

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission)
Investigation Relative to Estab-) Case No. 83-464-TP-COI
lishment of Intrastate Access) (Subfile A)
Charges.)

ENTRY

The Commission, coming now to consider the above-entitled matter, hereby makes the following findings:

- 1) On July 19, 1984, the Commission issued its Entry on Rehearing in the access charge docket which, among other things, granted rehearing with respect to certain alleged defects in the pooling formula contained in the Commission's May 21, 1984 Access Charge Order. Specifically, the Commission granted rehearing with respect to the recognition of Ohio Bell's and other local exchange carriers' authorized revenue increases in toll private line and toll directory assistance revenues in their 1983 revenue requirement for pooling purposes, and directed them to utilize the 3(b) mechanism for offering to the Commission any proposals relating to 1983 state toll revenue requirements.
- 2) Pursuant to that directive, General Telephone Company of Ohio (General) filed with the Commission on November 19, 1984, the following recommendations to adjust its 1983 revenue requirement:
 - a) General submits that the monthly amount to be added to its 1983 revenue requirement for toll private line increases is \$37,034. General maintains that this increase represents actual year-to-date revenues as of September 1984.
 - b) General submits that its 1983 revenue requirement should be adjusted by adding the monthly amount of \$10,111 to correctly reflect interLATA access charge calculations utilizing seven-day holding time studies. General asserts that its access charges billed to interexchange carriers in Ohio are based on seven-day holding time studies. Since these access charges are used as reductions to the 1983 revenue requirement, General contends that the basis for the revenue stream calculation should be consistent with the requirement it is being offset against, which was based on five-day holding time studies.
 - c) General claims that since the determination of General's 1983 revenue requirement, it has discovered an input error was made to Account 7511 (Other General Office Salaries) in November 1983. General submits that the intrastate impact of this error is \$11,007, and that the revenue requirement for the month of November should accordingly be increased by that amount.

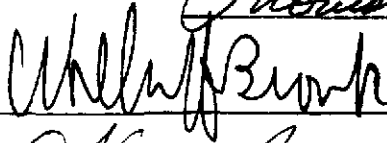
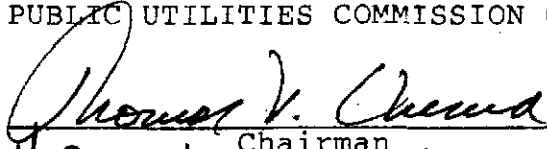



- 3) On November 30, 1984, the Ohio Telecommunications Advisory Board (Board) filed a response to General's recommendations, stating that if the Commission directs the Board to make the adjustments requested by General, the Board and its staff will be able to administer and account for such adjustments without changing the pooling procedures.
- 4) On December 4, 1984, Lexitel Corporation (Lexitel) and U.S. Telephone, Inc. (U.S. Tel), filed reply comments to General's recommendations, arguing that absent more and better data as to the reasonableness and accuracy of the proposed adjustments, and an exploration, identification, and quantification of any other effects which may result from adoption of General's recommendations, such recommendations should be rejected.
- 5) After reviewing the recommendations of General together with the reply comments of Lexitel and U.S. Tel, the Commission reaches the following conclusions:
 - a) The proposed adjustment submitted by General with regard to toll private line increases in response to the Commission's July 19, 1984 request for such data should be provided by General to the Board's staff and the Commission's independent auditor, along with any other information necessary for verification of the accuracy and propriety of such amount, within ten (10) days of this Entry. The Board's staff and the Commission's auditor should review the proposed adjustment and supporting data and report their findings in written form to the Commission.
 - b) General's recommendation concerning a change in revenue requirement based upon new seven-day holding time studies should be rejected. As the Commission has stated many times, while it is the intention of the Commission to ultimately arrive at cost-based rates to be set forth in company-specific access tariffs, the purpose of the interim pooling mechanism is to stabilize the intrastate net revenues of the local exchange companies to the 1983 level. A change to the utilization of seven-day holding time studies at this point would be inappropriate.
 - c) General's recommendation for an adjustment to its Account 7511 should likewise be rejected. Not only is there insufficient data and information to support a grant of such recommendation, but it would be inappropriate to make such an insignificant adjustment at this late date.

It is, therefore,

ORDERED, That the foregoing findings be observed. It is, further,

ORDERED, That copies of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

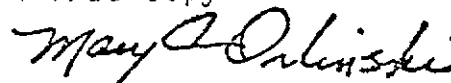
 _____ Commissioners	 _____ Chairman	 _____ Commissioners
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RJH/ksb

Entered in the Journal

JAN 29 1985

A True Copy



Mary Ann Orlinski
Secretary