BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Review of Chapter 4901:1-3 of the Ohio Administrative Code.

Case No. 08-539-TP-ORD

<u>ENTRY</u>

The Commission finds:

- (1) Section 119.032, Revised Code, requires all state agencies, every five years, to conduct a review of each of its rules and to determine whether to continue its rules without change, amend its rules, or rescind its rules. The rule review date for Chapter 4901:1-3, Ohio Administrative Code (O.A.C.), was September 30, 2007.
- (2) Section 119.032(C), Revised Code, requires that the Commission determine:
 - (a) Whether the rule should be continued without amendment, be amended, or be rescinded, taking into consideration the purpose, scope, and intent of the statute under which the rule was adopted;
 - (b) Whether the rule needs amendment or rescission to give more flexibility at the local level;
 - (c) Whether the rule needs amendment to eliminate unnecessary paperwork; and
 - (d) Whether the rule duplicates, overlaps with, or conflicts with other rules.
- (3) In addition, on February 12, 2008, the governor of the state of Ohio issued Executive Order 2008-04S, entitled "Implementing Common Sense Business Regulation," (executive order) which sets forth several factors to be considered in the promulgation of rules and requires the Commission to review its existing body of promulgated rules. Specifically, among other things, the Commission must review its rules to ensure that each of its rules is needed in order to implement the underlying statute; must amend or rescind rules that are unnecessary, ineffective,

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contradictory, redundant, inefficient, or needlessly burdensome, or that unnecessarily impede economic growth, or that have had unintended negative consequences; and must reduce or eliminate areas of regulation where federal regulation now adequately regulates the subject matter.

- (4) Following its review, the staff of the Commission recommends that the Commission should proceed to rescind current Chapter 4901:1-3, O.A.C. Further, the staff is proposing to delete certain rules in Chapter 4901:1-3 and, rearrange, condense, and renumber certain other rules in the chapter and place those revised rules in Chapter 4901:1-6, O.A.C., as set forth in the attachment to this entry.
- (5) In making the determinations required by Section 119.032(C), Revised Code, the staff of the Commission considered those matters set forth in Section 119.032(C), Revised Code, as well as the continued need for the rules; the nature of any complaints or comments received concerning these rules; and any relevant factors that have changed in the subject matter area affected by the rules.
- The comments (6) Commission requests on the staff's recommendation from interested persons to assist in the review required by Section 119.032(C), Revised Code. Interested persons are requested to file their initial comments, in writing, with the Commission's docketing division by May 30, 2008. Reply comments are due on June 16, 2008. Any person or entity that files initial and/or reply comments in this docket shall serve copies of those comments on all other persons or entities that file either initial or reply comments in this docket.

It is, therefore,

ORDERED, That interested persons and entities are hereby authorized to file initial and/or reply comments in accordance with finding 6. It is, further,

ORDERED, That a copy of this entry be served upon all telephone companies under the Commission's jurisdiction, the Ohio Telecom Association, the Office of the Ohio Consumers' Counsel, and all other interested persons of record in this matter.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman

Ronda Hartman Ferg

Roberto Level]

Cheryl L. Roberto

JRJ/vrm

Entered in the Journal MAY 0 7 2008

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Paul A. Centolella

Valerie A. Lemmie

Reneé J. Jenkins Secretary

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4901:1-3-02 Administration, in borderline situations, of the boundaries of telephone companies.

- (A) All-incumbent local exchange carriers as defined by the Telecommunications Act of 1996 operating in the state of Ohio and subject to the jurisdiction of this commission may file, without application therefor, either tariff sheets which include in the body-thereof the rules and regulations or tariff sheets which state that they concur in the rules and regulations shown in the appendix to this rule.
- (B) All tariff-sheets filed pursuant to and in conformity with this rule are approved.
- (C) Each tariff sheet so filed shall show this rule as the authority for filing.
- (D) Each tariff sheet so filed and approved shall become effective on the day after the date of filing.
- (E) No-filing-made-hereunder shall affect or infringe the service of any existing subscriber.

4901:1-3-01 4901:1-6-19 Uniform system of accounts for telephone companies.

THIS RULE APPLIES TO ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS) WHETHER THE ILEC IS SUBJECT TO A QUALIFYING ALTERNATIVE REGULATION PLAN OR NOT.

- (A) Local exchange companies ILECs subject to the jurisdiction of the public utilities commission of Ohio shall keep their books, accounts, and records in accordance with the uniform system of accounts from time to time prescribed by the federal communications commission (FCC) for telephone companies subject to the FCC's jurisdiction, except to the extent that:
 - (1) The provisions of said uniform system of accounts are inconsistent in any way with the outstanding accounting orders of the public utilities commission of Ohio (commission);
 - (2) Local exchange telephone companies ILECS having annual revenues from regulated telecommunications operations of five million dollars or more shall use the "Uniform System of Accounts for Class A Telephone Companies"; and
 - (3) Local exchange telephone companies ILECs having annual revenues from regulated telecommunications operations of less than five million dollars shall use the "Uniform System of Accounts for Class B Telephone Companies," except for the balance sheet, plant in service, and revenue accounts which shall be maintained in accordance with the "Uniform System of Accounts for Class A."

- (B) The public utilities commission of Ohio-reserves to itself the right to require the creation and maintenance of such additional accounts as may hereafter be prescribed to cover the accounting procedures of telephone companies operating within the state of Ohio.
- (C) COMPETITIVE LOCAL EXCHANGE CARRIERS AND PROVIDERS OF COMPETITIVE TELECOMMUNICATION SERVICES ARE SUBJECT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, KNOWN AS GAAP REQUIREMENTS.

4901:1-3-03 4901:1-6-20 Zones of operation, or service areas of the telephone companies BOUNDARY CHANGES, AND ADMINISTRATION OF BORDERLINE BOUNDARIES

THIS RULE APPLIES TO ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS) WHETHER THE ILEC IS SUBJECT TO A QUALIFYING ALTERNATIVE REGULATION PLAN OR NOT.

- (A) FOR -PURPOSES OF THIS RULE, "TELEPHONE COMPANY" MEANS AN INCUMBENT LOCAL EXCHANGE CARRIER AS DEFINED BY THE TELECOMMUNICATIONS ACT OF 1996. ILECS SHALL USE TELEPHONE EXCHANGE BOUNDARY MAPS AS FOUND ON THE PUBLIC UTILITIES COMMISSION OF OHIO'S (COMMISSION) WEBSITE TO PREPARE ALL MAPS REQUIRED BY THIS RULE. EACH TELEPHONE COMPANY OPERATING IN THE STATE OF OHIO AND SUBJECT TO THE JURISDICTION OF THIS COMMISSION SHALL FILE WITH THIS COMMISSION AN APPLICATION, IN DUPLICATE, FOR APPROVAL OF THE BOUNDARY OF EACH EXCHANGE AREA WHEREIN THE RATES, CHARGES AND RENTALS SET FORTH IN ITS TARIFFS OR SCHEDULES ON FILE WITH THIS COMMISSION WILL APPLY. NO SUCH FILING SHALL AFFECT OR INFRINGE THE SERVICE BEING FURNISHED ANY SUBSCRIBER AS OF THE DATE OF SUCH FILING. THERE SHALL BE ATTACHED TO THE ORIGINAL COPY OF SUCH APPLICATION, AS AN EXHIBIT THERETO, A MAP DEFINING THE BOUNDARY OF SUCH EXCHANGE AREA.
- (B) There shall be attached to each map ALL MAPS submitted under this rule a list of all existing overlaps, by name, address, and name of exchange area in which they are physically located, i.e., a list of each subscriber served from the exchange area shown on such map but who are located in an adjoining exchange area, not including, however, subscribers who are furnished foreign exchange service regulated by the commission.
- (C) Whenever a change is proposed to be made in the boundary of an exchange area, as shown on a map on file with the commission, the telephone company proposing such change shall, except as hereinafter provided, file an application, in duplicate, with the commission for approval of such change, which application shall contain:
- (C) Whenever a proposed boundary change involves the exchange areas of two or more telephone companies ILECS, THE REVISED MAP, LETTER OF TRANSMITTAL, and application provided for in the preceding paragraph THIS RULE shall be filed jointly by the companies involved.

- (D) Whenever a proposed change in boundary-involves the exchange areas of two or more telephone companies, the application provided for in the preceding paragraph shall be made jointly by the companies involved.
- (E) After the commission has by subsequent order approved a map submitted by application as herein provided, another copy of such map shall be filed with the commission pursuant to said order. Such filing, in the case of joint application, may be made by one or more of the companies involved.
- (D) AN ILEC MAY FILE A REVISED MAP AND APPLICATION SEEKING TO CHANGE THE BOUNDARY OF AN EXCHANGE AREA (ACB). SUCH APPLICATION IS SUBJECT TO THE FOURTEEN-DAY AUTOMATIC APPROVAL PROCEDURE SET FORTH IN PARAGRAPH A OF RULE 4901:1-6-08 OF THE ADMINISTRATIVE CODE. AN ILEC APPLICATION SUBMITTED FOR APPROVAL SHALL INCLUDE:
 - (1) A detailed description of such the change being made to the boundary as well as a map defining the proposed revised boundary of such exchange area;
 - (2) The reasons for making such THE change; and EITHER
 - (3) A statement explaining the effect of such THE change, if any, on existing subscribers; or
 - (4) A statement ATTESTING that THE Such change does not affect adversely AFFECT the service being furnished TO any existing subscriber; or
 - (5) A statement attesting that each existing subscriber whose service is affected adversely AFFECTED has consented to the change which affects his service.
 - (1) The changes in boundaries affected by such revised maps do not effect adversely the service being furnished any existing subscriber, or
 - (2) Each existing subscriber whose service is affected adversely consents to the change which affects his service.
- (G) There shall be submitted with each revised map filed without application pursuant to this rule a letter of transmittal, in duplicate, which shall contain:

Whenever a proposed change in boundary involves the exchange areas of two or more telephone companies, such transmittal letter together with such revised maps shall be filed jointly by the companies involved.

- (H) Whenever an exchange area of the telephone company filing or submitting a map adjoins the exchange area of another telephone company, the concurrence of the latter company to the boundary between such exchange areas shall be shown on such map.
- (I) There shall be attached to each map a list of all existing overlaps, by name, address and name of exchange area in which they are physically located, i.e., a list of each subscriber served from the exchange area shown on such map but who are located in an adjoining exchange area, not including, however, subscribers who are furnished foreign exchange service pursuant to filed tariffs.
- (J) Topography maps prepared by the department of the interior, United States geological survey, shall be used in the preparation of the maps herein-required.
- (K) Each map, except those submitted as an exhibit to an application, shall show thereon the effective date of such map, which date shall be subsequent to the date of such map is filed with this commission, and shall, if it is a revised map, contain a statement that it cancels and supersedes all previous maps of the applicable exchange area on file with this commission; and that each map, except those submitted as an exhibit to an application, shall show thereon the number and date of the order pursuant to which it is filed and shall contain a statement that it is filed pursuant to such order.
- (L) Any telephone company filing a revised map without application-pursuant to this rule may file, if it so desires, without application therefor, as a part of its tariffs or schedules on file with this commission, a tariff sheet or revised tariff sheet, in duplicate, size eight and one half by eleven inches, on which is contained a reduced-copy of such revised map. Such tariff sheet shall show thereon the effective date of such sheet, which effective date shall be the same as shown on the revised map of which it is a copy, shall contain a statement that it cancels and supersedes the previous tariff sheet containing a map of the applicable exchange area on file with this commission, and shall contain a statement that it is filed pursuant to this rule.
- (F) All revised maps and all tariff sheets filed without application, therefor pursuant to and in conformity with this rule, are approved.
- (E) THE FOLLOWING regulations are applicable REQUIREMENTS APPLY TO ALL BOUNDARY BORDERLINE AREAS:
 - (1) WHERE THE BOUNDARY LINE OF AN AREA IS SHOWN ON THE MAP AS FOLLOWING ALONG ONE SIDE OF A ROAD, THAT BOUNDARY LINE IS CONSIDERED, WITHOUT FURTHER INDICATION, AS BEING LOCATED ONE HUNDRED AND FIFTY FEET FROM THE SIDE OF THE ROAD.
 - (2) WHERE THE BOUNDARY LINE OF AN AREA FOLLOWS ALONG ONE SIDE OF A ROAD, A BUILDING WHICH HAS AN ENTRANCE TO THAT ROAD AT A POINT WHERE THAT ROAD IS

INCLUDED IN THAT AREA, IS CONSIDERED TO BE IN THAT AREA, REGARDLESS OF THE GEOGRAPHICAL LOCATION OF SUCH BUILDING.

- (3) WHERE THE BOUNDARY LINE OF AN AREA FOLLOWS ALONG THE CENTER OF A ROAD, A BUILDING WHICH IS LOCATED ON THE SIDE OF THE ROAD INCLUDED IN THAT AREA AND WHICH HAS AN ENTRANCE TO THAT ROAD AT A POINT WHERE THAT SIDE OF THE ROAD IS INCLUDED IN THAT AREA, IS CONSIDERED TO BE IN THAT AREA, REGARDLESS OF THE GEOGRAPHICAL LOCATION OF SUCH BUILDING.
- (4) WHERE THE BOUNDARY LINE OF AN AREA FOLLOWS ALONG THE BOUNDARY LINE OF A POLITICAL SUBDIVISION, A PRIVATE PROPERTY LINE, A LINE WHICH IS SHOWN ON THE MAP AS BEING A STATED DISTANCE FROM A GIVEN POINT, A RAILROAD, A RIVER, OR A CREEK, A BUILDING WHICH HAS AN ENTRANCE TO A ROAD AT A POINT WHERE THAT ROAD IS INCLUDED IN THAT AREA, IS CONSIDERED TO BE IN THAT AREA, REGARDLESS OF THE GEOGRAPHICAL LOCATION OF SUCH BUILDING.
- (5) WHERE A BUILDING HAS ENTRANCES INTO MORE THAN ONE AREA, THE PRINCIPAL ENTRANCE SHALL DETERMINE THE AREA IN WHICH SUCH BUILDING IS CONSIDERED TO BE LOCATED IN ACCORDANCE WITH SECTIONS (E)(3), (E)(4), AND (E)(5) OF THIS RULE. IN NO CASE SHALL SUCH BUILDING BE CONSIDERED TO BE LOCATED IN MORE THAN ONE AREA.
- (6) ALL UNITS OF A MULTI-UNIT BUILDING, SUCH AS A TWO-FAMILY HOUSE, AN APARTMENT HOUSE, OR AN INDUSTRIAL BUILDING, ARE CONSIDERED TO BE IN THE SAME AREA.
- (7) ALL BUILDINGS AND PREMISES OF A SUBSCRIBER ON HIS CONTINUOUS PROPERTY ARE CONSIDERED TO BE IN THE SAME AREA.
- (8) ALL BUILDINGS AND PREMISES ON THE CONTINUOUS PROPERTY OF A COMMON ENDEAVOR, SUCH AS AN ESTATE, AMUSEMENT PARK, OR AIRPORT, ARE CONSIDERED TO BE IN THE SAME AREA AS THE OWNER OR OPERATOR OF THE COMMON ENDEAVOR. HOWEVER, EACH OCCUPANT OF SUCH BUILDING OR PREMISE MAY SUBSCRIBE TO HIS OWN SERVICE. THIS REGULATION IS APPLICABLE TO EVERY OCCUPANT OF SUCH BUILDINGS OR PREMISES, WHETHER OR NOT A PART OF OR CONCERNED IN THE COMMON ENDEAVOR.
- (9) IN THE CASE OF DEVELOPMENTS, SUCH AS TRAILER MOBILE HOME AND TOURIST CAMPS AND GARDEN-TYPE HOUSING PROJECTS, WHERE THE VARIOUS BUILDINGS, TRAILERS MOBILE HOMES, OR OTHER STRUCTURES ARE OCCUPIED BY PERSONS WHO ARE NOT A PART OF A COMMON ENDEAVOR, PRIVATE STREETS, ROADS, AND DRIVEWAYS IN SUCH DEVELOPMENTS ARE CONSIDERED, under the provisions of this appendix to be public ROADS FOR THE PURPOSE OF DETERMINING THE ROAD TO WHICH A BUILDING, TRAILER MOBILE HOME, OR OTHER STRUCTURE HAS AN ENTRANCE. EACH BUILDING, TRAILER MOBILE HOME, AND OTHER STRUCTURE IS CONSIDERED SEPARATELY FOR THE PURPOSES OF DETERMINING THE AREA FROM WHICH IT WILL BE SERVED.

4901:1-3-05 — Toll traffic agreements for the interchange of telephone service between the telephone companies.

- (A) Each telephone company operating in the state of Ohio shall submit to the public utilities commission of Ohio (COMMISSION) copies of each "Toll Traffic Agreement" relating to the interchange of toll service to which each of said companies is a party.
- (B) With respect to such agreements, pending a further order of this commission, the submission by one of the contracting companies of a copy of each of said agreements to which it is a party is deemed to constitute a sufficient compliance with this rule insofar as it relates to the filing of copies of the agreements to which it is a party.
- 4901:1-3-06-06 4901:1-6-21 Filing by telephone companies of a copy of any contracts, agreements, notes, bonds, or other arrangements entered into between telephone companies or with any telephone management, service, or operating company.

FOR PURPOSES OF THIS RULE, "TELEPHONE COMPANY" SHALL APPLY TO ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS) WHETHER THE ILEC IS SUBJECT TO A QUALIFYING ALTERNATIVE REGULATION PLAN OR NOT, ALL COMPETITIVE LOCAL EXCHANGE CARRIERS, AND ALL PROVIDERS OF COMPETITIVE TELECOMMUNICATION SERVICES.

- (A) UNLESS OTHERWISE EXEMPTED, ALL TELEPHONE COMPANIES SHALL FILE WITH THE PUBLIC UTILITIES COMMISSION OF OHIO (COMMISSION) AN APPLICATION FOR APPROVAL OF ANY CONTRACT, AGREEMENT, OR ARRANGEMENT (AEC) WITH ANY OTHER TELEPHONE COMPANY RELATING IN ANY WAY TO THE CONSTRUCTION, MAINTENANCE, OR USE OF ITS PLANT OR PROPERTY, OR TO ANY SERVICE, RATE, OR CHARGE. SUCH APPLICATION SHALL BE FILED UNDER THE THIRTY-DAY AUTOMATIC APPROVAL PROCEDURE OF PARAGRAPH A OF RULE 4901:1-6-08 of THE ADMINISTRATIVE CODE.
- (AB) All telephone companies are hereby exempted from filing with the commission, pursuant to the provisions of the second paragraph of section 4905.16 of the Revised Code, a copy of any contract, agreement, note, bond, or other arrangement entered into with any telephone management, service, or operating company.
- (BC) This rule does not relieve any telephone company doing business in the state of Ohio of any duty or obligation imposed by law, nor does it relieve any such telephone company from making any filing directed by an existing order of the commission.

4901:1-3-08- — Construction and maintenance standard.

For purposes of this rule, "telecommunications providers" means a facilities based telephone company that provides telecommunications service other than commercial mobile radio service (except fixed wireless service) under the commission's jurisdiction. The inside and outside plant of all telecommunications providers shall be designed, operated, and maintained in accordance with the provisions of applicable nationally recognized standards. Upon request, all telecommunications providers shall specify the standard utilized. A telecommunications provider shall utilize the 2002 edition of the "National Electric Safety Code" whenever its outside plant is located on or in a structure, trench, or conduit shared with an electric utility. A copy of the 2002 edition of the "National Electric Safety Code" is available for review at the offices of the commission, 180 East Broad Street, Columbus, Ohio 43215, or one may be purchased from the institute of electrical and electronics engineers, inc.

4901:1-3-09-4901:1-6-22 Excess construction charges applicable to certain line extensions of the telephone companies. FOR THE FURNISHING OF LOCAL EXCHANGE TELEPHONE SERVICE.

The following rules and regulations are established for certain line extensions as maximum construction charges applicable thereto for permanent facilities on public highways outside the base-rate area of an exchange in connection with the furnishing of local exchange telephone service.

- (A) Where a telephone-LOCAL EXCHANGE CARRIER company (LEC) constructs permanent facilities on public highways in order to furnish service to an applicant or applicants in the territory where no facilities are available, the maximum construction charges applicable shall be determined in the following manner, regardless of the actual route to be followed by such construction:
 - (1) Where only one applicant is to be furnished service, the length of construction required to reach the point of entrance of the applicant's private property, measured along the public highway either from the nearest existing distributing plant of the telephone company LEC or the nearest point to which the telephone company LEC plans to extend its facilities under an approved construction program, whichever is closer, shall be determined by the telephone company LEC.

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For the length thus determined, the applicant may be required to pay construction charges in excess of the cost one-half mile of standard pole line in place. A credit against the cost of excess construction charges may be given where an applicant performs the labor of digging holes, or trimming or removing trees in the right-of-way in accordance with company-THE LEC's specifications.

(2) Where more than one applicant is to be furnished service along the same route, the length of construction required to reach the point of entrance on each applicant's private property, measured along the public highway either from the nearest

existing distributing plant of the telephone company LEC or from the nearest point to which the telephone-company-LEC plans to extend its facilities under an approved construction program, whichever is closer, shall be determined. For the length thus determined, the applicants as a group may be required to pay construction charges in excess of the cost of one-half mile of standard pole line in place, multiplied by the number of applicants.

- (3) If the telephone company-LEC elects to attach its facilities to poles of other utility companies in lieu of providing standard pole line construction, the telephone company- LEC will place one-half mile of circuit for each subscriber without construction charges. For placing facilities in excess of one-half mile on other utility companies' poles, the excess construction charges to be applied shall not exceed THE LESSER OF THE ACTUAL COST OF THE ATTACHMENTS TO THE OTHER COMPANIES' POLES BEYOND ONE-HALF MILE OF CIRCUIT FOR EACH SUBSCRIBER, OR those which would have been applied if standard pole line construction had been provided by the telephone company LEC.
- (B) The total amount of construction charges to be paid by the applicants as a group shall be apportioned among them in such manner as the group may determine. The necessary construction need not be started, however, until satisfactory arrangements have been made for the payment of such construction charges. In the event the applicants fail to agree upon an apportionment of construction charges within sixty days of the telephone company's-LEC's quotation of charges, then the company LEC may suggest prorated distribution of charges, based on relative distances of extension of pole lines among the applicants involved. If this suggestion is unacceptable to all applicants, then the telephone company LEC may handle each applicant separately, in accordance with the provisions of paragraphs (A)(1) and (A)(3) of this rule.
- (C) In case the telephone company LEC has on file other applications for service, from applicants located along the route to be used to serve the applicants referred to in paragraphs (A)(1) or (A)(2) of this rule, the telephone company LEC shall combine the construction projects for the current applicants and the applicants who previously applied for service in accordance with and subject to the provisions of paragraphs (A)(1) and (B) above, if such action will serve to reduce the amount of construction charges to be paid by either of such groups.
- (D) If the application of the above rules and regulations would result in unusual hardship to a telephone company LEC, the commission may by order, upon written application and proper showing, authorize such telephone company LEC to apply construction charges in excess of those provided by the above rules and regulations.
- (E) The telephone companies LECs in the state of Ohio desiring to ESTABLISH make construction charges as provided in this rule shall forthwith amend their tariffs to comply at least with the rules and regulations stated in paragraphs (A), (B), and (C) of this rule.

4901:1-3-11 4901:1-6-23 Filing of reports by telephone companies subject to the federal communications commission.

Upon request, each telephone company operating within the state of Ohio shall submit to the director of the utilities department of the public utilities commission of OHIO OR THE DIRECTOR'S DESIGNEE, a copy of ANY all-reports filed with the federal communications commission pursuant to 47 C.F.R. 43 AS EFFECTIVE IN PARAGRAPH (G) OF RULE 4901:1-6-02 OF THE ADMINISTRATIVE CODE except for the annual report provided to the public utilities commission of Ohio pursuant to division (A) of section 4905.14 of the Revised Code.