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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Petition of)
Ms. Brenda Barkeloo and numerous)
other subscribers of the Mount)
Orab Exchange of General Telephone)
Company of Ohio,)
Complainants,)

v.)

Case No. 85-313-TP-PEX

General Telephone Company of Ohio,)
and)
Cincinnati Bell Telephone Company,)
Respondents,)

Relative to a request for two-way,)
nonoptional extended area service)
between the Mount Orab Exchange)
and the Williamsburg, Little Miami,)
Bethel, and Clermont Exchanges of)
Cincinnati Bell Telephone Company.)

OPINION AND ORDER

The Commission, coming now to consider the above-entitled matter, the petition filed March 15, 1985, the public hearing held August 7, 1985, the Attorney Examiner's Report issued November 22, 1985, with no exceptions being filed thereto, and being otherwise fully advised herein, hereby issues its Opinion and Order.

APPEARANCES:

Charles and Brenda Barkeloo, 5176 Greenbush East Road, Mount Orab, Ohio 45154, on behalf of the complainants.

Messrs. Frost & Jacobs, by Mr. Joseph W. Pyle, 2500 Central Trust Center, 201 East Fifth Street, Cincinnati, Ohio 45202, on behalf of Cincinnati Bell Telephone Company.

Ms. Cheryl Ann Klepper, 100 Executive Drive, Marion, Ohio 43302, on behalf of General Telephone Company of Ohio.

OPINION:

The instant petition was filed with the Commission on March 15, 1985, seeking the institution of two-way, nonoptional extended area service (EAS) between the Mount Orab Exchange of General Telephone Company of Ohio (General) and the Bethel, Clermont, Little Miami, and Williamsburg Exchanges of Cincinnati Bell Telephone Company (Cincinnati Bell). The Attorney Examiner assigned to this case ordered the respondents to plead and to provide certain calling rate information by Entry issued March 27, 1985. On April 29, 1985, Cincinnati Bell filed its answer and the requested information. General filed its answer and a portion of the requested information on April 26, 1985, and asked for an extension of time to file the remaining calling information. After being granted the extension of time, General filed the remaining calling information on May 2, 1985. By Entry dated May 20, 1985, the Attorney Examiner directed Cincinnati Bell and General to submit estimated marginal costs for instituting the requested service and revenue/cost comparisons, schedule this matter for public hearing on August 7, 1985, and ordered that the required notice of the hearing be published.

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On June 20, 1985, Cincinnati Bell filed a motion with the Commission requesting the following: that the instant case be dismissed on grounds of res judicata and collateral estoppel; that the proceeding be bifurcated to first determine whether a community of interest existed between the involved exchanges before requiring the companies to prepare cost estimates; that all interexchange carriers authorized to operate in the state of Ohio be joined as indispensable parties; and that the hearing be postponed to allow sufficient time to gather cost data in the event the Commission did not dismiss or bifurcate the proceeding. General in its June 24, 1985 filing concurred with Cincinnati Bell's previously stated motion. The Commission, addressing Cincinnati Bell's motion in its Entry of July 2, 1985, denied the company's motion to dismiss the case. However, the Commission granted Cincinnati Bell's request to bifurcate the hearing, finding that, the Commission should consider only the community of interest factors at the August 7, 1985 hearing and should not require the respondents to provide cost data until after a consideration of those factors. Having made that determination, the Commission found it unnecessary to rule on the motion to postpone the hearing. As for Cincinnati Bell's motion to join all interexchange carriers as indispensable parties, the Commission stated that it would withhold making a determination as to whether it is necessary to involve interexchange carriers, until after it had considered the available community of interest factors.

Publication of the legal notice was made in The Western Star, The Cincinnati Enquirer, the News-Democrat and The Loveland Herald, The Milford Advertiser, and The Clermont Courier, newspapers of general circulation in Warren, Hamilton, Brown and Clermont Counties, respectively. A public hearing was held as scheduled on August 7, 1985, in Mount Orab, Ohio.

An Attorney Examiner's Report was issued November 22, 1985, recommending that the complainants' request for two-way, nonoptional extended area service between the Mount Orab Exchange and the Bethel, Clermont, Little Miami, and Williamsburg Exchanges be denied in its entirety. The Examiner further recommended that Cincinnati Bell's motion to join all interexchange carriers as indispensable parties to this case be denied. No exceptions were filed to the Attorney Examiner's Report.

Prior to the filing of the petition in this case, there were certain actions taken at the federal level which impact upon this case. On August 24, 1982, in conjunction with a Consent Decree entered into by AT&T and the United States Department of Justice, the United States District Court for the District of Columbia rendered a Modification of Final Judgment (MFJ) in the case entitled United States v. Western Electric Co., et al., (C.A. No. 82-0192), 532 F. Supp. 131 (1982). In its role in reviewing the plan of reorganization by which divestiture of the Bell Operating Companies (BOCs) from AT&T was to be accomplished, the Court approved the division of Bell territory in the United States (including Ohio Bell territory) into geographically based exchange areas or LATAs (Local Access and Transport Area), as proposed by AT&T and the BOCs, with certain modifications. United States v. Western Electric, et al., supra, April 20, 1983 Opinion, and the July 8, 1983 Opinion. Effective January 1, 1984, Ohio Bell is prohibited from handling traffic which would cross the LATA boundaries established by the court, with exceptions relating to the preservation of existing nonoptional extended area service and certain other existing services. United States v. Western Electric, et al., supra, April 20, 1983 Opinion, at 24-25, note 54, and the December 7, 1983 Memorandum, at 11-14. In other words, Ohio Bell is generally not permitted to provide optional services of any kind or nonoptional EAS other than that already existing between two exchanges, where such traffic would constitute interLATA telecommunications service within the meaning of

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the MFJ. Similarly, as a result of GTE Corporation's acquisition of the telecommunications enterprises of Southern Pacific Company, a Consent Decree, proposed by GTE and the Justice Department (the GTE Consent Decree), and modified by the Federal court on December 13, 1984, places similar constraints relating to the continued provision of EAS on GTE and its subsidiaries, including General. United States vs. GTE Corporation, (C.A. No. 83-1298), 603 F. Supp. 730 (1984).

Because of the potential impact of the MFJ and the GTE Consent Decree on the continued provision of EAS, the Commission held public hearings on May 2, 1984 through May 4, 1984 for the limited purpose of considering the viability of EAS and the potential involvement of interexchange carriers in the transporting of EAS traffic. After reviewing the testimony and evidence of record, the Commission issued a Finding and Order in Case No. 82-484-TP-PXK et al. on July 31, 1984, concluding that it is more appropriate to consider the questions raised by its inquiry in the context of individual EAS proceedings on a case-by-case basis. The Commission indicated that it would consider EAS requests, whether interLATA or intraLATA in nature, pursuant to the considerations set forth in Chapter 4901:1-7 of the Ohio Administrative Code (O.A.C.), but noted that in light of the vast changes in the telecommunications environment, certain of those considerations, i.e., calling data and cost data, may be more carefully scrutinized by the Commission in determining the propriety of granting a particular EAS request. The Commission further indicated that in situations in which a grant of interLATA EAS involving either Ohio Bell or General was found to be warranted, the companies should seek waivers to provide such service through the appropriate mechanism established by the Federal District Court. It should be noted here that the Mount Orab Exchange is located in the Dayton LATA and the Bethel, Clermont, Little Miami and Williamsburg Exchanges are in the Cincinnati Market Area. Therefore, EAS between the requested exchanges would constitute interexchange telecommunications as defined by the MFJ and the GTE Consent Decree.

This case was filed pursuant to Section 4905.26, Revised Code, which provides that upon the filing of a complaint by 100 subscribers or five percent of the subscribers in any telephone exchange, whichever number is smaller, seeking, as in this case, the institution of extended area service, the Commission shall schedule a hearing on such complaint. The respondents are telephone companies as defined by Section 4905.03(A)(2), Revised Code, and public utilities by reason of Section 4905.02, Revised Code. Thus, the respondents are subject to the jurisdiction of this Commission under authority of Sections 4905.04 and 4905.05, Revised Code. Sections 4905.26, 4905.22, and 4905.381, Revised Code authorize this Commission to order telephone companies under its jurisdiction to establish extended area service. This authority has been recognized by the Supreme Court of Ohio in General Telephone Co. v. Public Utilities Commission, 45 Ohio St. 2d 154, 341 N.E.2d 832 (1976), and Ohio Central Telephone Corp. v. Public Utilities Commission, 166 Ohio St. 180, 140 N.E.2d 782 (1957).

Chapter 4901:1-7, O.A.C. governs the establishment of extended area service. Rule 4901:1-7-01(H), O.A.C. defines EAS as follows:

"Extended area service" (EAS) means a type of telephone service furnished at monthly flat or measured rates, permitting subscribers of a given exchange, to place calls to and receive calls from one or more other exchange areas without being assessed message toll telephone charges for each message. Institution of "extended area service" enlarges the

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"local calling area" of subscribers beyond the geographical limits of the subscriber's exchange area, to include in the subscriber's "local calling area", other exchange areas.

Rule 4901:1-7-04, O.A.C. sets forth a number of general factors to be considered in determining whether the establishment of extended area service is warranted, without limiting the consideration of other factors. The listed factors are:

A. Community of interest factors

1. The volume of message toll telephone traffic, or the calling rate per main station between the involved exchanges.
2. The distribution of calling among the involved exchange subscribers.
3. The location of various services, products, and activities, including but not limited to the following:
 - a. Population movement,
 - b. School activities,
 - c. Police and fire services,
 - d. Other governmental services,
 - e. Medical, dental, and veterinarian services,
 - f. Churches,
 - g. Agricultural organizations,
 - h. Shopping and service centers,
 - i. Employment centers, and
 - j. Social interest.

B. Other pertinent factors

1. The investment and cost to the concerned telephone utilities in providing the service.
2. The willingness of a substantial majority of the subscribers to pay the appropriate rates for extended area telephone service.

This Rule also indicates that extended area service is not a substitute for message toll telephone service, but instead a service designed to meet the day-to-day calling requirements of subscribers which cannot properly be met with local calling confined to a single exchange area.

The Mount Orab Exchange is contiguous to the Williamsburg and Bethel Exchanges, but is not contiguous to the Clermont and Little Miami Exchanges. While it is clear that this Commission is empowered to order extended area service between non-contiguous, as well as contiguous exchanges, or any other service specifically found necessary to remedy inadequate or insufficient telephone service between either contiguous or non-contiguous exchanges pursuant to Sections 4905.22 and 4995.381, Revised Code, neither Chapter 4901:1-7, O.A.C., nor any other chapter of the Ohio Administrative Code, specifically enumerates general guidelines by which to evaluate the propriety of a request for non-contiguous extended area service. The Commission has, however, on occasions too numerous to mention, applied the factors set forth in Chapter 4901:1-7, O.A.C. by analogy to requests for extended area service between non-contiguous exchanges.

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I. Volume of Message Toll Telephone Traffic

The initial factor for consideration in determining whether the requested two-way, nonoptional extended area service is in the public interest is the calling rate or the volume of message toll telephone traffic between the involved exchanges. Rule 4901:1-7-04, O.A.C. provides that when the number of main stations of the smaller of the involved exchanges is less than forty percent of the total of the main stations in both exchanges, only the calling rate and distribution of calling from the smaller to the larger exchange shall be considered. Based upon the data provided by the respondents, only the calling rates and distribution of calling from the Mount Orab Exchange to the requested exchanges and from the Williamsburg Exchange to the Mount Orab Exchange are relevant to a proper determination of this case (General Ex. 1, Att. 1). The calling data from the Williamsburg Exchange to the Mount Orab Exchange was not available at the time of hearing, since traffic between those exchanges is interLATA in nature and is carried by interexchange carriers. The calling rates from the Mount Orab Exchange to the requested exchanges for the March 1985 study month are as follows (General Ex. 1, Att. 41):

Mount Orab to Bethel	.92
Mount Orab to Clermont	2.94
Mount Orab to Little Miami	.74
Mount Orab to Williamsburg	2.49

II. Distribution of Calling

The second factor to be considered in this proceeding is the distribution of calling, the purpose of which is to determine whether the traffic is originated by the subscribers generally or by only a relatively few subscribers. The distributions of calling, reflecting the percentage of subscribers making one or more calls during the March 1985 study month, are as follows:

Mount Orab to Bethel	34.77%
Mount Orab to Clermont	67.02%
Mount Orab to Little Miami	28.61%
Mount Orab to Williamsburg	58.22%

III. Location of Various Services, Products, and Activities

The third factor used by the Commission in determining the propriety of establishing extended area service is the location of various services, products, and activities. The Mount Orab Exchange is situated in Brown County. The Clermont and Bethel Exchanges are located entirely within Clermont County. The Williamsburg and Little Miami Exchanges lie predominantly in Clermont County, with the Williamsburg Exchange extending into Brown County and the Little Miami Exchange into Hamilton and Warren Counties. The county seat of Brown County is Georgetown. Subscribers in the Mount Orab Exchange currently have EAS to and from the Sardinia, Fayetteville, Georgetown, and Hamersville Exchanges.

At the public hearing in this matter, five public witnesses testified in favor of the proposed EAS, with no public witnesses testifying in opposition thereto.

Mount Orab subscribers currently have toll-free access to their police and fire protection, emergency ambulance services, water and sewer services, all county government offices, and their school system (Tr. 14, 24, 38, 47-48). Also available in the Mount Orab local calling area are a variety of products and services, including insurance companies, grocery stores, churches, pharmacies, clothing stores, newspapers, radio stations, beauty salons, barbers, funeral directors, florists, nursing homes,

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banks, tire dealers, a lumber company, variety stores, appliance stores, a mobile home dealer, a coal dealer, and attorneys (Tr. 13, 21-24, 31, 35-36, 38-39, 52-53). Several witnesses represented that they can obtain the majority of their day-to-day needs within the local calling area, although they do occasionally obtain some goods and services in the requested exchanges because of preference, convenience, lower prices, or more variety (Tr. 16, 21, 45-46, 54).

The principal reason mentioned by the witnesses for needing EAS was the limited availability of medical services within the local calling area. The record indicates, however, that Mount Orab subscribers have toll-free access to general practitioners, gynecologists, a chiropractor, an internist, and two general surgeons. In addition, Mount Orab subscribers have toll-free access to the Brown County General Hospital, which offers, on a part-time basis, the services of other specialists, such as a cardiologist, dermatologist, ear/nose/throat specialists, neurologists, oncologist, ophthalmologist, orthopedist, physical therapist, and urologist (Tr. 8, 12, 29, 32-33, 40-41, 55-56). Two of the witnesses reported using doctors in the Clermont Exchange. They explained that they had used those doctors for years while they had lived in that area, and did not want to change doctors when they moved to the Mount Orab area (Tr. 6, 9, 19). Also suggested as a possible reason for needing to call doctors in the requested exchanges was the occasional need for a second opinion (Tr. 10, 29). While a couple of witnesses stated that they utilize the Clermont Hospital located in the Clermont Exchange, it was pointed out that Mount Orab subscribers have toll-free access to that hospital (Tr. 15, 19).

Another reason mentioned for wanting toll-free calling to the requested exchanges was the ability to reach family and friends (Tr. 6, 18). One witness testified to a need to reach members of her family while at work in the Clermont and Williamsburg Exchanges (Tr. 9). Furthermore, one witness stated that he conducts business in the Little Miami Exchange which requires toll calls (Tr. 58).

Several products and services were identified which are not available in the Mount Orab calling area. These include agricultural consultants, architects, artists' supplies, boat dealers, chimney cleaners, concrete blocks, data processing equipment, furniture repairs, gunsmiths, jewelers, landscape contractors, lawn maintenance, livestock breeders, and musical instrument dealers (Tr. 28-31). However, the witness who pointed out these services conceded that she personally has not had any need to call upon their expertise (Tr. 37).

IV. Investment and Cost Considerations

Rule 4901:1-7-04, O.A.C. requires that consideration be given to the investment and cost factors involved in any proposed EAS. It states in part:

It would not be in the public interest for a telephone utility to enter into exceptionally heavy investments in facilities and incur exceptionally high costs in situations where the extended area service requirement was slight.

As noted earlier, the Commission did not order the respondents in this matter to submit cost studies until a public hearing had been conducted to determine the existence of a community of interest between the subject exchanges. However, each company did present a witness at the hearing who testified as to the community of interest factors.

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Kim Mazzon, Coordinator-Regulatory Affairs for General, appeared at the hearing and sponsored General Exhibit 1, that being her pre-filed testimony and its seven attachments (Tr. 61-69). The information provided in these attachments includes the number of main stations in each exchange, the additional revenue to be realized by the company should EAS be granted here, proposed rates, and the calling rates and distributions. With 7,815 main stations in its local calling area, the Mount Orab Exchange is currently in Rate Band III. The addition of all of the requested exchanges to the Mount Orab local calling area would cause Mount Orab subscribers to advance to Rate Band VI, resulting in a rate increase for Mount Orab subscribers. With just the addition of the Williamsburg or Bethel Exchanges to the Mount Orab local calling area, subscribers would stay in the same band, and with the addition of either the Little Miami or the Clermont Exchanges, Mount Orab subscribers would advance to Rate Band V (General Ex. 1, Att. 1). According to Ms. Mazzon, if EAS were granted to all of the requested exchanges, General would realize as a result of the banded rate increase, an annual revenue increase of \$46,970.52. If EAS were granted to only the Little Miami Exchange or the Clermont Exchange, General would realize additional revenues of \$32,372.28 (Late-filed Ex. filed August 13, 1985). The witness pointed out that while General would realize additional revenues in the cases noted above, the company would lose the access charge revenue currently generated as a result of AT&T using General's network to carry interLATA toll traffic between Mount Orab and the requested exchanges. The company had not calculated the amount of lost access charges involved.

It was pointed out by Ms. Mazzon that EAS could not be provided in the instant case without the involvement of an interexchange carrier (Tr. 69). Likewise, alternative services are available through interexchange carriers and not General. She stated that the reason for this is that, under the GTE Consent Decree, General is prohibited from providing interLATA communication services and that the institution of EAS or any alternative service in the instant case would necessitate crossing LATA boundaries (General Ex. 1).

The witness testified that General does not favor the expansion of EAS under the existing flat-rate structure because it is contrary to the concept of the cost-causer being the cost-payer. She explained that those customers who place high demands on the system cause the company to incur costs which everyone, including those who do not benefit from the services, must actually pay.

Ms. Mazzon discussed Attachments 3, 4, 5, and 6 to her testimony, which indicate that the calling statistics from Mount Orab to the requested exchanges are not normally distributed. The witness explained that the calling rates between the points in question represent the average number of calls placed per main station, and being an average, can therefore be distorted by a few customers making many calls. As an example, Ms. Mazzon pointed out that while the mean number of calls from Mount Orab to Williamsburg was 2.49 for March 1985, the median number of calls was only 0.353, which means that fifty percent of the customers made more than 0.353 calls per month and fifty percent of the customers made less than 0.353 calls per month. Similarly, while the calling rate between the Mount Orab and Clermont Exchanges was 2.94, the median number of calls was only 0.728, indicating that less than one call was made by fifty percent of the Mount Orab subscribers. Based upon the skewed distribution of data shown on the attachments, Ms. Mazzon expressed the opinion that a small number of Mount Orab customers have a disproportionate need to call the requested exchanges, while the vast majority do not exhibit a day-to-day calling need.

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Testifying on behalf of Cincinnati Bell at the hearing was Richard P. Floyd, General Manager-Tariffs and Costs for that company, who sponsored Cincinnati Bell's Exhibit 1, consisting of his pre-filed testimony and its attachments (Tr. 70-76). Mr. Floyd testified that Cincinnati Bell subscribers in the requested exchanges have the option of choosing between two types of local telephone service: Local Area Service and Cincinnati Metropolitan Area Service. Subscribers of Cincinnati Metropolitan Area Service have toll-free access to a much larger calling area than do Local Area Service subscribers. Mr. Floyd stated that a grant of EAS to the Mount Orab Exchange would have no immediate effect on the rates of the Cincinnati Metropolitan Area Service customers, because the addition of the relatively few Mount Orab access lines to the toll-free calling area would not be sufficient to require a change to a higher rate band. However, the Local Area Service customers of the Little Miami and Clermont Exchanges would receive a banded rate increase if EAS were granted between those exchanges and the Mount Orab Exchange. The witness expressed the opinion that it would be unfair to force Local Area Service customers to subscribe to EAS, thereby incurring higher rates, because those customers have specifically chosen a lower cost, limited area service and have indicated no desire to increase their local calling area to include Mount Orab. Mr. Floyd also noted that since Cincinnati Bell will receive no increase in revenues from Cincinnati Metropolitan Area Service customers or from Local Area Service customers in the Bethel and Williamsburg Exchanges if the complainants' request is granted, the costs associated with the provision of EAS would be borne by all of the customers of Cincinnati Bell in the form of higher rates.

V. Willingness of Subscribers to Pay Appropriate Rates

No canvass has been conducted to determine the willingness of the Mount Orab Exchange subscribers to pay appropriate rates for the proposed extended area service, pending a determination relevant to the various community of interest factors.

CONCLUSION

Upon thorough examination of the record in this case, in conjunction with the various factors enumerated in Chapter 4901:1-7, O.A.C., the Commission concurs in the recommendation of the Attorney Examiner that the complainants' request for the establishment of two-way, nonoptional extended area service between the Mount Orab Exchange and the Bethel, Clermont, Little Miami and Williamsburg Exchanges should be denied in its entirety.

The complainants have failed to show that a sufficient community of interest exist between the involved exchanges. The calling rates and distribution of calling between the subject exchanges weighed heavily in the determination of this case. The Commission set forth the standard in Kruetz et al. v. United Telephone Company, Case No. 78-889-Tr-PEX, Opinion and Order of August 1, 1979, that "under normal circumstances, and in the absence of other compelling considerations, the Commission believes that an average calling rate of less than three (3) calls per main station per month between two exchanges is insufficient to support the approval of extended area telephone service". During the March 1985 study month the calling rates between the Mount Orab Exchange and the Bethel, Clermont, Little Miami, and Williamsburg Exchanges were .92, 2.94, .74, and 2.49, respectively. Thus, all of the calling rates fall below the articulated standard set forth by the Commission. Furthermore, during the same study month, the distribution of calling data shows that 34.77%, 67.02%, 28.61%, and 58.22%, respectively, of the Mount Orab subscribers made one or more calls to those same exchanges. After evaluating the calling rate statistics, in conjunction with the distribution of calling figures, it is

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evident that the majority of Mount Orab subscribers have no need to call the requested exchanges.

An additional factor which must be taken into consideration when determining the community of interest in the instant case is the location of various products, services, and activities available to the complainants. Public testimony offered in this case indicated that the majority of services and products are available within the Mount Orab local calling area and appear adequate to meet the day-to-day calling requirements of most of the subscribers. Mount Orab subscribers can reach their police and fire department, emergency ambulance services, all county government offices, and their school system by placing a toll-free call. Furthermore, several of the witnesses indicated that they can obtain most of their day-to-day shopping needs within the local calling area. No one testified as to a need to call the Bethel Exchange and there was very little testimony concerning a need to call the Williamsburg Exchange. While there was testimony that some Mount Orab subscribers look to the Little Miami and Clermont Exchanges for a variety of reasons, for instance, medical services, family, and friends, the record establishes that such use stems from individual preference due to a population movement from the requested area.

Based upon the relatively low calling rates, in conjunction with the distribution of calling data, and complainants' limited reliance upon the services, products, and activities available in the requested exchanges, the Commission finds no "compelling considerations" which would justify granting the proposed extended area service in this case. Therefore, the complainants' request for extended area service shall be denied in its entirety and the case dismissed and closed of record. Furthermore, given the lack of a community of interest between the Mount Orab and the Williamsburg Exchanges, the Commission finds it unnecessary to join all interexchange carriers as indispensable parties to this case.

FINDINGS OF FACT AND CONCLUSIONS OF LAW:

- 1) On March 15, 1985, Brenda Barkeloo and numerous other subscribers of the Mount Orab Exchange filed a petition seeking two-way, nonoptional extended area service between the Mount Orab Exchange and the Bethel, Clermont, Little Miami, and Williamsburg Exchanges.
- 2) Notice of the proceeding and the public hearing was published in the The Western Star, The Cincinnati Enquirer, The News-Democrat and The Cleveland Herald, The Milford Advertiser, and The Clermont Courier, newspapers of general circulation in Warren, Hamilton, Brown and Clermont Counties, Ohio, respectively.
- 3) The public hearing was held on August 7, 1985, in Mount Orab, Ohio.
- 4) At the public hearing, five public witnesses testified in favor of the proposed service, and no public witnesses testified in opposition thereto.
- 5) The Mount Orab Exchange is located in Brown County, while the requested exchanges lie in Clermont County, with portions of the Williamsburg Exchange extending into Brown County and portions of the Little Miami Exchange extending into Hamilton and Warren Counties.

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- 6) The Mount Orab Exchange is contiguous to the Williamsburg and Bethel Exchanges, but is not contiguous to the Clermont and Little Miami Exchanges.
- 7) The Mount Orab Exchange presently has EAS to the Sardinia, Fayetteville, Georgetown, and Hamersville Exchanges. Georgetown, Ohio is the county seat of Brown County.
- 8) During the March 1985 study month, the calling rates from the Mount Orab Exchange to the requested exchanges were as follows:

Mount Orab to Bethel	.92
Mount Orab to Clermont	2.94
Mount Orab to Little Miami	.74
Mount Orab to Williamsburg	2.49
- 9) During the same study month, the distributions of calling between the subject exchanges were as follows:

Mount Orab to Bethel	34.77%
Mount Orab to Clermont	67.02%
Mount Orab to Little Miami	28.61%
Mount Orab to Williamsburg	58.22%
- 10) The public testimony indicated that Mount Orab subscribers have toll-free access to their police and fire protection, emergency ambulance services, all county government offices, their school system, and day-to-day shopping needs. The principle reason mentioned for calling outside of the local calling area was to obtain medical services.
- 11) Section 4905.26, Revised Code, requires the Commission to schedule for hearing a complaint filed by 100 subscribers or five percent of the subscribers in any telephone exchange, whichever number is smaller, against a telephone company public utility regarding various aspects of its service.
- 12) The respondents, General Telephone Company of Ohio and Cincinnati Bell Telephone Company, are telephone companies as defined in 4905.03 (A) (2), Revised Code, and public utilities as defined in Section 4905.02, Revised Code, and are therefore subject to the jurisdiction of this Commission under authority of Sections 4905.04 and 4905.05, Revised Code.
- 13) Sections 4905.26, 4905.22 and 4905.381, Revised Code authorize the Commission to order telephone companies under its jurisdiction to establish extended area service. This authority has been recognized by the Supreme Court of Ohio in General Telephone Co. v. Public Utilities Commission, 45 Ohio St. 2d 154, 341 N.E.2d 832 (1976), and Ohio Central Telephone Corp. v. Public Utilities Commission, 166 Ohio St. 130, 140 N.E.2d 782 (1957).
- 14) The criteria set forth in Chapter 4901:1-7, C.A.C. govern the determination of whether the requested extended area service should be

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JAMES OPERATOR D. Taylor DATE PROCESSED 1-2-86

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instituted between contiguous exchanges, and may be applied by analogy in a situation involving extended area service between noncontiguous exchanges.

- (5) The record does not indicate the existence of a community of interest, as defined by Rule 1901:1-7-04, O.A.C., between the Mount Orab and the Bethel, Clermont, Little Miami, and Williamsburg Exchanges.

ORDER:

It is, therefore,

ORDERED, That the request for two-way, nonoptional extended area service between the Mount Orab Exchange of General Telephone Company of Ohio and the Bethel, Clermont, Little Miami, and Williamsburg Exchanges of Cincinnati Bell Telephone Company be denied in its entirety and the case dismissed and closed of record. It is, further,

ORDERED, That Cincinnati Bell's motion to join all inter-exchange carriers as indispensable parties to this case be denied. It is, further,

ORDERED, That a copy of this Opinion and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Thomas V. Chema
Thomas V. Chema, Chairman

William H. Brooks
William H. Brooks
Ashley C. Brown
Ashley C. Brown

Gloria L. Gaylord
Gloria L. Gaylord
Alan R. Schriber
Alan R. Schriber

Entered in the Journal

DEC 30 1985

A True Copy

Mary Ann Orlinski
Mary Ann Orlinski
Secretary

RJH/CMTF/plg

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