

Confidential Release

Case Number:

90-467-TP-ATA

90-471-TP-ATA

Date of Confidential Document:

SEPTEMBER 17, 1991

Today's Date:

July 28, 2009

BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF OHIO

- - -

In the Matter of the)
Application of the Ohio Bell)
Telephone Company to Revise)
its Exchange and Network)
Services Tariff, PUCO No. 1,) Case No. 90-467-TP-ATA
to Establish Regulations,)
Rates, and Charges for)
Advanced Custom Calling)
Services in Section 8 and)
Known as Caller ID.)

In the Matter of the)
Application of the Ohio Bell)
Telephone Company to Revise)
its Exchange and Network)
Services Tariff, PUCO No. 1,) Case No. 90-471-TP-ATA
to Establish Regulations,)
Rates, and Charges for)
Advanced Custom Calling)
Services in Section 8 and)
Known as Automatic Callback.)

- - -

Hearing Room 11B
Borden Building
180 East Broad Street
Columbus, Ohio 43266
Tuesday, September 17, 1991

Met, pursuant to assignment, at 9:30 a.m.

BEFORE:

Christine T. Pirik, Jeffrey R. Jones and
L. Douglas Jennings, Attorney-Examiners.

- - -

VOLUME V - PROPRIETARY PORTION

- - -

CONFIDENTIAL

1 APPEARANCES:

2 ON BEHALF OF OHIO BELL TELEPHONE COMPANY:

3 William H. Hunt, Esq.
4 Jon F. Kelly, Esq.
5 Ohio Bell Telephone Company
45 Erieview Plaza
Cleveland, Ohio 44114

6 ON BEHALF OF THE STAFF OF THE PUBLIC UTILITIES
7 COMMISSION OF OHIO:

8 Lee Fisher, Esq.
Attorney General, State of Ohio

9 BY: James B. Gainer, Esq.
Section Chief
10 Ann E. Henkener, Esq.
Thomas W. McNamee, Esq.
11 Assistant Attorneys General
Public Utilities Section
12 180 East Broad Street, 7th Floor
Columbus, Ohio 43266-0573

13 ON BEHALF OF THE CITY OF CLEVELAND:

14 Danny R. Williams, Esq.
15 Director of Law

16 BY: William M. Ondrey Gruber, Esq.
Chief Assistant Director of Law
17 Robert O. Bucklew, Jr., Esq.
Assistant Director of Law
18 601 Lakeside Avenue
106 City Hall - Law Department
19 Cleveland, Ohio 44114

20 ON BEHALF OF ALLNET COMMUNICATION SERVICES, INC.:

21 Judith B. Sanders, Esq.
Bell, Royer & Sanders Co., L.P.A.
22 33 South Grant Avenue
Columbus, Ohio 43215-3927
23
24
25

1 APPEARANCES (Continued):

2 ON BEHALF OF LAW ENFORCEMENT AGENCY AND THE STATE
3 HIGHWAY PATROL:4 John Gilchrist, Esq.
5 Schottenstein, Treneff & Williams
6 341 South Third Street, Suite 300
7 Columbus, Ohio 43215-54308 ON BEHALF OF THE RESIDENTIAL CUSTOMERS OF
9 OHIO BELL TELEPHONE COMPANY:10 William A. Spratley, Esq.
11 Office of Consumers' Counsel12 BY: Bruce J. Weston, Esq.
13 Yvonne T. Ranft, Esq.
14 Associate Consumers' Counsel
15 Office of Consumers' Counsel
16 77 South High Street, 15th Floor
17 Columbus, Ohio 43266-055018 ON BEHALF OF THE OHIO DOMESTIC VIOLENCE NETWORK:19 Janine L. Migden, Esq.
20 Hahn, Loeser & Parks
21 431 East Broad Street, Suite 200
22 Columbus, Ohio 43215-382023 Kathryn Bamberger, Esq.
24 861 South Fifth Street
25 Columbus Ohio 4320626 ON BEHALF OF SCHERERS COMMUNICATIONS, INC.:27 Barth E. Royer, Esq.
28 Bell, Royer & Sanders Co., L.P.A.
29 33 South Grant Avenue
30 Columbus, Ohio 43215-3927

31 - - -

1 ***** (Beginning of closed portion of hearing.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

EXAMINER PIRIK: We'll go back on the
record.

16

17

18

19

At this time we'll have a closed session
with regard to certain proprietary information that the
Bench has held proprietary in this matter. On
cross-examination, Mr. Weston.

20

21

MR. WESTON: Thank you, your
Honor.

22

- - -

23

FURTHER CROSS-EXAMINATION

24

BY MR. WESTON:

25

Q. Dr. Currie, remember we were considering some

1 numbers that you had calculated? I know you -- I know
2 how you probably feel about the assumptions in that
3 analysis, but could you just tell us what those
4 proprietary numbers are?

5 A. Those assumptions that we made previously result
6 in \$368,532 per month. And you also asked to calculate
7 the number on an annual basis, and multiply it by 12;
8 \$4,422,382 per year.

9 Q. And the way you got to the monthly figure was
10 multiplying times the cost to Ohio Bell purchase use of
11 the operator service which was what, about 27 cents?

12 A. Was approximately 27 cents, plus some change,
13 that I used that I multiplied against the other
14 components that we discussed earlier.

15 MR. WESTON: Thanks, Dr. Currie.

16 THE WITNESS: You are welcome.

17 EXAMINER PIRIK: Thank you, Mr.

18 Weston.

19 Ms. Henkener?

20 MS. HENKENER: Thank you.

21 - - -

22 FURTHER CROSS-EXAMINATION

23 BY MS. HENKENER:

24 Q. Can you give me your calculation which is the
25 result of --

1 A. At Page 7?

2 Q. Yes, Page 7, let's see, dividing --

3 A. These constructions.

4 Q. Line No. 23 by Line No. -- by \$3.50.

5 A. So 23 divided by 22, and I am going to give it to
6 you in percent, for Automatic Callback it is 54.3
7 percent, and for Caller ID it is 82.2 percent. And
8 that is using the list price information that appears
9 on Page 7.

10 Using the Page 8 information that is used using
11 the minimum tariff rate, the comparable numbers are for
12 Automatic Callback, 36.4 percent, and for Caller ID,
13 75.8 percent.

14 Q. And concerning the prices for the 5 ESS switch,
15 do you have those numbers, or I may have a document
16 that can help you.

17 A. The price for Caller ID and 5 E switch, at the
18 time of this document, and it has subsequently been
19 changed, and I think I remember at least one of the
20 subsequent prices, appears in several forms, and that
21 is part of the reason why in my testimony I went
22 through this multifaceted example, the vendors don't
23 necessarily make it easy on us to make these choices,
24 but first if I buy all the Phase-1 features as a
25 package in the 5 E, which I can do, I have two choices;

1 I can buy it either on a per-line basis, or I can buy
2 it on a switch mod, and a switch mod is one of the
3 building blocks within the 5 E switch.

4 At the time we did the original work, the cost
5 per-line is \$30 per-line. You would do that when,
6 essentially, you are going to have very few lines.

7 And at the time we did this, it is \$5,700 per
8 switch mod. I would have to read this to make sure. I
9 think I apply an 11 percent discount in addition to
10 that. This, I think, is what is called the Bell list
11 price to which discounts apply. . .

12 My recollection is, today, at this moment, we are
13 paying a net price for the Phase-1 per switch mod of
14 \$3,990. I can check that, but that is my recollection.

15 In other words, we have, subsequently, in the
16 last year or so, gotten a better price for this
17 particular component from AT&T, and that is the primary
18 price, as I understand it.

19 I think we are, in fact, purchasing the class
20 features and 5 E switch today. AT&T also offers other
21 options, for Caller ID, specifically, besides the two
22 that I have already mentioned.

23 And Caller ID, AT&T calls the package of Calling
24 Number Delivery, which is our Caller ID service, and
25 what they call Calling Number Delivery Blocking, which

1 is the software for providing blocking that I think Ms.
2 Takacs talked about.

3 It is called -- I won't give you the acronym.
4 Individuals Calling Line Identification. Telephonees
5 (phonetic), there is always an acronym.

6 At the time of this, and I don't think this price
7 has changed, that is \$1,800 per switch mod, less the 11
8 percent discount.

9 Those are the set of options, as I understand,
10 that exist for Caller ID in the 5 E switch family.

11 Q. And what about Automatic Callback?

12 A. Automatic Callback is available in the Phase-1
13 package. It is part of that package, so we get the
14 same capability if you buy one of the packages, but in
15 addition, AT&T offers the ability to buy it by itself.

16 Now, one of the confusing parts here is that in
17 AT&T, they call Automatic Callback, our service,
18 Automatic Recall, and so the cost for Automatic Recall,
19 which is our Automatic Callback tariff offering that we
20 are proposing, its cost, if you buy it by itself, is
21 \$1,800 per switch mod, less, at this time, the 11
22 percent discount.

23 I don't know whether the discount, the 11
24 percent, is exactly the same or not. It is probably
25 fairly close.

1 The 3,990 number, I think, is discounted,
2 although I can check that for you.

3 Q. Okay. And what they call Automatic Callback,
4 what do we call?

5 A. We call that Repeat Dialing.

6 Q. Okay.

7 A. Make you thoroughly confused?

8 Q. And what is the -- And what is the cost per
9 switch mod for that?

10 A. The cost for that, when you buy it by itself, it
11 also is included in the Phase-1 features that I
12 mentioned previously, but when you buy it by yourself,
13 it is \$3,000 per switch mod, less any discount.

14 And the discounts for the software will tend to
15 be the same for -- across switch mods. I want to just
16 indicate that these prices represent when we are buying
17 these features by themselves.

18 If you are doing a dial-for-dial office
19 replacement, essentially you are buying everything.
20 The vendor may, and often does, provide better
21 discounts than these.

22 (Pause.)

23 Q. Why didn't you use these numbers in your answer
24 to Question 78?

25 A. These were proprietary pieces of information, but

1 I wanted to go through an example in detail to try to
2 give a flavor of what -- what were the options that you
3 take in trying to measure what is the relevant cost for
4 a specific product, and what would be the relevant cost
5 for a family.

6 I attempted to keep the proprietary information
7 to a minimum. I did reach a conclusion based on the
8 information that we just read, but it also included
9 using the 3,990 number in my evaluation.

3
10 Q. Okay. Would the analysis that you did in your
11 testimony still hold if you used the actual vendor
12 prices that we discussed here?

13 A. When I evaluated -- I used the 3,990. I haven't
14 gone through and looked at the \$5,700. I don't know if
15 it would be exactly the same, or whether it would be
16 anything -- I know I have gone through and looked at
17 it, and if there were anything, there was, under some
18 circumstances, potentially a very small piece that
19 might be product specific if I were to review it again.
20 But using the most current rates, there wasn't any.

21 MS. HENKENER: That is all we have,
22 your Honor.

23 EXAMINER PIRIK: Thank you, Ms.
24 Henkener.

25 Mr. Kelly, do you have any redirect?

1 MR. KELLY: No redirect. Thank
2 you.

3 EXAMINER PIRIK: We'll go back on the
4 open record.

5 (Remainder of hearing on public record.)*****

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

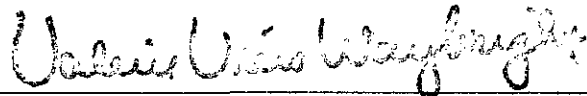
24

25

C E R T I F I C A T E

- - -

I, Valerie Waybright, C.M., Registered Professional Reporter, hereby certify that the foregoing is a true and correct proprietary transcript of the proceedings before the Public Utilities Commission of Ohio, State of Ohio, on Tuesday, September 17, 1991, as reported in stenotype by me and transcribed by me or under my supervision.



Valerie Waybright, C.M.,
Registered Professional Reporter.

- - -