

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of AT&T Ohio)
for Approval of an Alternative Form of) Case No. 02-3069-TP-ALT
Regulation.)

ENTRY ON REHEARING

The Commission finds:

- (1) By entry issued April 25, 2007, the Commission granted to AT&T Ohio a requested waiver of Rule 4901:1-4-06(B)(1)(c), Ohio Administrative Code (O.A.C.), for a trial period until such time as the Commission ruled otherwise. As a result, during this trial period, lifeline customers are permitted to purchase optional services, in addition to call-waiting, either individually or in a package from AT&T Ohio without having to certify that the optional service is necessary for medical or safety reasons. Additionally, pursuant to the waiver, AT&T Ohio is permitted to market such services and packages to lifeline eligible customers.
- (2) The Commission also conditioned its approval of the waiver of Rule 4901:1-4-06(B)(1)(c), O.A.C., upon AT&T Ohio collecting and remitting to the AT&T Ohio Lifeline Advisory Board and to Commission staff certain data on a monthly basis. The data AT&T Ohio was instructed to collect includes (a) disconnection information for lifeline customers with basic local exchange service (BLES) only compared to that for lifeline customers taking optional features, including the reasons for the disconnections tracked by category; (b) arrearage information for lifeline customers with BLES only compared to that for lifeline customers taking optional features; (c) the number of lifeline customers availing themselves of optional features versus the number of lifeline customers opting for BLES only; (d) the average bill for lifeline customers availing themselves of optional features who are disconnected; (e) the average number of vertical services and/or packages for lifeline customers availing themselves of optional features who are disconnected; and (f) lifeline enrollment data to gauge the growth of enrollment. As a final matter, the Commission noted that we will review this data in the future, and determine the

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appropriateness of terminating or extending the waiver indefinitely.

- (3) Section 4903.10, Revised Code, states that any party to a Commission proceeding may apply for rehearing with respect to any matters determined by the Commission, within 30 days of the entry of the order upon the Commission's journal.
- (4) On May 25, 2007, the Office of the Ohio Consumers' Counsel (OCC) filed an application seeking rehearing of the April 25, 2007 Commission entry. In its sole assignment of error, OCC claims that it was unjust and unreasonable for the Commission not to have delayed the effective date of the waiver for some period of time so that baseline data regarding disconnections in the absence of the waiver can be established. OCC submits that this data collection will serve as a baseline to use for comparison with the data the Commission has required AT&T Ohio to collect after the waiver is implemented.

The baseline data OCC recommends that the Commission require AT&T Ohio to collect includes: (a) disconnection information for lifeline customers with basic service only compared to that for customers taking vertical services and packages; (b) arrearage information for lifeline customers with basic service only compared to that for customers taking vertical services and packages; and (c) the number of lifeline customers taking packages and vertical services versus the number of lifeline customers opting for basic service only.

- (5) AT&T Ohio docketed a memorandum contra the OCC application for rehearing on June 4, 2007. In its memorandum contra, AT&T Ohio claims: (a) that OCC is out of touch with the everyday wants and needs of its low-income constituents; (b) that aggressive marketing of features and packages would not be in AT&T Ohio's best business interest; and (c) that lifeline customers should be handled as are any other residential customers when it comes to marketing AT&T Ohio's products and services.
- (6) OCC's application for rehearing is denied. In denying the application for rehearing, the Commission determines that there is no compelling reason to delay further the alleged benefits associated with the waiver on a trial basis. One such

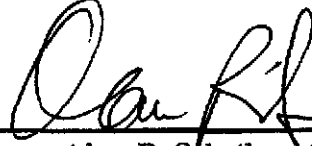
benefit is the automatic enrollment of eligible customers currently purchasing optional services. AT&T Ohio alleged that this could potentially add up to 10,000 newly eligible lifeline customers throughout its service territory. Another benefit is that there will be less paperwork for lifeline customers and the company to process in order for eligible customers to begin receiving the associated lifeline discounts. Thus, lifeline eligible customers should begin receiving the applicable lifeline discounts sooner than such customers see the benefits today. Finally, the Commission determines that the detailed data AT&T Ohio is required to collect and submit to the Commission staff and to the AT&T Ohio Lifeline Advisory Board on a monthly basis is sufficient for us to gauge the effectiveness of this waiver during the trial period and to make a future decision on the appropriateness of terminating or extending the waiver further.

It is, therefore,

ORDERED, That OCC's application for rehearing is denied. It is, further,

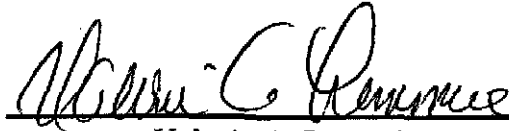
ORDERED, That a copy of this entry on rehearing be served upon all parties and interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

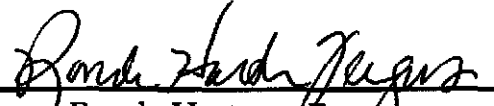


Alan R. Schriber, Chairman

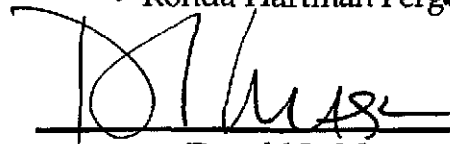
Paul A. Centolella



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Ronda Hartman Fergus



Donald L. Mason

JRJ/vrm

Entered in the Journal

JUN 13 2007



Renee J. Jenkins
Secretary