

**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.)	

AT&T OHIO'S REPLY

AT&T Ohio¹, by its attorneys, respectfully submits its Reply to the Office of the Ohio Consumers' Counsel ("OCC") memorandum contra AT&T Ohio's Request for a Waiver. AT&T Ohio does not disagree with the OCC that the Commission should not grant a waiver that would have the effect of "abrogating" the essential minimum level of telephone service available to Ohio consumers. Far from "abrogating" minimum service levels, AT&T Ohio simply seeks a fair and balanced rule that addresses disconnection of service without imposing undue costs on the Company.

AT&T Ohio maintains that companies should have the flexibility to develop their own disconnection of service processes that can be successfully and economically carried out. In this proceeding, AT&T Ohio seeks retention of MTSS Rule 4901:1-5-17(A) and (C), (hereinafter referred to as "Rule 17"), a rule that has been effectively implemented for the past 12 years and one that has not generated issues, concerns or problems. Based on the extraordinary time and expense associated with the Commission's revised

¹ The Ohio Bell Telephone Company uses the name AT&T Ohio.

Termination of Service process, a permanent waiver of Rule 10(B) would be in the best interests of AT&T Ohio's residential and business customers.

The OCC wants to know whether AT&T Ohio is seeking to avoid the obligations of Rule 10(B), the limited waiver, or both. As stated above, AT&T is seeking a fair and balanced rule that addresses disconnection of service without imposing undue costs on the Company. As such, AT&T Ohio filed its May 28th Waiver Request as well as its June 13th Application for Rehearing seeking permission to continue to adhere to Rule 17. Nevertheless, as directed by the Commission, AT&T Ohio is currently moving forward with making the substantial changes to its system required by the new rule.

The OCC's arguments suffer from a variety of shortcomings. OCC states that AT&T Ohio has not shown that compliance with the rule is "unduly burdensome compared to the public policy objective involved," as the Commission requires, but does not specify what additional information they believe could have been provided to the Commission to explain the unnecessary and extreme steps required to implement the new rule. Contrary to OCC's assertion, AT&T Ohio *has* demonstrated that compliance with the rule is unduly burdensome compared to the public policy objective involved. While it was not possible to determine the full impact that Rule 10(B) could have on the company's internal billing systems during the initial comment cycle, the Company now has a much better understanding of what is entailed in getting the new rule implemented. Because the impact is so significant and far-reaching, many business units have been involved in evaluating the technical and financial extent of the modifications required to

implement Rule 10(B). Throughout the waiver process, it was AT&T Ohio's goal to share this information with the Commission and to ensure that the Commission understands the vast amount of time and money that it will take to see through the implementation of a rule that does not meet any reasonable cost-benefit test and that impacts a very small percentage of customers that fail to pay a sufficient amount to maintain their service. OCC apparently believes spending millions of dollars to change a process that impacts very few customers is quite reasonable. Further, OCC ignores the history on this specific rule change failing to mention the Commission has properly rejected this service termination policy in various dockets throughout the past 12 years. AT&T Ohio has demonstrated that compliance with the rule is unduly burdensome compared to the public policy objective involved..

The OCC attempts to hang the policy of the State of Ohio over AT&T Ohio's head. Any Commission order calling for expenditures of this magnitude must be reasonable. There is nothing in the Ohio Revised Code that would require unreasonable expenditures to benefit only a very few number of customers. Further, AT&T Ohio does not understand what OCC intends when it claims that the company is "self-focused." AT&T Ohio is focused on its customers, and ultimately what is in their best interests, especially now in a competitive market.

Without justification, OCC claims that costs should not be prohibitive for a company the size of AT&T Ohio. OCC cannot support this claim and cannot reasonably conclude that the costs are not prohibitive. OCC has no understanding of the day to day

operations of the company nor an understanding of the Company's planning for its future investments in the competitive market. The OCC has no rational basis upon which to make such a statement. If AT&T Ohio wanted to complain about simply spending money, then it would have filed waiver requests in connection with countless MTSS rules that have required the expenditure of significant sums of money to implement. AT&T Ohio's waiver request is based clearly on very unique circumstances presented by Rule 10(B).

Contrary to OCC's suggestion, it is not "highly likely" that AT&T Ohio had to make similar changes to implement Rule 10(B) as it has in the past 12 years, including the implementation of late payment fees. The changes required to implement a late payment fee did not come close to requiring the expenditures and amount of work needed in this case. In fact, by the time AT&T Ohio secured approval to implement a late payment charge, the billing system was already equipped to assess such a charge because other states were already assessing a late payment charge. While system modifications were needed to implement it in Ohio, the changes were relatively minor in scope, complexity, and cost.

AT&T Ohio provided the detailed history to remind the Commission of the "industry outcry." However, it does not matter whether AT&T Ohio is now the only company that has filed a waiver of the rule. The Company still hopes that it is sending a very strong message to the Commission. Each company should have the flexibility to develop its own disconnection of service process that can be successfully and

economically carried out. AT&T Ohio does not simply disagree with the rule. The Company disagrees with the consequences the rule brings - - its financial and technical ramifications and reminds the Commission that their service termination policy has also reached the same financial and technical conclusions that the Company has presented..

There is no basis upon which OCC's arguments should be accepted. For all of these reasons, the OCC's arguments should be dismissed and the Company requested waiver should be granted.

Respectfully submitted,

AT&T Ohio

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