

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE SALE AND DETARIFFING OF )  
EMBEDDED CUSTOMER PREMISE ) ADMINISTRATIVE CASE NO. 269  
EQUIPMENT )  
PHASE 5 NETWORK CHANNEL )  
TERMINATION EQUIPMENT )

O R D E R

Introduction

In its continuing investigation of the Detariffing of Embedded Customer Premise Equipment ("CPE"), the Federal Communications Commission ("FCC") released its Eighth Report and Order in Common Carrier Docket No. 81-893 on January 29, 1988. In the report the FCC discussed the detariffing of embedded CPE which had not previously been detariffed including pay telephones, official services equipment, extensions to pay phones, 101 electronic switching system ("ESS") switches, identifiers, Centrex CPE, network channel terminating equipment ("NCTE") and other embedded CPE in the regulated equipment category. As a result of the investigation, the FCC concluded that for reasons including obsolescence, limited availability and maintenance considerations, only NCTE should be detariffed. The effective date for detariffing is July 1, 1988.

DISCUSSION

NCTE CPE is located on a customer's premises for the purpose of providing various combinations of transmission, signaling, and

network maintenance functions. NCTE includes "terminating sets," multiplexing equipment, subscriber pair gain equipment, repeaters, facility conditioning T-carrier terminals, responders and associated cabinets, mountings, wall boards and relay racks.

In order to assess the impact of detariffing NCTE CPE, the Commission will require all local exchange carriers under its jurisdiction to file the following information:

1. Total intrastate net book investment in NCTE CPE as of December 31, 1987, by account. (Net book investment calculations should be shown).

2. Total intrastate revenues and expenses by account associated with NCTE CPE the year ended December 31, 1987.

#### FINDINGS AND ORDERS

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Phase 5 of Administrative Case No. 269 should be established to consider the detariffing of NCTE CPE.

2. All local exchange carriers should file comments and information in response to the above issue within 30 days of the date of this Order.

3. Any interested party may file comments on the issue stated above within 30 days of the date of this Order.

IT IS THEREFORE ORDERED that:

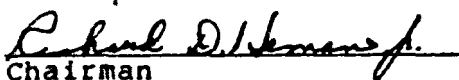
1. Phase 5 of Administrative Case No. 269 be and it hereby is established to consider the detariffing of NCTE CPE in this Order.

2. All local exchange carriers shall file comments and information on the above stated issue within 30 days of the date of this Order.

3. Any interested party may file comments on the above stated issue within 30 days of the date of this Order.

Done at Frankfort, Kentucky, this 18th day of April, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director