

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CINCINNATI BELL TELEPHONE, INC.'S PROPOSED)	
TARIFF FILING TO CHANGE RATES FOR SELECTED)	
CUSTOM RATES FOR SELCETED CUSTOM CALLING,)	CASE NO.
CUSTOM CALLING PLUS SERVICES, DIRECTORY)	2001-242
LISTING SERVICE, REMOTE CALL FORWARDING,)	
HUNTING, AND ANALOG TRUNK SERVICES)	

O R D E R

On August 3, 2001, we entered an Order approving certain price increases proposed by Cincinnati Bell Telephone Company ("CBT") and denying others. We found that neither competitive pressures nor cost increases existed to justify price hikes in the subject services. We also concluded that the decision of the Ohio Commission to accept the rate increases was not dispositive, despite our historical position generally preserving uniformity of rates in CBT's Ohio and Kentucky service areas. However, based on persuasive arguments in favor of rate uniformity in CBT's August 16, 2001, petition for rehearing, we have reconsidered our decision.

In its motion, CBT points out that the principle of rate uniformity has generally been in place in the Ohio and Kentucky jurisdictions for 100 years, has been supported by Kentucky courts, and has been upheld by this Commission through numerous proceedings. Even more to the point, CBT contends that rate uniformity has proven beneficial to its ratepayers through lowered costs, marketing efficiencies, and minimization of customer confusion. CBT is correct that our general policy of preserving

rate uniformity has been of benefit to Kentucky ratepayers, for it has assisted in the maintenance of low basic rates throughout CBT's single consolidated metropolitan statistical area. For the time being, pending our review of CBT's alternative regulation plan, the price increases originally proposed by CBT in this proceeding should be approved.

IT IS THEREFORE ORDERED that:

1. CBT's petition for rehearing is granted.
2. Our Order of August 3, 2001 is vacated.
3. The rates proposed by CBT in this proceeding are approved on a prospective basis, such rates to be effective 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 5th day of September, 2001.

By the Commission

ATTEST:


Executive Director