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January 8, 2007

Reneé J. Jenkins, Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 13th Floor  
Columbus, Ohio 43215-3793

Re: Case No. 06-1353-TP-SLF  
Case No. 90-5032-TP-TRF

Dear Ms. Jenkins:

On November 15, 2006, AT&T Ohio filed an application in the above noted cases. AT&T Ohio hereby files an original and 10 copies of an amended Exhibit C.

If you have any questions, please contact me at the number shown above.

Very truly yours,

A handwritten signature in black ink, appearing to be "RW", written over a horizontal line.

This is to certify that the images appearing are an  
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## Exhibit C

AT&T Ohio hereby revises Part 2, Section 2, of its AT&T Ohio P.U.C.O Tariff No. 20, to reflect a \$1.00 increase to the rate associated with the late payment charge for business customers.

AT&T Ohio has reviewed its Late Payment Charge (LPC) and has found that the current \$10 or 1.5% Business LPC rate does not allow AT&T Ohio to recover its costs. AT&T is moving to standardize its LPC rates, at the proposed rates, across its footprint to that which AT&T Ohio is proposing, \$11.00 or 1.5%, whichever is greater.

This proposed increase will not change any terms & conditions for this service.

A LPC serves two purposes. First, it helps recover the cost for the activities related to collecting and handling late payments. Second, the charge provides some incentive for customers to pay their bill on time by acting as a deterrent.

LPCs are clearly incidental to providing telephone service. They do not constitute a stand-alone service, and they do not impact the provisioning of telephone service. Customers choose whether or not to pay by the required date and have the opportunity to avoid the late payment charge. All customers have the ability to employ a number of options, such as making timely payment in full, making a partial payment, or making and adhering to alternate payment arrangements, to ensure that their bills are not subject to this charge. The late payment charge is clearly an avoidable charge. LPCs are a normal course of business, no matter what the size of the business. When comparing AT&T Ohio's LPC to other late payment charges that business customers may experience, AT&T Ohio's LPC is among the lowest.

The likely list of monthly payments that a business can expect to incur includes business loan payments, lease payments, car loans, credit cards, wireless bill, shipping bills, and utility bills for electric, gas, water, and phone service. The Late Payment Charge from AT&T Ohio has been found to be much less than what may be charged for loans and leases, credit cards, and shipping bills. In a 2005 survey from Consumer Action, a non-profit organization for consumer rights, the credit card late fees ranged from \$10 - \$35. For example, Amex has a late fee of \$30. For shipping, UPS has a late fee of 5%. For printing, FedEx/Kinkos has a late fee of the greater of \$25 or 15% per annum. Currently, AT&T Ohio charges 1.5% or \$10.00, whichever is greater, to a business customer who has at least \$10.00 as a past due balance.

AT&T Ohio applied for a LPC for business customers as part of Case No. 03-965-TP-SLF. In a Finding & Order issued by the Commission, dated June 10, 2003, the Commission held that after applying a reasonableness standard to the amended application, "... the Commission determines that the application, as amended, is not unjust or unreasonable." AT&T Ohio has not proposed to modify its LPC since that time.

Embarq, Windstream, and Verizon all mirror the AT&T Ohio LPC. (It should be noted that these carriers applied for and received Commission approval to institute a LPC after AT&T Ohio's application was approved by the Commission on June 10, 2003.) Century Telephone Company charges a LPC at 1.5% of all unpaid balances, while CBT charges

1.5% or \$5.00 whichever is greater. Century's past due balance trigger equates to AT&T Ohio's \$10.00, while the past due balance trigger amount for CBT is \$25.00 of unpaid charges.

In addition to these incumbent local exchange carriers, several competitive local exchange carriers also utilize LPCs. For example, First Communications charges its customers 1.5% on all past due balances, with no past due balance trigger. ACN Communications charges 1.5% against all balances past due greater than 30 days, again with no past due trigger amount. Talk America charges a flat 1.5%, with no past due trigger amount.

The LPC for business customers in other AT&T states is shown below.

Arkansas	10% of the first \$30.00 of the overdue portion of the bill and 2% of the remainder.
Kansas	If the entire amount billed is not received prior to the next billing date, a late payment charge of 3% will be assessed. This 3% late payment charge will apply to all services on any unpaid balance.
Missouri	A late payment charge of 1.5% will be applied to all charges carried over to the next monthly bill.
Oklahoma	A late payment charge of 1.5% is assessed on business accounts.
Texas	Charges left unpaid two calendar days after the bill due date will be subject to a late payment charge of 6.5%.
California	1.5% monthly, on an unpaid live balance greater than or equal to \$20.00.
Nevada	A late charge of 1.5% is applicable to an unpaid live balance of \$10.00. The charge is applied to the total unpaid amount carried forward.
Illinois	\$11.00 or 1.5% per month, whichever is greater.
Indiana	If a business (4 or fewer lines) or residential customer's bill is not paid within 17 days after the bill is mailed, it shall become a delinquent bill and a late payment charge will be assessed in an amount not to exceed 10% of the first \$3.00 and 3% of the excess of \$3.00.
Michigan	\$11.00 or 1.5% per month, whichever is greater.
Wisconsin	A late payment charge of \$5.00 or 1.5% per month, whichever is greater, shall apply to amounts shown on a monthly bill which remain unpaid 20 days after the bill date.
Connecticut	A late payment charge of 1.5% may be applied each month to the total remaining unpaid balance of a customer's bill.