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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO  
DOCKETING DIVISION  
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ameritech Ohio for Approval of an Alternative Form of Regulation. ) Case No. 93-487-TP-ALT )

In the Matter of the Application of Ameritech Ohio for an Order Approving a Reasonable Arrangement Between The Toledo Edison Company and Ameritech Ohio, Pursuant to Section 4905.31 of the Revised Code of Ohio. ) Case No. 88-1549-TP-AEC )

In the Matter of the Application of Ameritech Ohio to Revise its Exchange and Network Services Tariff, PUCO No. 1, to Reflect the Current End User Common Line (EUCL) Multiline Business Rate as it Relates to the Parity Provision Adjustment for Centrex CO 100 Service and Centrex CO Zone - Type I and II Service. ) Case No. 89-1147-TP-ATA )

In the Matter of the Application of Ameritech Ohio to Revise its Exchange and Network Services Tariff, PUCO No. 1, to Establish a New Service Called Ameritech Integrated Services Digital Network (ISDN) Local Calling Value Plan (ALLCVP). ) Case No. 94-1132-TP-ATA )

In the Matter of the Application of Ameritech Ohio to Revise its Private Line Service Tariff, PUCO No. 2, To Establish Rates and Regulations for Power Fault Protection. ) Case No. 94-1472-TP-ATA )

In the Matter of the Application of Ameritech Ohio to Revise its Exchange and Network Services Tariff, PUCO No. 1, To Establish Regulation and Rates for Two-Way Direct Inward Dialing (DID) With Call Transfer. ) Case No. 94-1615-TP-ATA )

In The Matter of the Application of Ameritech Ohio to Revise its Exchange and Network Tariff, PUCO No. 1, to Establish Regulations and Rates For Ameritech Customer Location Alternative Routing and Ameritech Network Switch Alternative Routing. ) Case No. 94-1706-TP-ATA )

In The Matter of the Application of )  
 Ameritech Ohio to Revise its Exchange )  
 and Network Tariff, PUCO No. 1, to ) Case No. 94-1925-TP-ATA  
 Revise the Regulations for Call )  
 Blocking. )

In the Matter of the Application of )  
 Ameritech Ohio to Revise its Exchange )  
 and Network Services Tariff, PUCO ) Case No. 94-1939-TP-ATA  
 No. 1, to Modify Advanced Custom )  
 Calling Rates and Change Multiple )  
 Feature Discounts. )

In the Matter of the Application of )  
 Ameritech Ohio to Revise its Exchange )  
 and Network Services Tariff, PUCO ) Case No. 94-2004-TP-ATA  
 No. 1, To Extend the Trial Period for )  
 Toll Restriction. )

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APPLICATION FOR REHEARING

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Pursuant to Ohio Rev. Code Section 4903.10 and Ohio Administrative Code Section 4901-1-35 Ameritech Ohio files this Application for Rehearing of the Commission's January 5, 1995 Entry. The Commission's Entry approved with one modification the tariffs submitted to implement alternative regulation for Ameritech Ohio as adopted in the Commission's November 23, 1994 Opinion and Order. Rehearing is sought to establish a maximum price of twice the initial rate established under the alternative regulation plan ("Plan") for Automated Calling Card Station to Station, Customer Dialed - Operator Assisted - Calling Card Station to Station and Operator Handled - Third Number Billed ("Operator Services").

Under the Commission's Entry the maximum price for these Cell 2 Operator Services will be the existing rates as adjusted for the stipulated rate increases on the implementation date of the Plan and the first and second anniversary dates of the Plan.<sup>1</sup> This treatment is unreasonable and is inconsistent with the Stipulation language, the regulation for Cell 2 services established by the Commission's November 23, 1994 Opinion and Order and the flexibility granted to Ameritech Ohio's competitors for the same services.

The Commission's November 23, 1994 Opinion and Order established these Operator Services as Cell 2 competitive services.<sup>2</sup> The pricing flexibility for Cell 2 services varies based on whether the service is already "subject to min-max pricing".<sup>3</sup> For services that were already subject to min-max pricing the price must be set within the existing range. For those services that "are not currently subject to min-max pricing" the maximum rate is 100% above the existing rate.<sup>4</sup> In the Commission's Entry the Operator Services were treated as though they were already subject to min-max pricing. This treatment is not consistent with the tariffs for these services.

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<sup>1</sup> Entry, p. 3.

<sup>2</sup> Stipulation, Ex. B, p. 6.

<sup>3</sup> Plan, p. 22.

<sup>4</sup> Id., p. 23.

These Operator Services have been "maximum priced" since the Commission's 944 Orders.<sup>5</sup> As a maximum priced service the Company had the flexibility to lower the price for these services but could not raise the price above the existing level. Nor was any minimum ever ordered by the Commission. No true min-max pricing flexibility existed for these services since rates could not be increased above existing levels without a general rate proceeding.<sup>6</sup> This ability to increase rates without a rate case is at the very heart of the alternative regulation authority sought by Ameritech Ohio and the Cell 2 pricing which was created by the Stipulation. Yet, these Operator Services will not receive any additional pricing flexibility beyond the scheduled increases despite their classification in Cell 2.

Some Ameritech Ohio services were flexibly priced with min-max pricing before the alternative regulation Plan was adopted. These services do not receive any additional upward pricing flexibility as a result of the alternative regulation Plan. These are the services that the Stipulation and Plan describe as being "already subject to min-max pricing". For these services both the min and the max was established by the Commission. A good example is the tariffs for Advanced Custom Calling Services. Those tariffs clearly establish a range of

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<sup>5</sup> In the Matter of the Commission Investigation into the Regulatory Framework for Telecommunication Services in Ohio, Case No. 84-944-TP-COI, Opinion and Order April 9, 1985 ("944" Order).

<sup>6</sup> 944 Order, p. 12.

twice the initial rate as the max and the initial rate as the min.<sup>7</sup> No such range or upward pricing flexibility exists for these Operator Services and they should not be treated under the Stipulation and Plan as though they are already min-max priced.

For other Cell 2 services the alternative regulation Plan permits rate increases above existing levels within the confines of the cell pricing rules for the individual service and the price cap plan. Under the Entry Ameritech Ohio will have no upward pricing flexibility for these Cell 2 competitive services beyond the first or second anniversary of the Plan depending on the service. In effect, these services will be treated as Cell 1 core services for the last either four or five years of the Plan. Yet, these services are considered Cell 2 competitive under the Plan, as they have been under the 944 Order. The end result of the Entry is to rob these services of the marketplace pricing, both upward and downward, which was intended to be created by the Stipulation. The Stipulating Parties were provided with copies of the proposed tariffs which included a range for these Operator Services consistent with the Stipulation for services that were not already min-max priced. None of the Stipulating Parties objected to the proposed tariffs.

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<sup>7</sup> Compare the attached tariffs for Advanced Custom Calling and other services which create a min-max range and an example of the tariffs for the Operator Services which does not create any upward range.

The parties to the Stipulation clearly knew how to craft language intended to limit future increases for services. Such a limitation was explicitly created for Advanced Custom Calling - Call Screening. For this service the parties crafted language that contained both an initial rate increase and a bar on future increases for the duration of the Plan.<sup>8</sup> For payphone rates the parties explicitly included language in the Stipulation that, although payphone service rates were classified as Cell 2, no rate increases could take place during the term of the Plan.<sup>9</sup> The fact that specific rate increases were agreed to as part of the calculation of the overall revenue reduction in the alternative regulation and complaint case does not mean that future pricing flexibility was foreclosed. Had the parties intended to bar upward pricing flexibility for these Operator Services language similar to that for Call Screening and payphone service would have been included in the Stipulation. In reality, no similar limiting language was agreed to for these Cell 2 Operator Services.

The pricing flexibility established by the Entry is also unreasonable when compared with the flexibility granted to competitor services. Under the Commission's Rules for Operator Services competitors can charge up to \$2.50 for operator handled calls, \$1.70 for customer dialed calling card calls and \$4.80 for

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<sup>8</sup> Stipulation, p. 83.

<sup>9</sup> Plan, p. 23.

person to person calls.<sup>10</sup> Those prices compare with the maximum of \$1.25 for operator handled third number billed and \$1.00 for operator assisted calling card that will be established for Ameritech Ohio under the Entry.

Ameritech Ohio requests that the Commission grant rehearing to create a maximum rate of 100% above the initial rate established under the Plan for these Cell 2 Operator Services.

Respectfully submitted,

AMERITECH OHIO

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<sup>10</sup> In the Matter of the Commission Investigation Into the Provision of Intrastate Interexchange Operator Assistant Services in Ohio, Entry on Rehearing, Case No. 88-560-TP-COI (February 27, 1992) at Appendix B, Rule 5, p. 3.

P.U.C.O. No. 1 11th Revised Sheet No. 32.1  
EXCHANGE AND NETWORK SERVICES TARIFF  
GENERAL REGULATIONS

3. PAYMENT FOR SERVICE (Cont'd)

3.6 Minimum Level Pricing

1. For certain items offered under the provisions of this tariff the rates and charges are identified as a minimum level only. The maximum level of such rates and charges is two times the minimum level. The present applicable rates and charges which may be anywhere within the range of the minimum and the maximum levels are covered in a pricing list furnished to the Public Utilities Commission of Ohio (PUCO) by the Telephone Company.
2. Not less than seven days prior to the effective date of any changes in the rates and charges for such items, the Telephone Company will furnish to the PUCO a new list reflecting such changed rates and charges. Any change to a rate or charge below the maximum level shall not be construed as an application to increase rates.
3. The provisions of this paragraph 3.6 apply to the following:

Advanced Custom Calling Service (except Call Trace) (C)  
Airport intercom lines  
Airport switching system main station lines-intercom portion  
Airport switching system restricted and extension station lines  
Alternate Answering  
Ameritech Call Detail Reporting Service  
Ameritech Centrex  
Ameritech ISDN Centrex  
Attendant trunk extender circuits  
Automatic Meter Reading (AMR) Service  
AUTOTAS concentrators

Basic 911 service optional features  
Busy Line Transfer

CCSA access line additional facilities  
Central Office Local Area Network Service  
Centralized attendant service  
Centrex attendant positions  
Centrex electronic tandem switching features  
Centrex main station lines-intercom portion  
Centrex miscellaneous service arrangements (except selective routing and attendant trunks)  
Centrex optional features (except Supplemental Telephone Numbers)  
Centrex restricted and extension station lines  
Centrex tie line terminals and CCSA access line terminations  
Customer Control Option

Digit absorbing attendant trunks  
Direct Customer Access

Easy Call  
- Exhibitor station lines-intercom portion and Exhibitor extension station lines

Issued: April 8, 1993

Effective: April 12, 1993

In accordance with Order Nos. 93-343-TP-ATA and 93-344-TP-ATA, issued by The Public Utilities Commission of Ohio, March 31, 1993.

By J. F. Woods, President, Cleveland, Ohio



P.U.C.O. No. 1  
EXCHANGE AND NETWORK SERVICES TARIFF  
GENERAL REGULATIONS

3. PAYMENT FOR SERVICE (Cont'd)

3.6 Minimum Level Pricing (Cont'd)

3. The provisions of this paragraph 3.6 apply to the following: (Cont'd)

FX night transfer arrangements

Intercom Calling

Lobby interphone system common equipment

Make busy and break rotary arrangements

Message desk interface

Message Waiting Tone

Multiple Call Option

Premiere 2/6 Communications System

Scan Alert Service

Special Intercept Service - Centrex

Sponsor Priced Audiotex Service

Station Call Park - Centrex

Switch to Computer Applications Interface (SCAI)

Toll restriction

Trunk multipling arrangements

(T)

Issued: May 5, 1994

Effective: May 20, 1994

In accordance with Order No. 71-48-T, issued by The Public Utilities Commission of Ohio, April 13, 1971.

By J. F. Woods, President, Cleveland, Ohio

P.U.C.O. No. 7  
MESSAGE TOLL TELEPHONE SERVICE TARIFF  
GENERAL REGULATIONS

B. REGULATIONS (Cont'd)

19. Emergency Calls Offered at No Charge

Message toll telephone calls, to governmental emergency service agencies as set forth in a. following, having primary or principal responsibility with respect to the provision of emergency services to persons and property in the area from which the call is made, meeting the definition and criteria of an emergency call as set forth in b. following, are offered at no charge to customers.

- a. Governmental fire fighting, police, Ohio State Highway Patrol and emergency squad service (as designated by the appropriate governmental agency) qualify as governmental emergency service agencies provided they answer emergency service calls on a personally attended (live) twenty-four (24) hour basis, 365 days a year, including holidays. (C)
- b. An emergency is an occurrence or set of circumstances in which conditions pose immediate threat to human life and/or property and necessitate that prompt action be taken. An emergency call is an originated call of short duration to a governmental emergency service agency in order to seek assistance for such an emergency.
- c. If a call from a locality to an emergency agency is included in a functioning 911 system, then calls from that locality to that emergency agency will be excluded from the provisions of this Paragraph 19.

20. Use of Service

The Telephone Company will permit resale or sharing of message toll telephone service (excluding optional off-peak toll service) under the terms and regulations of Paragraph 2.1.C.3.a of Section 2 of the Exchange and Network Services Tariff and subject to the provisions of this tariff.

21. Maximum Level Pricing

- a. For certain items offered under the provisions of this tariff the rates and charges are identified as maximum level only. If the applicable rates and charges are below the maximum level, a pricing list setting forth such rates and charges will be furnished to the Public Utilities Commission of Ohio by the Telephone Company.
- b. Not less than seven days prior to the effective date of any changes in the rates and charges for such items, the Telephone Company will furnish to the PUCO a new list reflecting such changed rates and charges. Any change to a rate or charge below the maximum level shall not be construed as an application to increase rates.
- c. The provisions of this paragraph 21 apply to the following.

TWO POINT SERVICE

Issued: October 25, 1990

Effective: October 29, 1990

In accordance with Order No. 85-1466-TP-COI and Order No. 89-54-TP-COI, issued by The Public Utilities Commission of Ohio, October 18, 1990.

By E. F. Bell, President, Cleveland, Ohio

P.U.C.O. No. 7  
MESSAGE TOLL TELEPHONE SERVICE TARIFF  
INTRALATA 1+ SERVICE - TWO POINT SERVICE

B. RATES (Cont'd)

2. Schedule of Rates (Cont'd)

b. Service Charges

	<u>Maximum Charge</u>
(1) Automated Calling Card Station-to-Station.....	\$ .20
(2) Customer Dialed - Operator Assisted - Calling Card Station-to-Station.....	.80
(3) Operator Handled - Station-to-Station.....	1.10
(4) Operator Handled - Person-to-Person.....	3.00

(N)

(N)

Issued: July 15, 1994

Effective: August 1, 1994

By virtue of Order No. 84-944-TP-COI, issued by The Public Utilities Commission of Ohio, April 9, 1985, Ohio Bell's Application in Case No. 94-778-TP-ATA, filed May 3, 1994, is effective.

By J. F. Woods, President, Cleveland, Ohio

CERTIFICATE OF SERVICE

I hereby certify that a copy of Ameritech Ohio's Application for Rehearing was served upon counsel for all parties as shown on the attached service list by regular U.S. mail, postage prepaid, this 6<sup>th</sup> day of February, 1995.

*Michael T. Mulcahy* 1JFK  
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