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PUCO

November 22, 2004

*Via Hand-Delivery*

Ms. Reneé J. Jenkins  
Director of Administration  
Secretary of the Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

RE: In the Matter of the Application of ALLTEL Ohio, Inc. for Approval of an Alternative Form of Regulation Pursuant to Chapter 4901:1-4, Ohio Administrative Code,  
Case No. 04-1358-TP-ALT

Dear Ms. Jenkins

Enclosed are an original and fifteen (15) copies of the Response of ALLTEL Ohio, Inc. to Application for Rehearing by the Office of the Ohio Consumers' Counsel, to be filed in connection with the above-referenced matter:

Thank you for your assistance. If you have any question, please feel free to call.

Respectfully submitted,

Thomas E. Lodge

cc: Dan Fullin, Attorney Examiner  
Joseph P. Serio, Esq.

Enclosures

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**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of ALLTEL Ohio, Inc. )  
for Approval of an Alternative Form of Regulation )  
Pursuant to Chapter 4901:1-4, Ohio Administrative )  
Code. )

Case No. 04-1358-TP-ALT

**PUCO**

**RESPONSE OF ALLTEL OHIO, INC.  
TO APPLICATION FOR REHEARING BY THE  
OFFICE OF THE OHIO CONSUMERS COUNSEL**

In response to the Application for Rehearing by the Office of the Ohio Consumers' Counsel ("OCC"),  
ALLTEL Ohio, Inc. ("ALLTEL") states as follows:

1. On August 30, 2004, ALLTEL filed an application for approval of an alternative form of regulation pursuant to Chapter 4901:1-4 of the Ohio Administrative Code.
2. On September 20, 2004, the OCC filed comments with the Public Utilities Commission of Ohio ("PUCO", or "Commission") recommending that the PUCO deny ALLTEL's application due to the "absence of competition or reasonably available alternatives for residential customers in ALLTEL's service territory."<sup>1</sup>
3. On October 13, 2004, the Commission entered a Finding and Order (the "PUCO Order") approving ALLTEL's application that rejected the arguments set forth by OCC.
4. Just as OCC has in done in the alternative regulation proceedings of other Ohio incumbent local exchange carriers ("ILECs"),<sup>2</sup> OCC filed an application for rehearing on November 12, 2004, that raises no new issues. OCC merely reasserts that ALLTEL's application should be denied due to a lack of competition for non-basic services in ALLTEL's service area - a notion which has already been rejected by the Commission. Previously, the Commission found as follows:

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<sup>1</sup> Comments of the OCC on ALLTEL Ohio's Elective Alternative Regulation Plan ("OCC Comments") at 1.

<sup>2</sup> See Case Nos. 02-2117-TP-ALT, 04-62-TP-ALT, 04-720-TP-ALT.

ALLTEL's application for elective alternative regulation should be approved. Upon review of the comments presented by OCC, the Commission finds insufficient cause to deny this application. *We reject OCC's assertion that there is an absence of competition in ALLTEL's service territory.*<sup>3</sup> (Emphasis added.)

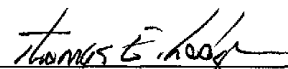
5. The OCC also asserts that the Commission erred in concluding that alternative regulation would allow incumbent carriers to respond to competition in their service areas. The OCC manipulates the PUCO Order and lists tariff filings by alternatively regulated incumbents, which OCC claims are primarily nothing more than rate increases. OCC failed to mention, however, that none of those filings increased rates for basic local services. As recognized by the Commission, one of the benefits of alternative regulation is the flexibility afforded electing companies to repackage or bundle their non-basic, and for the most part optional, services while providing rate certainty of basic services for consumers. OCC also failed to identify any of the other positive benefits of alternative regulation, including new investment in facilities for the deployment of broadband services by the ILECs.

6. The OCC offers no new evidence in support of any of its assertions.

7. Because neither of the reasons cited by OCC in support of a rehearing of ALLTEL's Application is sufficient cause for the Commission to grant the requested relief, ALLTEL requests that OCC's application be denied.

Respectfully submitted,

ALLTEL OHIO, INC.

By:   
Thomas E. Lodge (0015741)

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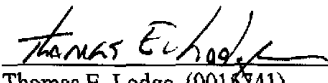
Its Attorney

<sup>3</sup> PUCO Order, ¶ 11.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served upon all parties listed below, via hand-delivery, this 22<sup>nd</sup> day of November, 2004.

Joseph P. Serio, Esq.  
Ohio Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3435

  
Thomas E. Lodge (0018741)