

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Continental )  
Telephone Company To Revise Its Intrastate ) Case No. 96-1396-TP-ATA  
Access Service Tariff, to Add IntraLATA )  
Toll Presubscription Service. )

FINDING AND ORDER

The Commission finds:

- (1) Section 251 (b)(3) of the Telecommunications Act of 1996 requires all LECs to implement dialing parity. On June 12, 1996, the Commission, in Case No. 95-845-TP-COI, ordered local exchange companies to implement intraLATA toll dialing parity by June 12, 1997. By entry on rehearing dated February 20, 1997, in Case No. 95-845-TP-COI, the Commission extended the June 12, 1997, deadline to August 8, 1997.
- (2) The Commission's Entry on Rehearing of November 7, 1996, in Case No. 95-845-TP-COI, ordered LECs to file their plans for the implementation of intraLATA toll presubscription dialing parity. Continental Telephone Company (Applicant), filed its original plan for intraLATA toll dialing parity implementation on December 23, 1996. On January 17, 1997, this application was suspended pending Commission and Staff review.
- (3) On May 21, 1997, the Applicant filed a Request for Waiver from the Commission's August 8, 1997 implementation deadline. On June 26, 1997, the Commission issued an entry granting the requested waiver until November 1, 1997.
- (4) This Finding and Order addresses the implementation details of the Applicant's plan. The Applicant's plan adheres to the Commission's relevant guidelines in Case No. 95-845-TP-COI. The plan includes appropriate customer and carrier notices. The Applicant intends to notify customers within 60 days of implementation. The Applicant will give customers, no less than 90 days in which to make an initial, no-charge presubscription selection. The proposed tariff includes presubscription customer charges of \$5.00 for the first line and \$1.50 for each additional line presubscribed.

- (5) The Commission's local service guidelines (X.F.) state that the incremental costs directly associated with the implementation of intraLATA toll presubscription shall be borne by providers of telephone exchange service and telephone toll service through a Commission-approved switched access per minute of use (MOU) charge applied to all originating intraLATA switched access minutes generated on intraLATA presubscribed lines.

The proposed tariff of the Applicant includes a mechanism for the recovery of the incremental costs directly associated with the implementation of intraLATA presubscription based on a MOU charge applied to all originating intraLATA switched access minutes generated on presubscribed lines. The recovery mechanism proposed by the Applicant would become effective one year and 45 days after the implementation of intraLATA presubscription. The Applicant will track actual implementation costs and minutes of use for 12 months from the date of intraLATA presubscription implementation. No later than 12 months and 15 days after the date of implementation, the Applicant proposes to file with the Commission an actual MOU rate in the above-captioned cases. The Applicant proposes that this rate would become effective 30 days after filing, unless otherwise acted upon by the Commission, and will remain in effect for a period of three years.

- (6) A delayed recovery mechanism will allow for a more accurate accounting of the actual costs and MOUs to be used in the calculation of the recovery. The 12 months will also permit the Staff, the Applicant and interested parties to work on the details of what incremental costs should be recovered and exactly how the MOU rates should be calculated. Pursuant to the Commission's order in Case No. 96-1314-TP-ATA, the Commission Staff will convene a workshop to address the recovery of implementation costs. All parties should use this opportunity to reach agreement on the recovery of incremental implementation costs. Protracted litigation regarding this short term recovery mechanism is in no one's interest. The Commission will hold this case open pending a final approval of the Company's MOU rate for incremental implementation cost recovery.

- (7) IntraLATA presubscription is required under the Commission's local service guidelines, and the Telecommunications Act of 1996. The introduction of intraLATA presubscription will provide end-users with more choice in and control of the design of their telecommunications services. IntraLATA presubscription also provides for more competitive opportunities in the opened markets.
- (8) No one has sought intervention or otherwise raised objection in the above captioned cases.
- (9) Consumer Service Department staff has reviewed and approved the proposed customer notices.
- (10) After a thorough review of this application, Staff agrees with the proposal and, therefore, has recommended approval of the application by the Commission.
- (11) This application was filed pursuant to Section 4909.18, Revised Code, and the Commission finds, as the Applicant alleges, that it is not for an increase in any rate, joint rate, toll, classification, charge, or rental and do not appear to be unjust or unreasonable and should be approved. Therefore, the Commission finds it unnecessary to hold hearings in this matter.

It is, therefore,

ORDERED, That, in accordance with the above findings, with the exception of the implementation cost recovery MOU rate, the proposed application of the Applicant to amend its tariff to include a service offering for intrastate intraLATA equal access is approved. It is, further,

ORDERED, That the Applicant's plan for intraLATA toll presubscription, including customer notification, presubscription procedures and presubscription change charge schedules are approved and should be implemented by the Applicant as indicated in the plan. It is, further,

ORDERED, That, in accordance with the Applicant's proposed tariff and Findings (5) and (6) above, the Applicant file, in this case, its proposed MOU rate for incremental cost recovery no later than November 16, 1998. The recovery mechanism will become effective on the 31st day after the Applicant files its proposed MOU rate and this case shall be automatically closed of record, unless otherwise acted upon by the Commission. It is, further,

ORDERED, That nothing in this Finding and 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 or the request for a waiver from such. It is further,

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

ORDERED, That a copy of this entry be served upon the Applicant and its counsel.

THE PUBLIC UTILITIES COMMISSION OF OHIO

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Craig A. Glazer, Chairman

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Jolynn Barry Butler

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Ronda Hartman Fergus

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David W. Johnson

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Judith A. Jones

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