

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF CINCINNATI)
BELL TELEPHONE COMPANY TO ADJUST) CASE NO. 9704
OPTIONAL LOCAL MEASURED SERVICE)
RATES AND CHARGES)

O R D E R

On September 9, 1986, Cincinnati Bell Telephone Company ("Cincinnati Bell") filed a tariff with the Commission to reduce rates applicable to the access line portion of its residence low-use and residence standard-use optional local measured service plan. Cincinnati Bell also proposed to reduce the usage allowance associated with its standard-use optional local measured service plan.

On October 9, 1986, the Commission suspended the rates pending the outcome of Administrative Case No. 285, and/or for investigation and possible hearing on its own merit, pursuant to Commission rules and regulations, and the provision of KRS 278.190.

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

1. The Commission has previously denied the restructuring of Optional Measured Service proposed by South Central Bell Telephone Company in Case No. 8847 and to allow the restructuring proposed by Cincinnati Bell prior to the final decision in Administrative Case No. 285 would result in inconsistent

regulatory treatment of those telephone companies involved in the actual measured service research.

2. There has been no cost justification provided by Cincinnati Bell for the price restructuring in this case; therefore, the Commission is concerned that the proposed restructuring may provide subsidies to customer classes that may not require subsidization.

3. Even though the proposed rates and charges will not result in increased rates for any other customer classes, it will create a revenue loss of approximately \$9,951 on an annual basis which may at some point in time have to be made up by other customer charges.

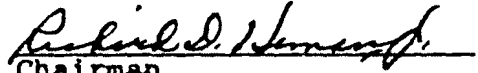
4. The Commission's decision in Case Nos. 9353 and 9355 to place a moratorium on Optional Measured Service indicates its willingness to depart from uniformity with Ohio; therefore, there is no compelling reason in this specific instance that justifies mirroring the Ohio Commission's action.


5. The proposed rates for Optional Measured Service should be denied.

IT IS THEREFORE ORDERED that for the reasons stated in findings 1, 2, 3 and 4 above, the proposed rates for Optional Measured Service be and they hereby are denied.

Done at Frankfort, Kentucky, this 3rd day of December, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director