

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 13th
day of December, 1994.

In the matter of Southwestern Bell)
Telephone Company's tariff revisions)
designed to introduce promotions for) Case No. TT-95-166
its basic rate interface of)
"DigiLine" Service.)

ORDER APPROVING TARIFF

On November 16, 1994, Southwestern Bell Telephone Company (SWBT) filed tariffs with the Commission designed to offer a promotion in conjunction with the recently approved DigiLine service tariff. If approved, the proposed tariff would allow SWBT to waive the installation charge of \$400.00 for the basic rate interface associated with providing DigiLine service for customers subscribing between the effective date of the tariff and March 31, 1995. One-half of the \$400.00 charge would be waived for customers subscribing between April 1, 1995 and May 1, 1995. This proposal is for the St. Louis service area only. SWBT states that the proposal is to enable SWBT to gain marketing information, as well as make it more economical for customers to subscribe to the service. The proposed effective date of the tariff is December 16, 1994.

On December 6, 1994, the Staff of the Commission filed its recommendation in this matter. The Staff stated that "it is reasonable to believe that the installation costs will eventually be recovered through the contributions generated from the monthly charges of the DigiLine Service." The Staff anticipates a high long-term retention of

subscribers as the result of a substantial customer in-house investment requirement.

The Staff states that, based on experience in Texas, the DigiLine promotion will greatly stimulate demand for the service. The Staff adds that the St. Louis network could accommodate the increased demand, although SWBT states that the increased demand could not be accommodated in its other large markets in the state.

The Staff concludes by stating that SWBT has agreed to supply results from the promotion and marketing study to the Staff. The Staff, therefore, recommends approval of the proposed tariff.

The Commission has reviewed the proposed tariff filing and the accompanying Staff recommendation and finds the tariff to be reasonable and in the public interest. The tariff will be approved for service on or after December 16, 1994.

IT IS THEREFORE ORDERED:

1. That the following tariff, filed by Southwestern Bell Telephone Company on November 16, 1994, is approved for service on or after December 16, 1994:

PSC MO No. 41
Original Sheet 19

2. That this order shall become effective on December 16, 1994.

BY THE COMMISSION

(S E A L)



David L. Rauch
Executive Secretary

McClure, Perkins, Kincheloe
and Crumpton, CC., Concur.
Mueller, Chm., Absent.