

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Adoption of Rules to)
Implement Substitute Senate Bill 162.) Case No. 10-1010-TP-ORD

ENTRY

The Commission finds:

- (1) On June 13, 2010, the governor of the state of Ohio signed into law Substitute Senate Bill 162 (Sub. S.B. 162), which revises state policy concerning the provision of telecommunications service, repeals current law governing alternative regulation of telephone companies, updates various provisions of the Ohio Revised Code, rescinds related Ohio Administrative Code (O.A.C.) rules except current Rules 4901:1-5-09, 4901:1-6-18, and 4901:1-6-24, O.A.C., and related definitions, and creates the Select Committee on Telecommunications Regulatory Reform. Sub. S.B. 162 also authorizes pricing flexibility for basic local exchange telephone service (BLES) provided by incumbent local exchange telephone carriers (ILECs) once a competitive showing has been made.¹ The effective date of Sub. S.B. 162 was September 13, 2010.
- (2) Prior to the passage of Sub. S.B. 162, the Commission had adopted, pursuant to the alternative regulatory authority authorized under Chapter 4927, Revised Code, Chapter 4901:1-4, O.A.C., which, among other things, authorized pricing flexibility of BLES by ILECs after a competitive showing had been made. Specifically, under prior authority, the Commission had granted BLES pricing flexibility to AT&T Ohio in 176 exchanges, Cincinnati Bell Telephone Company (Cincinnati Bell) in eight exchanges, Frontier North Inc. (Frontier)² in 21 exchanges, and United Telephone Company of Ohio dba CenturyLink (United) in 38 exchanges.
- (3) Effective September 13, 2010, new Section 4927.12, Revised Code, replaced the prior alternative regulatory requirements for BLES pricing flexibility and established the pricing

¹ Competitive providers already have pricing flexibility of BLES.

² In Case No. 09-454-TP-ACO the Commission approved a transaction whereby Frontier acquired all of the exchange areas formerly held by Verizon North Inc.

parameters for BLES provided by ILECs. Specifically, Section 4927.12(C), Revised Code, outlines three scenarios under which the BLES price increases permitted under the law may occur. Because this section of Sub. S.B. 162 is self-effectuating with the effective date of the bill, the Commission deems it appropriate to outline the three pricing scenarios below and reflect the earliest date price increases may occur in each category, in order to avoid any possible confusion.

- (a) Section 4927.12(C)(1), Revised Code - those ILEC exchanges where BLES pricing flexibility under former Rule 4901:1-4-11, O.A.C., had been obtained and where, within 12 months prior to September 13, 2010, increased rates for BLES in an exchange area had occurred: An ILEC with exchanges falling into this category shall not increase the ILEC's rates for BLES by any amount in those exchange areas until 12 months have elapsed from the date of the last increase in BLES rates. This category impacts 20 AT&T Ohio exchanges and eight Cincinnati Bell exchanges, which experienced increased rates for BLES in the last 12 months prior to September 13, 2010. Attached is an appendix which sets forth the earliest date that begins the 12-month period in which the ILEC may increase rates for BLES in each of these 28 exchanges.
- (b) Section 4927.12(C)(2), Revised Code - those ILEC exchanges where BLES pricing flexibility under former Rule 4901:1-4-11, O.A.C., had been obtained but that have not seen an increase in BLES rates within 12 months prior to September 13, 2010: For these ILECs in those exchanges, a BLES price increase is permissible any time during the 12-month period that begins on September 13, 2010, and any subsequent 12-month period. This category impacts 156 AT&T Ohio exchanges, 21 Frontier exchanges, and 38 United exchanges.
- (c) Section 4927.12(C)(3), Revised Code - those ILEC exchanges where the Commission had not yet

made a prior determination that the exchange area qualified for BLES pricing flexibility: In these exchange areas, an ILEC may not increase BLES rates unless it first applies to the Commission and the Commission determines that two or more alternative providers are offering competing service to the BLES offered by the ILEC in the exchange area. In that event, the ILEC may increase BLES rates during the 12-month period that begins 31 days after the company files the application, and during any subsequent 12-month period. This category impacts all the remaining exchange areas in the state of Ohio not covered by (a) and (b) above.


- (4) As a final matter, the Commission notes that, notwithstanding the timelines outlined above, Section 4927.12, Revised Code, establishes limits on BLES increases and requires no less than 30 day's notice to the Commission and to affected customers before any such increase can occur. Moreover, Section 4927.12(C)(4), Revised Code, prohibits an ILEC from increasing its rates for BLES provided to any lifeline service customers before January 1, 2012.

It is, therefore,

ORDERED, That all ILECs comply with findings 3 and 4. It is, further,

ORDERED, That a copy of this entry be served upon all incumbent local exchange carriers, the office of the Ohio Consumers' Counsel, the Ohio Telecom Association, and any other interested person of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



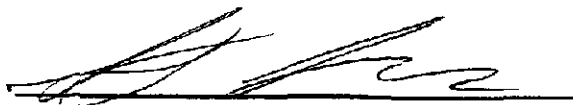
Alan R. Schriber, Chairman



Paul A. Centolella



Valerie A. Lemmie



Steven D. Lesser

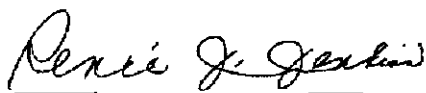


Cheryl L. Roberto

JRJ/vrm

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SEP 15 2010



Renee J. Jenkins
Secretary

The Public Utilities Commission of Ohio
Case No. 10-1010-TP-ORD

Appendix

	ILEC	Case Number	Exchange Name	Last Change Date	Change Date
1	AT&T	06-1013-TP-BLS	AKRON	04-Jan-10	04-Jan-11
2	AT&T	06-1013-TP-BLS	BEREA	04-Jan-10	04-Jan-11
3	AT&T	06-1013-TP-BLS	CLEVELAND	04-Jan-10	04-Jan-11
4	AT&T	06-1013-TP-BLS	COLUMBUS	04-Jan-10	04-Jan-11
5	AT&T	06-1013-TP-BLS	DAYTON	04-Jan-10	04-Jan-11
6	AT&T	06-1013-TP-BLS	DUBLIN	04-Jan-10	04-Jan-11
7	AT&T	06-1013-TP-BLS	GAHANNA	04-Jan-10	04-Jan-11
8	AT&T	08-107-TP-BLS	HILLCREST	04-Jan-10	04-Jan-11
9	AT&T	08-107-TP-BLS	INDEPENDENCE	04-Jan-10	04-Jan-11
10	AT&T	06-1013-TP-BLS	MONTROSE	04-Jan-10	04-Jan-11
11	AT&T	06-1013-TP-BLS	REYNOLDSBURG	04-Jan-10	04-Jan-11
12	AT&T	06-1013-TP-BLS	TERRACE	04-Jan-10	04-Jan-11
13	AT&T	06-1013-TP-BLS	TOLDEO	04-Jan-10	04-Jan-11
14	AT&T	06-1013-TP-BLS	TRINITY	04-Jan-10	04-Jan-11
15	AT&T	06-1013-TP-BLS	VICTORY	04-Jan-10	04-Jan-11
16	AT&T	06-1013-TP-BLS	WESTERVILLE	04-Jan-10	04-Jan-11
17	AT&T	06-1013-TP-BLS	WICKLIFFE	04-Jan-10	04-Jan-11
18	AT&T	08-107-TP-BLS	WILLOUGHBY	04-Jan-10	04-Jan-11
19	AT&T	06-1013-TP-BLS	WORTHINGTON	04-Jan-10	04-Jan-11
20	AT&T	06-1013-TP-BLS	YOUNGSTOWN	04-Jan-10	04-Jan-11

1	CINCINNATI BELL	08-1007-TP-BLS	BETHANY	17-Mar-10	17-Mar-11
2	CINCINNATI BELL	06-1002-TP-BLS	CINCINNATI	17-Mar-10	17-Mar-11
3	CINCINNATI BELL	09-875-TP-BLS	CLERMONT	17-Mar-10	17-Mar-11
4	CINCINNATI BELL	06-1002-TP-BLS	HAMILTON	17-Mar-10	17-Mar-11
5	CINCINNATI BELL	08-1007-TP-BLS	HARRISON	17-Mar-10	17-Mar-11
6	CINCINNATI BELL	08-1007-TP-BLS	LITTLE MIAMI	17-Mar-10	17-Mar-11
7	CINCINNATI BELL	09-875-TP-BLS	NEWTONSVILLE	17-Mar-10	17-Mar-11
8	CINCINNATI BELL	08-1007-TP-BLS	WILLIAMSBURG	17-Mar-10	17-Mar-11