

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Amendment of the	)	
Minimum Telephone Service Standards as	)	Case No. 00-1265-TP-ORD
Set Forth in Chapter 4901:1-5 of the Ohio	)	Case No. 05-1102-TP-ORD
Administrative Code.	)	

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**AT&T'S MEMORANDUM CONTRA TO THE  
APPLICATION FOR REHEARING OF THE OCC**

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AT&T Ohio<sup>1</sup>, by its attorneys, respectfully submits its Memorandum Contra to the application for rehearing of the Office of the Ohio Consumers' Counsel ("OCC"). The OCC fails to point to any misapprehension of fact or mistake of law in the Commission's Entry, dated May 14, 2008. Rather, OCC claims that the Entry is unreasonable or unlawful because it is "unclear." The OCC poses several questions as to the intent and meaning of the Commission's May 14<sup>th</sup> Entry, yet proposes specific modifications for the Commission to adopt to ensure that OCC's viewpoints on not allowing carriers more flexibility in carrying out their disconnection processes are embraced.

AT&T Ohio supports the Memorandum Contra that the Ohio Telecom Association is filing on this date. AT&T Ohio, however, desires to emphasize some

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<sup>1</sup> The Ohio Bell Telephone Company uses the name AT&T Ohio.

additional reasons why the Commission should deny the OCC's application for rehearing and, therefore, submits this Memorandum Contra.

The information technology the Company utilizes to provide service to millions of residential and business customers involves the deployment and maintenance of numerous carefully integrated systems that address a wide range of issues and needs such as ordering services, addressing customer service and billing issues, managing collections, and processing customer billing adjustments. Multiple computer systems are impacted by virtually any programming change. The nature of a proposed change dictates the cost, complexity and scope of the modifications necessary to affect the desired result. The nature of the changes required by the Service Termination Rule (Rule 10(B)) entails extensive adaptations to the Company's systems that are extremely complex, costly and far reaching in scope. While in its Entry, the Commission noted that Rule 10(B) had been developed to provide companies more flexibility in creating their own disconnection policies, yet at the same time providing protection to customers for their most basic phone service, in fact, Rule 10(B) falls short of accomplishing this objective. May 14, 2008 Entry, p. 9. The attempt by the Commission not only fails to provide companies more flexibility, but it requires the development of an onerous and costly process that benefits few customers at the expense of all customers.

AT&T Ohio sought rehearing because in the increasingly and highly competitive environment in which it operates, it is unjust and unreasonable to require AT&T Ohio to incur expenses caused by regulatory rules that should be – at a minimum – decreasing or

even eliminated, especially when such rules are not imposed uniformly on its competitors and when such rules benefit relatively few customers at the expense of all others. MTSS Rule 4901:1-5-17(A) and (C),( hereinafter referred to as “Rule 17”) should remain in place until it can be further reviewed in the next periodic rule review. Without question, customer interests are protected under the termination of service process set forth in that rule.<sup>2</sup>

The OCC first suggests that the limited waiver should only apply to ILECs whose billing systems cannot distinguish between primary and non-primary lines for disconnection purposes. The Commission should reject this position. Rule 10(B) should not be enforced on any carrier, as it is unreasonable to force any carrier to incur any incremental costs driven by unnecessary regulations in a competitive environment. Ultimately, through the upward pricing pressure these added costs give rise to, the cost for implementing such a change *for any carrier* will have to be absorbed by all customers, including the majority of whom are responsible, reliable, and timely paying customers. This is an unnecessary hardship imposed by Rule 10(B) for all carriers. The OCC refuses to recognize the financial impacts of the rule change.

OCC’s second suggested mandate is that the limited waiver apply to multi-line residential accounts that have at least one line consisting of basic service bundled with other services. AT&T Ohio agrees that the Commission’s May 14<sup>th</sup> Entry is not clear with respect to the application of the limited waiver to the disconnection of bundled

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<sup>2</sup> AT&T Ohio filed a request for waiver of Rule 10(B) on May 28, 2008.

services. But rather than find as the OCC suggests, that multi-line customers subscribing to a bundle of services need only pay the ILEC's stand-alone basic service rate for one line in order to retain stand-alone basic service, the Commission should extend the same criteria as it established in the limited waiver for customers subscribing to multi-line stand alone service accounts to multi-line accounts with bundled services. That is, the customer must tender payment sufficient to cover the required charges for each line on the account in order to retain basic service. To find any differently would negate the impact of the limited waiver and would require the billing system to distinguish between lines on an account for disconnection purposes.

In its third proposed command, OCC states that the limited waiver should expire when Rule 10(B) enforcement regarding multi-line residential and small business accounts begins on January 1, 2009. OCC does not understand what it is suggesting here. Such an application would take us right back to where we started. One of the main points of OTA's waiver request is that carriers, including AT&T Ohio, cannot distinguish for disconnection purposes between the primary line versus multiple lines on an account not simply that additional time is needed to implement the changes. The OCC's approach would defeat the whole purpose of the Commission's attempt to lessen the impact of Rule 10(B) through the limited waiver. The OCC fails to provide any rationale as to why the limited waiver should be lifted completely.

While AT&T Ohio does not agree with the Commission's approach to lessening the impacts of Rule 10(B) through the limited waiver, it certainly does not view the

limited waiver as an interim fix. Rather, the limited waiver was intended by the Commission to be a permanent fix to the extensive and expensive problems with implementing Rule 10(B). In order to even implement the limited waiver, AT&T Ohio would need to make significant changes to its customer service and billing systems. The OCC's request is senseless and must be rejected.

In its fourth assertion, the OCC urges the Commission to apply the limited waiver *only* to multi-line residential and small business customers of ILECs and asks the Commission to clearly state that Rule 10(B) is in effect for single-line residential customers of ILECs and for all residential customers of CLECs. AT&T Ohio will not speak on behalf of the CLECs. As to ILECs, however, OCC seems to be asserting that Rule 10(B) is in effect at the present time for single-line residential accounts. As stated above, it is not reasonable to assume that the limited waiver can be put in place on an interim basis nor can it be put in place for just a subset of customers. AT&T Ohio does not and cannot reasonably be expected to have multiple termination of service procedures in place.

It is AT&T Ohio's understanding that Rule 17 is in effect until such time that Rule 10(B) will be enforced—January 1, 2009. Contrary to OCC's suggestion, AT&T Ohio is providing adequate basic local exchange service to its customers. Extensive program changes need to be made to the company's billing system in order to implement Rule 10(B). During these changes, however, AT&T Ohio will still carry out the protections granted under Rule 17, which has been in effect – without issue – since May

29, 2001. The Commission should confirm that Rule 17 remains in effect until the earlier of a LECs implementation of the Service Termination Rule or until the enforcement date.

Finally, OCC maintains that, under the limited waiver, a multi-line residential customer will retain service on each line for which the customer has submitted payment sufficient to cover the ILEC's stand-alone basic service rate. Again, such a finding would take us right back to where we started. The Commission should reject any requirement for billing systems to distinguish between primary and non-primary lines for disconnection purposes.

## Conclusion

In an increasingly competitive environment, there is no rational basis upon which the Commission should require the implementation of complex and expensive changes that provide limited additional protection for a very small number of delinquent customers. Rule 17's termination policy has not generated complaints that would justify a need to make the sweeping changes the Service Termination Rule requires. Accordingly, AT&T Ohio's application for rehearing should be granted and its request to retain the current disconnection Rule 17 should be granted. In the alternative, additional time to implement the necessary billing changes should be allowed, as set forth in AT&T Ohio's waiver request filed on May 28, 2008. In any event, OCC's application for rehearing should be denied.

Respectfully submitted,

AT&T Ohio

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Summary: Memorandum AT&T Ohio's Memorandum Contra OCC's Application for Rehearing electronically filed by Ms. Mary K. Fenlon on behalf of AT&T Ohio