

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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

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) ) Case No. 89-1147-TP-ATA  
 Multiline Business Rate as it Re- )  
 lates to the Parity Provision Ad- )  
 justment for Centrex CO 100 Service )  
 and Centrex CO Zone - Type I and )  
 II Service. )

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

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

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

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

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

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

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

#### ENTRY

The Commission finds:

- 1) By entry dated January 5, 1995, the Commission approved, with one modification, the tariffs submitted by Ameritech Ohio (Ameritech) to implement the alternative regulation plan, as adopted by the Commission in its opinion and order dated November 23, 1994, in Case Nos. 93-487-TP-ALT and 93-576-TP-CSS.
- 2) The modification dealt with the maximum rates for Automated Calling Card Station-to-Station, Customer Dialed - Operator Assisted - Calling Card, and Operator Handled - Third Number Billed (Operator Services). Ameritech had proposed that the maximum rate for each of the services be twice the initial rates which would be established upon the effective date of the plan and adjusted for the stipulated

93-487-TP-ALT, et al.

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rate increases on the first and second anniversary dates of the plan (See Exhibit A, page 4, of the stipulation). Instead, the Commission, in its January 5, 1995 entry, found that the maximum rates should be those initial rates specifically set forth in the stipulation. In effect, Operator Services rates could not be increased beyond what would be permitted on the second anniversary date of the plan.

- 3) On February 6, 1995, Ameritech filed an application for rehearing of the January 5, 1995 entry. Ameritech seeks rehearing to establish a maximum price of twice the initial rates established under the plan for Operator Services. Ameritech argues that the Commission's treatment of Operator Services is unreasonable and inconsistent with the language of the stipulation adopted by the Commission in its November 23, 1994 opinion and order, the regulation of Cell 2 services established in that order, and the flexibility granted to Ameritech's competitors for the same services.

Ameritech argues that, since Operator Services, prior to alternative regulation, had only been subject to a maximum price, and not a minimum price, the services should now be subject to the provision in the stipulation which would allow the maximum rate for each service to be 100 percent above the existing rate (See page 23 of the plan). Ameritech next argues that, since the Cell 2 Operator Services will have no upward pricing flexibility beyond the first or second anniversaries of the plan, the services will, in effect, be treated as Cell 1 core services for the last four or five years of the plan. In addition, Ameritech argues that the stipulating parties were provided with copies of the proposed tariffs and none objected. Ameritech further argues that, if the stipulating parties had intended to limit future increases for the services, they would have explicitly created such a limitation as they did for Advanced Custom Calling - Call Screening. For that particular service, the stipulating parties included language that contained both an initial rate increase and a

bar on future increases for the duration of the plan. Ameritech also points out that, for payphone rates, the parties explicitly included language in the stipulation barring any rate increase during the term of the plan, even though the service was classified in Cell 2. Finally, Ameritech argues that the proposed maximum rates for the three Operator Services are actually less than those rates which may be implemented by alternative operator service providers.

- 4) On February 15, 1995, The Office of the Consumers' Counsel, American Association of Retired Persons, City of Toledo, Greater Cleveland Welfare Rights Organization, Consumers' League of Ohio, Western Reserve Alliance, and Edgemont Neighborhood Coalition (Consumers) filed a memorandum contra the application for rehearing. The Consumers argue that the stipulation explicitly provides for increases in pricing for Operator Services during the first three years of the plan, but that it is silent as to pricing thereafter. The Consumers never actually argue that, because the stipulation is silent, Ameritech's application should be denied.

It appears that the Consumers may have misinterpreted Ameritech's application to mean that Ameritech wanted to institute the maximum pricing in the initial year, bypassing the specified increases set forth in the stipulation for the following years. Therefore, it is not clear whether the Consumers are actually objecting to any pricing flexibility after the initial three years.

- 5) Time Warner AxS (Time Warner), an intervenor in Case No. 93-487-TP-ALT, filed a memorandum contra the application for rehearing on February 16, 1995. Time Warner asserts that the parties to the stipulation specifically addressed pricing considerations for various services beyond year three of the plan, including residence local usage rates and the network access line rate. Since the parties did not do so for operator services, Ameritech should not now be able to essentially fix an alleged oversight, according to Time Warner.


- 6) Ameritech has failed to convince the Commission that the signatory parties actually intended for Operator Services to have pricing flexibility beyond what is specified for the first and second anniversaries of the plan. Further, the Consumers have not clearly expressed their interpretation of the plan. We find that the plan is not clear on its face as to where the rates should be after the second anniversary rate increase. Therefore, if Ameritech wishes to pursue increases after the second anniversary rate increase, it may file a proposed amendment to its plan at that time to seek pricing flexibility for Operator Services. The proposed amendment would be considered on an expedited basis. Although the burden of proof would remain on Ameritech if it files a proposed amendment, the Consumers, if they oppose the filing, would be obligated to make a presentation as to why a grant of such flexibility would not be in the public interest.

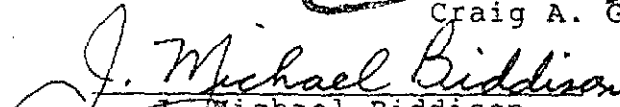
It is, therefore,

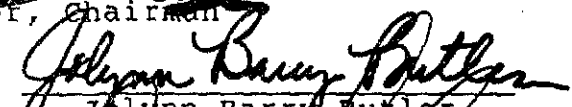
ORDERED, That Ameritech's application for rehearing is denied. It is, further,

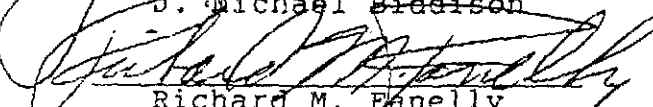
ORDERED, That this entry be served upon all parties of record, and a copy placed in each of the above-cited case files.

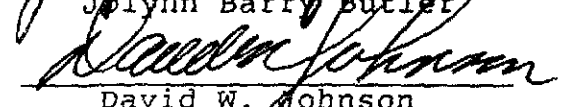
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Craig A. Glazer, Chairman

  
J. Michael Biddison

  
Jolynn Barry Butler

  
Richard M. Fanelli


  
David W. Johnson

MKF/vrh

Entered in the Journal

MAR 8 1995

A True Copy

  
Gary E. Vigorito  
Secretary