

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE OPTIONAL MEASURED)
SERVICE TARIFF FILING OF) CASE NO. 8510
CINCINNATI BELL, INC.)

O R D E R

On April 14, 1982, Cincinnati Bell, Inc., ("Bell") filed a tariff with the Commission proposing the establishment of optional measured service. By Order entered May 4, 1982, the proposed tariff was suspended for investigation and possible hearing for a period of up to 5 months.

Bell proposed two types of measured service offerings. The first is an access charge plus usage allowance option, and the second is an access charge option without usage allowance.

The Commission, having considered this matter and being advised, is of the opinion and finds that:

(1) Bell's proposal to introduce local measured service is an innovative alternative to flat rate service. This Commission has long been aware of the need for an alternative to flat rate service. Local measured service provides such an alternative;

(2) Local measured service more equitably distributes the cost of telephone service. Flat rate service is cost-sensitive but not usage-sensitive. Thus subscribers are charged the same amount irrespective of telephone use. Local measured service is both cost-sensitive and usage-sensitive. Thus the overall cost of telephone service can be distributed on the basis of telephone usage;

(3) Local measured service will be provided on an optional basis, allowing subscribers to select either measured or flat rate service, whichever may be to their particular economic advantage;

(4) Bell's proposal for an access charge plus usage allowance option is reasonable and should be approved;

(5) A public hearing should be held to determine the reasonableness of Bell's proposal for an access charge without usage allowance ("low usage") option, and to determine whether the public interest would be served by permitting this option to be offered; and

(6) Bell should defer filing tariffs in this matter until the issue of the low usage option has been decided by the Commission.

IT IS THEREFORE ORDERED That Bell's proposal for an optional measured service offering consisting of an access charge plus usage allowance be and it hereby is approved.

IS IS FURTHER ORDERED That a public hearing be and it hereby is scheduled for July 1, 1982, at 10:00 a.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky, in the matter of Bell's proposal for a low usage optional measured service offering.

IT IS FURTHER ORDERED That Bell shall defer filing tariffs in this matter until the Commission has issued its decision concerning the low usage optional measured service offering.

Done at Frankfort, Kentucky, this 9th day of June, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz
Chairman

ATTEST:

Katherine Spindall
Vice Chairman

Secretary

Tom Carrigan
Commissioner