

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CINCINNATI)
BELL, INC., FOR AUTHORITY TO) CASE NO. 8641
ADJUST ITS RATES AND CHARGES)
AND TO CHANGE ITS TARIFFS)

O R D E R

On February 14, 1983, Cincinnati Bell, Inc., ("Cincinnati Bell") filed Exhibit 25 as agreed at the hearing on February 2, 1983. Exhibit 25 is a graph of business vertical demand curves. On March 4, 1983, Gallatin, Grant and Pendleton counties and the cities of Warsaw, Dry Ridge, Falmouth and Williamstown ("Lower Service Area Intervenors"), by counsel, filed their motion to strike Cincinnati Bell's Exhibit 25 because the graph had not been redrawn according to the same scale as Lower Service Area Intervenors' Exhibit 2 filed at the hearing. The motion states that the failure to use the same scale renders Exhibit 25 of little or no probative value in the proceeding. On March 11, 1983, Cincinnati Bell filed its memorandum in opposition to the motion to strike Exhibit 25.

The dispute between the Lower Service Area Intervenors and Cincinnati Bell seems to be one of a matter of degree. The vertical axis of Lower Service Area Intervenors' Exhibit 2 plots nominal price or price index for business vertical services. The vertical axis of Cincinnati Bell's Exhibit 25 plots real price for business vertical service. Real price is calculated by

dividing the price index for business vertical service by the wholesale price index. Reference to page 29 of Exhibit 3 of the prefiled testimony of Cincinnati Bell witness, Ms. Irene Chang, indicates that there is a one to one correspondence between the price index and real price for the first three quarters of 1981. Therefore, if Exhibit 25 were redrawn using the price index on the vertical axis, similar information would be conveyed but the magnitude of the shift in the curves would not be as large. The Commission is cognizant of this difference and will bear it in mind in its deliberations on this matter. The Commission finds that Exhibit 25 will provide additional information for its deliberations and that it should be considered subject to the objections of the Lower Service Area Intervenors.

The Commission, having considered the motion and being advised, HEREBY ORDERS that the Motion of Lower Service Area Intervenors be and it hereby is overruled.

Done at Frankfort, Kentucky, this 22nd day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary