoples of course can always apply separately for such authority if it so desires.

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Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

IT IS FURTHER ORDERED that Peoples Telephone file an original tariff with the Commission prior to offering service pursuant to the certificate granted in this order.

IT IS FINALLY ORDERED that this order be, and it is hereby, made the Commission's official certificate of public convenience and necessity to furnish the service authorized herein.

MADE AND ENTERED at Lincoln, Nebraska this 2nd day of August, 1993.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Duane D. Gay

//s//Rod Johnson

//s//Frank E. Landis, Jr.

//s//James F. Munnelly

Frank E. Landis, Jr.
Chairman

ATTEST:

D. R. [Signature]
Executive Director