

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of)
CenturyTel of Ohio, Inc. to Offer a New)
Prepaid Services Bundle.)

Case No. 08-889-TP-UNC

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**CENTURYTEL OF OHIO, INC'S MEMORANDUM CONTRA
OCC'S APPLICATION FOR REHEARING**

On July 17, 2008, CenturyTel of Ohio, Inc. (CenturyTel) filed its Application seeking approval of a new prepaid local service bundle. CenturyTel explained in its Application that its new service offering is specifically designed for those customers who either have been disconnected for non-payment of CenturyTel existing local exchange services or who cannot qualify for those service offerings, due to bad credit or an inability to pay the up-front costs of deposits and installation fees. Thus, the new prepaid service bundle provides an option for customers who don't have service and would not otherwise get it.

The Office of the Ohio Consumers' Counsel (OCC) opposed CenturyTel's Application. OCC argued that the Commission should not approve CenturyTel's new service offering because (1) the prepaid service does not include operator services and directory assistance (OS/DA); (2) consumers who are Lifeline eligible might not be adequately advised of the availability of Lifeline service; (3) the terms and conditions of the prepaid service are inconsistent with the MTSS; and (4) the prepaid service bundle is of questionable public benefit.

The Commission addressed each of OCC's concerns in its September 24, 2008 Finding and Order that approved CenturyTel's Application.

On October 24, 2008, OCC filed an application for rehearing that repeats the same arguments it raised in its initial opposition to CenturyTel's Application. Specifically, OCC

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argues that the Commission's Finding and Order is unreasonable and unlawful because (1) it approved a service that does not include OS/DA; (2) it did not require CenturyTel to obtain any waivers from the MTSS rules; (3) it did not find that the statement CenturyTel will send to prepaid service customers 15 days before the prepaid service ends is either a "bill" or a "disconnection notice"; and (4) it failed to ensure that Lifeline-eligible customers will be properly enrolled in CenturyTel's Lifeline service instead of the prepaid service.

CenturyTel responded specifically to each of OCC's claims in its August 22, 2008 Reply to OCC's Opposition to CenturyTel's Application. The Commission carefully considered the merits of the parties' arguments and counter-arguments in its Finding and Order. Thus, rather than restate the arguments already made and considered by the Commission, CenturyTel directs the Commission to its August 22, 2008 reply and, instead, will respond to OCC's alleged grounds for rehearing by reiterating, generally, the fundamental errors that still exist in OCC's analysis as they relate to each alleged grounds for rehearing.

1. OCC's allegation that the Commission erred by approving a service that does not include OS/DA restates OCC's primary objection to CenturyTel's Application — CenturyTel's prepaid service bundle is not good enough because it does not include OS/DA. OCC, however, fails to recognize that the choice that CenturyTel's Application presents is not between its proposed prepaid service bundle and a "better" bundle that has additional elements, such as OS/DA. Rather, the choice is between CenturyTel's proposed prepaid service bundle and no such offering. Further, OCC ignores that CenturyTel's existing basic local exchange service, which includes the additional elements, such as OS/DA, that OCC contends must be offered to customers, is available to all customers who are eligible for it and are willing to pay for it.

This is a simple, yet very important, point that OCC refuses to address; in fact, OCC curiously describes the fact that CenturyTel's existing basic local exchange service will continue to be available to all customers who are eligible and willing to pay for it at page 5 of its application for rehearing as "irrelevant." It is not irrelevant. The Commission stated in paragraph 15 of its Order, "Of crucial importance to our decision, here, is the fact that the service is optional, and that it will not impact the ability of all customers who are eligible for other services, including both basic local exchange service and lifeline service, to subscribe to those services instead." In fact, the Commission approved CenturyTel's Application subject to CenturyTel only providing its prepaid service bundle so long as it simultaneously continues to make available to customer who are eligible for and are willing to pay for it basic local exchange service that includes access to OS/DA. Everyone but the OCC seems to grasp this simple point.

2. OCC's second and third grounds for rehearing blend together and can be addressed simultaneously. As CenturyTel explained in its Application at page 2, CenturyTel recognizes that it must obtain the Commission's approval before offering its prepaid service bundle in Ohio, and it submits that the service offering that it is proposing in this case is both in substantial compliance with the MTSS rules and is consistent with the public interest. There are, however, certain MTSS provisions, for example those pertaining to billing and disconnection notice, that have no application to the prepaid service offering at issue. See CenturyTel's Reply at 5-7. Specifically, the statement CenturyTel sends to the prepaid customer 15 days before the payment must be made to renew service for the next month is neither a "bill" nor a "disconnection notice." Rather, it is a statement that reminds the customer of the prepaid service end date and the amount to be paid if they wish to continue to receive the service. OCC misses this key characteristic of a *prepaid* service. The customer – by definition – pays all charges before the

service is initiated. If a customer is getting a prepaid service, there is nothing to bill the customer for. If the customer wishes to continue to receive the service, they will prepay again. If they do not, the service will end on the date designated when they initiated service. There is no "disconnection." OCC's revived claims to the contrary are without merit.

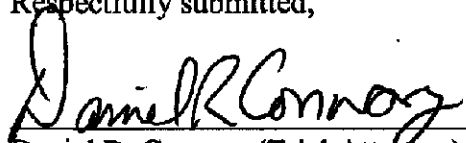
3. OCC's contention that the Commission erred because it failed to ensure that Lifeline-eligible customers will be properly enrolled in CenturyTel's Lifeline service instead of the prepaid service ignores the facts at issue. The Commission summarized the numerous ways in which customers will be exposed to CenturyTel's Lifeline service at page 6 of the Order, thus CenturyTel will not repeat the multiple ways that Lifeline-eligible customers are notified and, in many cases, automatically enrolled in CenturyTel's Lifeline service. OCC's alleged ground for rehearing is without merit.

4. Lastly, OCC argues that the Commission is somehow constrained by its prior decisions or, even more of a stretch, by Staff testimony from a case that was voluntarily dismissed over ten years ago. *See* April 4, 1998 Entry in Case No. 97-TP-NAG. The Commission thoroughly addressed these arguments in paragraphs 12 through 15 of its Finding and Order, and there is nothing additional to add to the Commission's analysis. Thus, for the same reasons the Commission rejected OCC's arguments regarding the NOW decision, the Commission should reject these arguments again.

Conclusion

For the reasons provided above, the Commission should deny OCC's application for rehearing.

Respectfully submitted,

A handwritten signature in black ink, reading "Daniel R. Conway". The signature is written in a cursive style with a large initial "D".

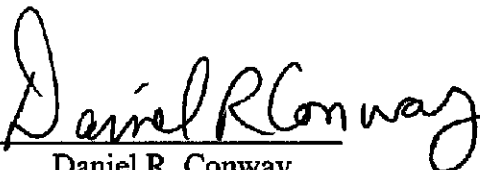
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CERTIFICATE OF SERVICE

I hereby certify that I served a copy of CenturyTel of Ohio, Inc. Memorandum Contra
OCC Application For Rehearing via First-Class United States Mail, postage prepaid, upon the
following counsel of record, this 3rd day of November, 2008:

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