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BEFORE

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THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Amendment of the)
Minimum Telephone Service Standards)
As Set Forth in Chapter 4901:1-5)
of the Ohio Administrative Code.)

Case No. 00-1265-TP-ORD

PUCO

In the Matter of the Review of the)
Commission's Minimum Telephone Service)
Standards Found in Chapter 4901:1-5 of the)
Ohio Administrative Code.)

Case No. 05-1102-TP-ORD

REPLY MEMORANDUM OF UNITED TELEPHONE COMPANY OF OHIO d/b/a
EMBARQ IN SUPPORT OF WAIVER APPLICATION

I. INTRODUCTION

Embarq filed its waiver application on November 14, 2007. In its application, Embarq sought a waiver of certain rules applicable to subscriber bills. Because the MTSS are changing and new rules will become effective January 1, 2008, Embarq sought its waivers with respect to both sets of rules.

The Office of the Ohio Consumer's Counsel ("OCC") has filed a memorandum in opposition to Embarq's waiver application. OCC's arguments amount to little more than nit picking. In opposing the waiver application, OCC unfortunately ignores the most important element in support of the requested waivers – customer choice. OCC's desire to substitute its judgment for the personal judgment of Embarq's customers is misguided. Accordingly, OCC's opposition should be ignored and the waiver application granted.

II. ARGUMENT

A. Embarq's Waiver Application Is Based On Proven Good Cause, Not Hardship.

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OCC claims (wrongly) it is unclear whether Embarq is seeking a waiver for good cause or due to hardship.¹ Nowhere in Embarq's application is the word "hardship" mentioned. It is apparent that the waiver is sought for good cause. And Embarq specifically identifies several good causes.

First, the waiver will allow Embarq to provide its customers with greater control over the type of bill they receive. Because Embarq customers have expressed a preference for simple bills, meeting that preference is a benefit and thus an element of good cause. Embarq has also demonstrated good cause because customers will have complete freedom to change from the detailed bill to the summary bill, and back, at any time and at no charge. Therefore, if a customer's needs or desires change, the customer can change the type of bill the customer receives without incurring any cost at all. That also demonstrates good cause. And if a customer is receiving a summary bill and wants to obtain a detailed bill more quickly, the customer can immediately access it via the Internet.

Finally, to the extent that customers select the summary bill, Embarq will need to use less paper and other resources to print and deliver the bill. That is ecologically beneficial and another aspect of good cause.

B. *Embarq Is Agreeable To Having Its Waiver Request Apply To Only the New MTSS.*

OCC criticizes Embarq for seeking a waiver with respect to the current MTSS rules because they will be effective for only forty-seven days after the waiver application is filed. That criticism is trivial. If the Commission were to rule on the waiver application before year end, Embarq will require a waiver of the existing MTSS.

¹ OCC memorandum contra at 4.

However, if the Commission does not rule on the waiver application until the new MTSS are effective, then, to the extent the waiver application pertains to the current MTSS, the issue is moot. But to simplify this issue, Embarq withdraws its waiver request with respect to the currently effective MTSS.

C. Embarq's Proposed Bills Adequately Protect Consumers.

OCC also criticizes the lack of detail regarding the focus groups to which Embarq refers. OCC claims that Embarq should provide to the Commission Staff and OCC information regarding the composition of the focus groups by criteria such as age, race, gender, etc. and provide materials used to conduct the focus groups.² OCC also claims that the validity of the focus group evidence is diminished if the focus groups did not consist of Ohio residential customers.

OCC's entire argument with respect to the focus groups is meritless. First, there is no reason to believe that residential customers in Ohio differ from those in any other state with respect to their desire for a simple bill. Second, and more important, it is not crucial to the waiver request whether Embarq conducted any focus groups. If Embarq offers customers a choice of a simpler bill, and if customers select that simpler bill, customer welfare is advanced. This is true regardless of whether any focus groups were conducted. No purpose would be served by requiring Embarq to provide more detail regarding the focus groups. If the simpler bill meets the needs of Ohio consumers, they will elect it. If it does not, they won't. Empowering Embarq's customers to make that choice is desirable, regardless of any focus group results.

² OCC memorandum contra at 5.

As OCC admits, it is unclear whether Embarq needs a waiver of Rule 7(B)(1).³ Embarq included that rule in an abundance of caution. Embarq will provide the required contact information and separate charges by provider, but will not itemize each and every service that is provided. If Rule 7(B)(1) does not require that sort of detail for each provider, a waiver is not needed.

Embarq doesn't seek a waiver of Rule 7(B)(4). The summary bills provide the information required by that rule, e. g. beginning and end dates and due dates. And the bills will include the OCC contact information.

OCC claims that the summary bills fail to advise customers what they must pay to avoid disconnection. That is wrong. See, for example Exhibit A, page 2 of 4. If late fees or past due amounts are part of what must be paid to avoid disconnection, they will be included.

OCC asks that the bills provide detail if a customer has exceeded the limits in a package. This is unnecessary. If that occurs, the customer will have a higher than usual bill. And the customer can then either access a detailed bill on line or speak with a customer service representative. That will allow the customer to dispute any additional charges.

Embarq's requested waiver of Rule 7(B)(2) should be granted. In opposing it, the OCC seemingly relies on Rule 10(B) regarding disconnection. But that rule is not relevant to the requested waiver. If the waiver is granted, all the information will be included in the bill; however, the services or charges will not be broken out individually. For example, if a customer has call waiting for \$4.00 and Lineguard for \$4.00 and a late charge of \$5.00, the customer's bill will show a line item that says "Local Charges" and a

³ Id. at 10, 11.

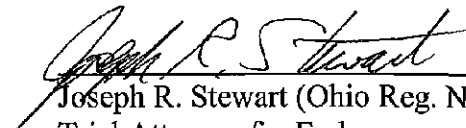
charge of \$13.00. The Summary bill will not show the individual line item charges (call waiting, Lineguard, late charge). Other parts of the bill will advise customers of precisely the amount they must pay to avoid disconnection.

III. CONCLUSION

The requested waivers should be granted. Embarq has demonstrated good cause. The salient point is that the summary bill is optional and provided at customer discretion. If a customer finds the summary bill option to be lacking in any way, the customer may get a detailed bill by contacting a customer service representative or by accessing the customer's account at Embarq.com. Offering customers the choice to receive a summary bill enhances customer satisfaction, better meets their needs, and is more ecologically sound.

The Commission should dismiss the OCC's paternalistic arguments and allow Embarq to offer its Ohio customers the benefits of the optional summary bill.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned counsel hereby certifies that a copy of the foregoing Reply Memorandum was served via first class mail, postage prepaid, on the parties listed below on this 12th day of December, 2007.



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