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DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE
APPLICATION OF THE OHIO
BELL TELEPHONE COMPANY FOR
APPROVAL OF AN ALTERNATIVE
FORM OF REGULATION

Case No. 93-487-TP-ALT

IN THE MATTER OF THE
COMPLAINT OF THE OFFICE OF
THE CONSUMERS' COUNSEL,

Case No. 93-576-TP-C55

Complainant

v.

OHIO BELL TELEPHONE COMPANY,

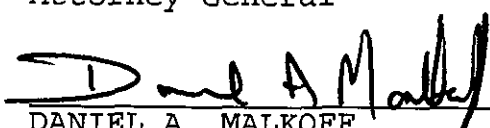
Respondent.

THE OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES'
OBJECTIONS AND COMMENTS TO STAFF REPORT

Now comes the Ohio Department of Administrative Services, an agency of the State of Ohio and a party to the above-captioned proceedings, and hereby submits its objections and comments (attached hereto) to the Staff Report issued by the Public Utilities Commission of Ohio.

Respectfully submitted,

LEE FISHER
Attorney General


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MEMORANDUM OF OBJECTIONS AND COMMENTS
BY THE OHIO DEPARTMENT OF ADMINISTRATIVE SERVICES

The Ohio Department of Administrative Services (ODAS) has reviewed the staff report recently issued by the Public Utilities Commission of Ohio, and is supportive of the staff report of investigation. ODAS believes that the staff has done a thorough analysis of the plan as submitted by the applicant.

However, the staff report raises several issues that ODAS wishes to comment on. The following comments deal with issues that ODAS believes are important and should be emphasized in the disposition of this case:

1. The Price Cap should not be approved unless the modifications are made in the areas of productivity offset, quality of service adjustments and exogenous events adjustments. ODAS agrees that the Productivity Offset should be higher than the 1.9 percent offered by the applicant. The rate of 3.3 percent established by the FCC should be the minimal acceptable.

Regarding quality of service, it has been the experience of ODAS that the quality of service provided since Ameritech centralized operational control in Chicago has been declining, and is currently not acceptable to ODAS. Decline in the quality of service has been costly to the State not only in dollars but also in lost productivity. Consequently ODAS strongly supports the position that rates should be adjusted downward as a penalty for poor performance, not be increased just because the applicant provides the minimal required level of service. In addition, it is becoming necessary to establish measurable standards for

performance of data services; e.g. installation interval, availability of data circuits, mean time to repair, etc.

Exogenous events adjustments should be determined by the Commission as an objective party, not by the applicant.

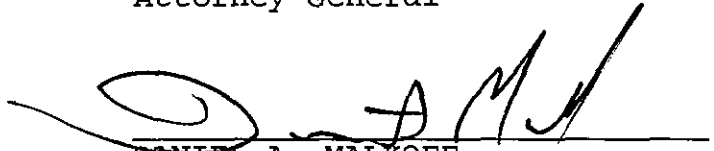
2. Regarding the assignment of services to the Cells, it is the position of ODAS that Digital Private Lines, which the State uses extensively, should not be assigned to Cell 4 because in ODAS' experience these services are not fully competitive. Assignment to Cell 2 is more appropriate.

3. Regarding the commitments offered by the applicant, ODAS submits that they are of little substance. Although ODAS supports the provision of fiber optic services to schools and other public buildings, without specific information about the rates and discounts at which this service will be offered and specifics regarding connectivity to other communication systems, it means little. Rates for the other public institutions, i.e. hospitals, libraries, county jails, and courts are, likewise, not mentioned. If these institutions are expected to pay the prevailing tariff for the service, there is no real "commitment" by Ameritech. Essentially, the provision by Ameritech to provide fiber to these

users should be considered an opportunity and may be a business imperative, not a concession to the public good.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Objections and Comments to Staff Report has been served upon the parties identified on the attached list by regular U.S. mail this 25th day of April, 1994.

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