COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF APPLICATION OF CINCINNATI)
BELL TO PROVIDE FOR THE SALE OF) CASE NO. 8803
SELECTED EMBEDDED TERMINAL EQUIPMENT)

ORDER

On March 21, 1983, Cincinnati Bell, Inc., ("Cincinnati Bell") filed a tariff with the Commission proposing to establish procedures to provide for the sale of selected embedded terminal equipment.

On April 8, 1983, in order to determine the reasonableness of the tariff, the Commission suspended the proposed tariff for 5 months after the proposed effective date of April 11, 1983. The pages of the tariff suspended were:

CUSTOMER PREMISES EQUIPMENT SALE TARIFF PSCK NO. 1

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The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

- 1. The Commission has received no comments or objections from any party; sufficient written information has been submitted by Cincinnati Bell to enable the Commission to make an informed decision. Therefore, a hearing is deemed unnecessary.
- 2. The leased base of Cincinnati Bell will deteriorate due to the increased availability of terminal equipment caused by deregulation and the increased marketing activities of alternative sources of terminal equipment.
- 3. Approval of this tariff will minimize the adverse impact of leased base deterioration by giving those Cincinnati Bell customers who intend to purchase terminal equipment the option of purchasing selected embedded terminal equipment. The sale of these instruments will serve to offset the loss in lease revenues.
- 4. The proposed prices will recover the investment in these instruments plus the estimated transactions cost. The ultimate effect of the sales program will be a decrease in the rate base used for determining revenue requirements.
- 5. The proposed tariff is in the public interest and should be approved.

IT IS THEREFORE ORDERED that the proposed tariff be and it hereby is approved and effective on the date of this Order.

Done at Frankfort, Kentucky, this 29th day of April, 1983.

PUBLIC SERVICE COMMISSION

Chairman Strull

Vice Chairman

Commissioner

ATTEST:

Secretary