

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Election and Application)
of the Following Local Exchange Companies)
to Become Primary Carriers for the Provision)
of IntraLATA Message Toll Service and Related)
Interexchange Services.)

Doylestown Telephone Company) Case No. 97-488-TP-UNC
McClure Telephone Company) Case No. 97-489-TP-UNC
Sherwood Mutual Telephone Association, Inc.) Case No. 97-490-TP-UNC
Sycamore Telephone Company) Case No. 97-491-TP-UNC
Benton Ridge Telephone Company.) Case No. 97-500-TP-UNC

FINDING AND ORDER

The Commission finds:

- (1) On May 1 and 2, 1997, the above-captioned local exchange companies (Applicants) filed notices that the Applicants intend to change their status from Secondary Exchange Carriers (SECs) to Primary Exchange Carriers (PECs) and delete the Applicants' concurrences in their respective PECs' Message Toll Service (MTS) tariffs. These notices were filed in accordance with Case No. 83-464-TP-COI, wherein the Commission established the Originating Responsibility Plan with Secondary Carrier Option ("ORP-SCO") as the system by intraLATA toll services would be provided, and Case No. 95-845-TP-COI (Entry on Rehearing, February 20, 1997), wherein, carriers wishing to dissolve a PEC/SEC relationship are directed to seek Commission approval through an unclassified (UNC) filing.
- (2) The original applications contained proposed tariffs and customer notices. In the original proposed tariffs the applicants had proposed rates for MTS according to proposed minimum and maximum rate schedules. On May 30, 1997, the Applicants amended their applications to remove the minimum rates schedules, as allowed under Case No. 84-944-TP-COI. On June 10, 1997, the Applicants again amended their applications to reflect revised price lists and maximum rate schedules. The Applicants intend for their PEC status to become effective July 29, 1997. Beginning on that date, the Applicants intend to provide all their customers' intraLATA toll service.
- (3) The Applicants submitted for Staff review the appropriate Telecommunications Services and Facilities Agreements (PEC to

PEC), in accordance with the Commission order in Case No. 83-464-TP-COI and as otherwise negotiated for the provision of intraLATA toll service. Once executed, the Applicants will file these agreements with the Commission for approval. In light of the extreme time constraints, the Commission finds that these agreements should become effective July 29, 1997, or on the date of filing, whichever is later, subject to subsequent review and approval by the Commission in a separate AEC docket. To ensure that appropriate arrangements are in place at all time to carry the MTS traffic, the existing Primary to Secondary agreements between the Applicants and their current PECs, will only be temporarily suspended upon the Primary to Primary agreements effective date(s), pending final termination after the subsequent review and approval of the Primary to Primary agreements.

- (4) The Applicants seek a Commission finding that the Applicants' provision of intrastate long distance services are competitive and should be afforded treatment in the form approved by the Commission in Case Nos. 84-944-TP-COI and 86-1144-TP-CO. In Case Nos. 84-944-TP-COI and 86-1144-TP-COI the Commission addressed the regulatory treatment for local exchange company competitive offerings. Interexchange service was cited as an example of such a competitive offering. The provision of MTS intraLATA toll service is a competitive offering in accordance with the Commission's orders in Case Nos. 84-944-TP-COI and 86-1144-TP-COI. Under 944 and 1144 rules, competitive message toll services must be tariffed under a rate cap with current prices specified in a "price list" subject to change on seven (7) days notice to the Commission.
- (5) The Sycamore Telephone Company, Doylestown Telephone Company, and Benton Ridge Telephone Company currently have existing ORP-SCO agreements with Ameritech Ohio. MTS rates for Sycamore, Doylestown, and Benton Ridge customers are currently set according to Ameritech Ohio's Schedule A. The Companies are proposing to adopt the same MTS rate caps as Ameritech's Schedule A and consistent with those established in Case No. 84-944-TP-COI. The price lists proposed by Sycamore, Doylestown, and Benton Ridge represent a decrease in rates. Sycamore's proposed price list represents a decrease in rates ranging from eight tenths of a cent up to one cent per minute depending on the rate period and mileage band. Doylestown's proposed price list represents a decrease in rates ranging from eight tenths of a cent up to two cents per minute depending on

the rate period and mileage band. Benton Ridge's proposed price list represents an decrease in rates ranging from one half of a cent up to two cents per minute depending on the rate period and mileage band.

The Sherwood Mutual Telephone Association, Inc. currently has an existing ORP-SCO agreement with United Telephone Company of Ohio. Sherwood is proposing to adopt the same MTS rate caps as currently reflected in United's tariff and consistent with those established in Case No. 84-944-TP-COI. The price list proposed by Sherwood represents a decrease in current rates ranging from zero up to nine cents per minute less depending on the rate period and mileage band.

The McClure Telephone currently has an existing ORP-SCO agreement with GTE North, Inc. of Ohio. McClure is proposing to adopt the same MTS rate caps and price list as currently reflected in GTE's tariff and consistent with those established in Case No. 84-944-TP-COI.

- (6) There appears to be no reason why the Applicants should not be permitted to change their status. No party has sought intervention or otherwise raised objections in this case. The Applicants' customers will continue to have intraLATA toll service. None of the Applicants' customer will see a rate increase, and most will enjoy a rate decrease. Once the Applicants are providers of intraLATA toll service, the introduction of 2-PIC intraLATA presubscription will be easier because customers may opt to take no action without the fear of losing default carriage and being forced to dial a carrier access code to complete an intraLATA toll call or being unwittingly assigned to an intraLATA toll provider.
- (7) Consumer Service Department staff has reviewed and approved the proposed customer notices.
- (8) After a thorough review of these applications, Staff agrees with the proposals and, therefore, has recommended their approval by the Commission.
- (9) These applications have been filed pursuant to Commission orders in Case Nos. 95-845-TP-COI and 83-464-TP-COI, and the Commission finds, they do not appear to be unjust or unreasonable and should be approved. Therefore, the

Commission finds it unnecessary to hold hearings in these matters.

It is, therefore,

ORDERED, That, in accordance with the above findings, the Applicants' election and application to become a primary carrier for the provision of intraLATA message toll service is approved. It is, further,

ORDERED, That, in accordance with Finding (3), the Applicants should file, in a new AEC case, the appropriate Telecommunications Services and Facilities Agreements (Primary to Primary) upon their execution. These agreements will become effective July 29, 1997, or upon their filing, whichever is later, subject to subsequent review and approval by the Commission. It is, further,

ORDERED, That the existing Telecommunications Services and Facilities Agreements (Secondary-Primary) between the Applicants and their respective PECs, whereby the Applicants elected to be a Secondary Carrier under ORP-SCO, with either Ohio Bell Telephone Company, GTE North, Inc., or United Telephone of Ohio serving as the Primary Carrier, will be temporarily suspended upon the relevant Primary to Primary agreements' effective date(s), pending final termination after the subsequent review and approval of the Primary to Primary agreements. It is, further,

ORDERED, That Applicants' toll services are competitive services within the meaning of Case Nos. 84-944-TP-COI and 86-1144-TP-COI. In accordance with Findings (4) and (5), the Applicants' message toll service rate caps are approved and the Applicants may change its message toll service rates upon seven (7) notice to the Commission. It is, further,

ORDERED, That nothing in this order shall be binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That this order does not constitute state action for the purpose of antitrust laws. It is not our intent to insulate the parties from the provisions of any state or federal law which prohibits the restraint of trade. It is, further,

ORDERED, That a copy of this Finding and Order be served upon the Applicants and their counsel.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Craig A. Glazer, Chairman

Jolynn Barry Butler

Ronda Hartman Fergus

David W. Johnson

Judith A. Jones

RSP:dj