

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-2112/PI-30
on its own motion, to conduct an)
investigation into specific areas) DATA REQUEST
of concern in the provisioning of)
payphones in the state of Nebraska.) Entered: April 18, 2000

BY THE COMMISSION:

This docket was opened by the Commission to investigate issues surrounding the provisioning of payphones in the state. Issues to be examined included:

whether prices for these services are appropriate and cost-based. The Commission shall gather information regarding the pricing of lines and services in surrounding states and determine whether costs charged to those who provide payphones are appropriate. *Commission Order, Docket C-2112/PI-30, August 31, 1999.*

One of the concerns that this Commission is investigating is the structure of costs and pricing that have resulted in a broad variance in the rates for lines capable of providing payphone service. As it pertains to US West, the question is more directly aimed at an explanation as to why the pricing of payphones varies dramatically between states in the US West region (e.g., between Nebraska and Iowa) as outlined in the comments filed by Pay Phone Concepts, Inc. See e.g., *Post-Hearing Comments, filed February 4, 2000, Attachments A, B, C, D and E.*

In comments filed by US West, the explanation offered is that,

...the costs, market conditions, and the role that a product plays in the Company's mix of products do vary from state to state, and therefore its prices would not necessarily be identical in all states for the same product. *Comments of US West, filed February 4, 2000, at 5.*

In order to further the investigation into the provisioning and pricing of payphone service, the Commission requests the following information from US West as a data request:

- 1) A description and explanation of the processes, rules, or precedent that US West employs or follows as it allocates fixed or common costs related to the provisioning of payphone service, in general, and specifically to Nebraska, and Iowa. Provide the most recent cost study prepared to establish rates in Nebraska and Iowa. The cost study should be detailed and include a description of the cost studies used to price payphones in each state, basic costs allocated to the provisioning of payphones and any differences in the cost-based assumptions that would explain to this Commission why US West charges substan-

tially higher rates for those lines in this state than it does in the state of Iowa.

- 2) An explanation of how "the role that a product plays" affects the pricing of payphones in Nebraska and Iowa. The explanation should include the legal rationale explaining how using the "product role" is in compliance with federal rules on pricing which require pricing be "cost-based."
- 3) A state-by-state listing of the rates charged to payphone service providers for each state in the US West territory.

In order to effectively and efficiently complete the investigation into the issues raised by this docket, the Commission encourages US West to timely comply with this data request and to provide all information, including information not specifically requested, that would enable the Commission to determine that the state-to-state rate differences for providing this service are legally and economically justified. The Commission requests that this information be filed with the Commission no later than May 5, 2000, unless good cause is shown that this data request cannot be complied with by that date.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that US West comply with the above-described data request no later than May 5, 2000, and submit all requested data to the Commission as ordered.

MADE AND ENTERED in Lincoln, Nebraska on this 18th day of April, 2000.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

Robert E. Johnson
Ann C. Boyle
Paul Johnson
 //s//Frank E. Landis

Mark Sandlin
 Chairman

ATTEST:

Robert R. Logsdon
 Executive Director