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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.

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)  
) Case No. 93-487-TP-ALT  
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SUPPLEMENTAL TESTIMONY OF PAUL E. HOLLINGER  
AMERITECH OHIO EXHIBIT 30S.0  
SUBJECT: SEPARATIONS

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SUPPLEMENTAL TESTIMONY OF PAUL E. HOLLINGER

1. Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: Paul E. Hollinger, 45 Erieview Plaza, Room 1547,  
Cleveland, Ohio 44114.

2. Q: ARE YOU THE SAME PAUL E. HOLLINGER WHOSE TESTIMONY WAS  
PREVIOUSLY FILED AS OHIO BELL EXHIBIT 30.0 IN THIS CASE  
ON JUNE 30, 1993?

A: Yes, I am.

3. Q: WHAT IS THE PURPOSE OF THIS SUPPLEMENTAL TESTIMONY?

A: In its Staff Report of Investigation in this case, on  
page 8, the Staff recommends that the Commission order  
Ohio Bell to identify the investment associated with  
intrastate billing and collection and exclude it from  
jurisdictional plant in service. The purpose of my  
testimony is to demonstrate that such an adjustment is  
not appropriate.

4. Q: WHAT WAS THE BASIS FOR IDENTIFYING THE EXPENSES AND  
INVESTMENTS ASSOCIATED WITH BILLING AND COLLECTION.

A: As explained in my original testimony, I used the FCC's  
Part 69 rules to identify the ratio of interstate  
billing and collection expense to interstate billing  
and collection revenue. I then used this ratio to  
estimate intrastate billing and collection expense.

Part 69 rules allocate all interstate costs (as identified by Part 36 rules) into cost elements, one of which is billing and collection. Since these are the only rules of which I am aware that identify billing and collection costs, these are the rules I used. Part 32 rules do not require that billing and collection costs be separately identified, and our accounting system does not do so. Part 69 is, therefore, clearly the appropriate methodology to employ.

The Part 69 rules do allocate expenses to billing and collection, but they do not allocate any investments to billing and collection. The Part 69 rules allocate 100% of the interstate investment to the various cost categories, but none of this investment is allocated to billing and collection. Thus, in allocating no investment to billing and collection, we are following the rules established by the FCC, and used to develop interstate costs for billing and collection. To modify this approach here would result in different state and interstate cost bases, not only for billing and collection services, but also for the services from which the "intrastate billing and collection investment" is removed. Since there are no intrastate rules governing this area, it is most logical to follow the federal rules, and this is what I have done. The choice is between following a defined set of standard

rules or making an arbitrary allocation in a vacuum. I  
chose to follow Part 69.

5. Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.