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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO []

PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application) of The Sycamore Telephone Company and)
Ameritech Ohio for the Approval of)
Two-Way, Nonoptional, Measured-Rate)
Extended Area Service Between the Sycamore and McCutchenville Exchanges)
of The Sycamore Telephone Company and)
the Upper Sandusky and Tiffin)
Exchanges of Ameritech Ohio.

Case No. 94-1000-TP-PEX

INFORMATION RESPONSE OF AMERITECH OHIO

In accordance with Finding 7 of the Attorney Examiner's Entry dated June 2, 1995, Joint Applicant Ameritech Ohio submits the information contained in the enclosed Attachment.

Respectfully submitted,

AMERITECH OHIO

CHARLES S. RAWLINGS

Its Attorney 75 Public Square, Suite 1320 Cleveland, OH 44113 (216) 241-7255

TWO-WAY FLAT RATE EAS

Total Marginal Investment (1) \$0.00

Annual Charges on Investment (2) \$0.00

Toll impact

Lost Toll Revenue (Tiffin to McCutcheonville) \$23,400.72
Lost Toll Revenue (McCutcheonville to Tiffin) \$39,363.60
Lass Terminating Access Payable \$10,476.00
Less Originating Access Payable \$14,736.00
Less Billing & Collection Payable \$5,060.00

Total Toll Impact (3) \$32,492.32

SUBTOTAL COSTS \$32,492.32

Measured Rate Local Revenue Increase (4) \$0.00

SUBTOTAL REVENUE \$0.00

ANNUAL CHARGES AND TOLL IMPACT IN EXCESS OF ANNUAL REVENUE INCREASE (5)

\$32,492.32

NOTES:

- (1) The amount was taken from Attachment 2 page 1.
- (2) The amount was taken from Attachment 2 page 1.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) There is no offsetting revenue increase with Flat Rate EAS.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue Increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

TWO-WAY MEASURED RATE EAS

Total Marginal Investment (1)	\$0.00
(SIM) MINICULLING HINGS AND CONTROL OF A DA	1 ***

Annual Charges on Investment (2) \$0.00

Toli Impact

Lost Toll Revenue (Tiffin to McCutcheonville) \$23,400.72
Lost Toll Revenue (McCutcheonville to Tiffin) \$39,363.60
Less Terminating Access Payable \$10,476.00
Less Originating Access Payable \$14,736.00
Less Billing & Collection Payable \$5,060.00

Total Toll Impact (3) \$32,492.32

SUBTOTAL COSTS \$32,492.32

Measured Rate Local Revenue Increase (4) \$6,854.00

SUBTOTAL REVENUE \$8,854.00

ANNUAL CHARGES AND TOLL IMPACT IN

EXCESS OF ANNUAL REVENUE INCREASE (5)

\$25,638.32

NOTES:

- (1) The amount was taken from Attachment 2 page 3.
- (2) The amount was taken from Attachment 2 page 3.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) The amount was taken from Attachment 2 page 5.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue Increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

TWO-WAY FLAT RATE EAS

Total Marginal Investment (1)

\$0.00

Annual Charges on Investment (2)

\$0.00

Toll Impact

Lost Toll Revenue (Tiffin to Sycamore) \$67,708.32
Lost Toll Revenue (Sycamore to Tiffin) \$107,475.38
Lass Terminating Access Payable \$28,440.00
Less Originating Access Payable \$39,996.00
Less Billing & Collection Payable \$14,286.00

Total Toll Impact (3)

\$92,461.68

SUBTOTAL COSTS

\$92,461.68

Measured Rate Local Revenue Increase (4)

\$0.00

SUBTOTAL REVENUE

\$0.00

ANNUAL CHARGES AND TOLL IMPACT IN

EXCESS OF ANNUAL REVENUE INCREASE (5)

\$92,461.68

NOTES:

- (1) The amount was taken from Attachment 2 page 6.
- (2) The amount was taken from Attachment 2 page 6.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, aubtracting the terminating access psyable, the originating access psyable and the billing and collection psyable.
- (4) There is no offsetting revenue increase with Flat Rate EAS.
- (5) The amount for "Annual Charges and Toll impact in Excess of Annual Revenue Increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

TWO-WAY MEASURED RATE EAS

Total Marginal Investment (1)

\$0.00

Annual Charges on Investment (2)

\$0.00

Toll Impact

Lost Toll Revenue (Tiffin to Sycamore)

Lost Toll Revenue (Sycamore to Tiffin)

Less Terminating Access Psyable

Less Originating Access Psyable

Less Billing & Collection Psyable

\$14,286.00

Total Toll Impact (3)

\$92,461.68

SUBTOTAL COSTS

\$92,461,68

Measured Rate Local Revenue Increase (4)

\$19,883.00

SUBTOTAL REVENUE

\$19,883.00

ANNUAL CHARGES AND TOLL IMPACT IN EXCESS OF ANNUAL REVENUE INCREASE (5)

\$72,578.68

NOTES:

- (1) The amount was taken from Attachment 2 page 8.
- (2) The amount was taken from Attachment 2 page 8.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) The amount was taken from Attachment 2 page 10.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

TWO-WAY FLAT RATE EAS

Total Marginal Investment (1) \$35,000.00

Annual Charges on Investment (2) \$8,981.00

Toll Impact

Lost Toll Revenue (U Sandusky to McCutch) \$7,857.60

Lost Toll Revenue (McCutch to U Sandusky) \$16,676.40

Less Terminating Access Payable \$4,560.00

Less Billing & Collection Payable \$1,810.00

Total Toll Impact (3) \$11,756.00

SUBTOTAL COSTS \$55,737.00

Measured Rate Local Revenue Increase (4) \$0.00

SUBTOTAL REVENUE \$0.00

ANNUAL CHARGES AND TOLL IMPACT IN EXCESS OF ANNUAL REVENUE INCREASE (5)

\$55,737.00

NOTES:

- (1) The amount was taken from Attachment 2 page 11.
- (2) The amount was taken from Attachment 2 page 11.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) There is no offsetting revenue increase with Flat Rate EAS.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue Increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

AMERITECH OHIO P.U.C.O. CASE NO 94-1000-TP-PEX

TWO-WAY MEASURED RATE EAS

\$35,000.00 Total Marginal Investment (1)

\$8,981.00 Annual Charges on investment (2)

Toll Impact

Lost Toll Revenue (U Sandusky to McCutch) \$7,857.60 \$16,676.40 Lost Toll Revenue (McCutch to U Sandusky) \$4,560.00 Less Terminating Access Payable \$6,408.00 Less Originating Access Payable \$1,810.00 Less Billing & Collection Payable

\$11,758.00 Total Toll Impact (3)

\$55,737.00 SUBTOTAL COSTS

\$2,066.00 Measured Rate Local Revenue Increase (4)

\$2,066.00 SUBTOTAL REVENUE

ANNUAL CHARGES AND TOLL IMPACT IN **EXCESS OF ANNUAL REVENUE INCREASE (5)** **\$53,671.00**

NOTES:

- (1) The amount was taken from Attachment 2 page 13.
- (2) The amount was taken from Attachment 2 page 13.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) The amount was taken from Attachment 2 page 15.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue Increase" was calculated by aubtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

TWO-WAY FLAT RATE EAS

Total Marginal Investment (1) \$35,000.00

Annual Charges on Investment (2) \$8,981.00

Toll Impact

Lost Toll Revenue (U Sandusky to Sycamore)
Lost Toll Revenue (Sycamore to U Sandusky)
Less Terminating Access Payable
Less Originating Access Payable
Less Billing & Collection Payable
\$12,953.00

Total Toll Impact (3) \$84,982.98

SUBTOTAL COSTS \$128,963.96

Measured Rate Local Revenue Increase (4) \$0.00

SUBTOTAL REVENUE \$0.00

ANNUAL CHARGES AND TOLL IMPACT IN EXCESS OF ANNUAL REVENUE INCREASE (5)

\$128,963.96

NOTES:

- (1) The amount was taken from Attachment 2 page 16.
- (2) The amount was taken from Attachment 2 page 16.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) There is no offsetting revenue increase with Flat Rate EAS.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue Increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

TWO-WAY MEASURED RATE EAS

\$35,000.00 Total Marginal Investment (1)

\$8,981.00 Annual Charges on Investment (2)

Toll Impact

Lost Toll Revenue (U Sandusky to Sycamore) \$58,711.32 Lost Toll Revenue (Sycamore to U Sandusky) \$112,628.64 \$30,504.00 Less Terminating Access Payable \$42,900.00 Less Originating Access Payable \$12,953.00 Less Billing & Collection Payable

\$84,982.96 Total Toll Impact (3)

\$128,963.96 SUBTOTAL COSTS

\$16,178.00 Measured Rate Local Revenue Increase (4)

\$16,178.00 SUBTOTAL REVENUE

ANNUAL CHARGES AND TOLL IMPACT IN EXCESS OF ANNUAL REVENUE INCREASE (5) \$112,785.96

NOTES:

- (1) The amount was taken from Attachment 2 page 18.
- (2) The amount was taken from Attachment 2 page 18.
- (3) The toll impact is calculated by adding the annual lost Toll Revenue, subtracting the terminating access payable, the originating access payable and the billing and collection payable.
- (4) The amount was taken from Attachment 2 page 20.
- (5) The amount for "Annual Charges and Toll Impact in Excess of Annual Revenue Increase" was calculated by subtracting the Subtotal Revenue from the Subtotal Costs

SPECIAL NOTE:

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Flat Rate Two-Way Non-Optional EAS	
	Investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment - (ESS)	<u>\$0.00</u>	\$ <u>0</u> _00
3. Total Investment and Annual Costs	\$0.00	\$0.00

ESTIMATED ANNUAL COSTS Flat Rate Service

	Transmission Equipment	Trunk Termination Equipment	<u>Total</u>
1. Depreciation	\$0.00	\$0.00	\$0.00
2. Cost of Money	\$0.00	\$0.00	\$0.00
3. F.I.T.	\$0.00	\$0.00	\$0.00
4. Personal Property Tax	\$0.00	\$0.00	\$0.00
5. Maintenance	<u>\$0.00</u>	<u>\$0.00</u>	\$0.00
6. TOTAL ANNUAL COSTS	\$0.00	\$0.00	\$0.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Measured Rate Two-Way Non-Optional EAS	
	Investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment - (ESS)	\$0.00	\$0.00
3. Total investment and Annual Costs	\$0.00	\$0.00

ESTIMATED ANNUAL COSTS Measured Rate Service

	Transmission <u>Equipment</u>	Trunk Termination <u>Equipment</u>	<u>Total</u>
1. Depreciation	\$0.00	\$0.00	\$0.00
2. Cost of Money	\$0.00	\$0.00	\$0.00
3. F.I.T.	\$0.00	\$0.00	\$0.00
4. Personal Property Tax	\$0.00	\$0.00	\$0.00
5. Maintenance	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0,00</u>
6. TOTAL ANNUAL COSTS	\$0.00	\$0.00	\$0.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED REVENUE STATISTICS

	Messured Rate Two-Way Non-Ontional EAS	
TOLL		
Initial Toll Minutes Additional Toll Minutes		3,307 11,435
LCP TARIFF RATES		
3. Initial Minute Rate 4. Additional Minute Rate	\$ \$	0.045 0.015
UNSTIMULATED LCP MINUTES		
5. Initial minute day calls6. Initial minute night calls7. Additional minutes during day8. Additional minutes during night		2,247 860 7,547 3,888
UNSTIMULATED LCP REVENUES		
Day period revenues Night period revenues	\$ \$	223 49
STIMULATED LCP REVENUES (ANNUALIZED)		
11. Factor 12. Total Revenues	\$	2.1 6,854

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Flat Rate Two-Way Non-Optional EAS	
	Investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment - (ESS)	\$0.00	\$0.00
3. Total Investment and Annual Costs	\$0.00	\$0.00

ESTIMATED ANNUAL COSTS Flat Rate Service

	Transmission <u>Equipment</u>	Trunk Termination <u>Equipment</u>	Total
1. Depreciation	\$0.00	\$0.00	\$0.00
2. Cost of Money	\$0.00	\$0.00	\$0.00
3. F.I.T.	\$0.00	\$0.00	\$0.00
4. Personal Property Tax	\$0.00	\$0.00	\$0.00
5. Maintenance	\$0,00	<u>\$0.00</u>	\$0.00
6. TOTAL ANNUAL COSTS	\$0.00	\$0.00	\$0.00

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Measured Rate Two-Way Non-Optional EAS	
	Investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment - (ESS)	\$0.00	\$0.00
3. Total Investment and Annual Costs	\$0.00	\$0.00

ESTIMATED ANNUAL COSTS Measured Rate Service

	Transmission <u>Equipment</u>	Trunk Termination <u>Equipment</u>	<u>Total</u>
n tolon	\$0.00	\$0.00	\$0.00
1. Depreciation	\$0.00	\$0.00	\$0.00
2. Cost of Money	\$0.00	\$0.00	\$0.00
3. F.I.T.	80.00	\$0.00	\$0.00
4. Personal Property Tax	\$0.00	\$0.00	90.00
6. Maintenance	<u>17122</u>	-	
6. TOTAL ANNUAL COSTS	\$0.00	\$0.00	\$0.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED REVENUE STATISTICS

	Measured Rat Two-Way Non-Optic	e nal EAS
TOLL		0.066
Initial Toll Minutes Additional Toll Minutes		9,966 32,014
LCP TARIFF RATES		
3. Initial Minute Rate 4. Additional Minute Rate	\$ \$	0.045 0.016
UNSTIMULATED LCP MINUTES		
 5. Initial minute day calls 6. Initial minute night calls 7. Additional minutes during day 8. Additional minutes during night 		7,375 2,591 21,129 10,885
UNSTIMULATED LCP REVENUES		
9. Day period revenues 10. Night period revenues	\$ \$	649 140
STIMULATED LCP REVENUES (ANNUALIZED)		
11. Factor 12. Total Revenues	•	2.1 19,883

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Flat Rate Two-Way Non-Optional EAS	
	Investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment - (ESS)	<u>\$35,000.00</u>	\$8,981.00
3. Total investment and Annual Costs	\$35,000.00	\$8,981.00

ESTIMATED ANNUAL COSTS Flat Rate Service

	Transmission <u>Equipment</u>	Trunk Termination <u>Equipment</u>	<u>Total</u>
1. Depreciation	40.00	\$3,605.00	\$3,805.00
2. Cost of Money	\$0.00	\$1,967.00	\$1,967.00
3. F.I.T.	\$0.00	\$728.00	\$728.00
4. Personal Property Tex	\$0.00	\$572.00	\$672.00
5. Maintenance	\$0.00	\$2,009,00	\$2,009.00
6. TOTAL ANNUAL COSTS	\$0.00	\$8,981.00	\$8,981.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Measured Rate <u>Two-Way Non-Optional EAS</u>	
	investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment - (ESS)	\$35,000.00	\$ <u>8,981.00</u>
3. Total Investment and Annual Costs	\$35,000.00	\$8,981.00

ESTIMATED ANNUAL COSTS Measured Rate Service

	Transmission <u>Equipment</u>	Trunk Termination Equipment	<u>Total</u>
1. Depreciation	\$0.00	\$3,605.00	\$3,605.00
2. Cost of Money	\$0.00	\$1,967.00	\$1,967.00
3. F.I.T.	\$0.00	\$728.00	\$728.00
4. Parsonal Property Tax	\$0.00	\$672.00	\$672.00
5. Maintenance	\$0.00	\$2,009.00	\$2,009.00
6. TOTAL ANNUAL COSTS	\$0.00	\$8,981.00	\$8,981.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED REVENUE STATISTICS

	Measured Rate Two-Way Non-Optional EAS	
TOLL 1. initial Toll Minutes 2. Additional Toll Minutes		862 3,917
CP TARIFF RATES 3. Initial Minute Rate 4. Additional Minute Rate	\$ \$	0.045 0.015
UNSTIMULATED LCP MINUTES 5. Initial minute day calls 6. Initial minute night calls 7. Additional minutes during day 8. Additional minutes during night		638 224 2,585 1,332
9. Day period revenues 10. Night period revenues	\$ \$	67 15
STIMULATED LCP REVENUES (ANNUALIZED) 11. Factor 12. Total Revenues	\$	2.1 2,066

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Flat Rate Two-Way Non-Optional EAS	
	investment	Annual Cost
1. Transmission Equipment - (Circuit)	\$0.00	\$0.00
2. Trunk Termination Equipment • (ESS)	\$35,000.00	\$8,981.00
3. Total Investment and Annual Costs	\$35,000.00	\$8,981.00

ESTIMATED ANNUAL COSTS Flat Rate Service

	Transmission <u>Equipme</u> nt	Trunk Termination <u>Equipment</u>	<u>Total</u>
1. Depreciation	\$0.00	\$3,605.00	\$3,605.00
2. Cast of Money	\$0.00	\$1,967.00	\$1,967.00
3. F.I.T.	\$0.00	\$728.00	\$728.00
4. Personal Property Tax	\$0.00	\$672.00	\$672.00
5. Maintenance	\$0.00	\$2,009.00	\$2,009.00
6. TOTAL ANNUAL COSTS	\$0.00	\$8,981.00	\$8,981.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED INVESTMENTS AND ANNUAL COSTS

	Measured Rate <u>Two-Way Non-Optional EAS</u>	
	Investment	Annual Cost
1. Transmission Equipment - (Circult)	\$0.00	00.0¢
2. Trunk Termination Equipment - (ESS)	\$35,000.00	\$ <u>8.981.00</u>
3. Total Investment and Annual Costs	\$35,000.00	\$8,981.00

ESTIMATED ANNUAL COSTS Measured Rate Service

	Transmission <u>Equipment</u>	Trunk Termination Equipment	<u>Total</u>
1. Depreciation	\$0.00	\$3,605.00	\$3,805.00
2. Cost of Money	\$0.00	\$1,967.00	\$1,987.00
3, F.I.T.	\$0.00	\$728.00	\$728.00
4. Personal Property Tax	\$0.00	\$672.00	\$672.00
5. Maintenance	<u>\$0.00</u>	\$2,009.00	\$2,009.00
6. TOTAL ANNUAL COSTS	\$0.00	\$8,981.00	\$8,981.00

AMERITECH OHIO P.U.C.O. CASE NO. 94-1000-TP-PEX

ESTIMATED REVENUE STATISTICS

	Measured Rate Two-Non-Option	
TOLL		7.000
Initial Toll Minutes Additional Toll Minutes		7,986 26,498
LCP TARIFF RATES		
Initial Minute Rate Additional Minute Rate	\$	0.045 0.015
UNSTIMULATED LCP MINUTES		
5. Initial minute day calls6. Initial minute night calls7. Additional minutes during day8. Additional minutes during night		5,910 2,076 17,489 9,009
UNSTIMULATED LCP REVENUES		
9. Day period revenues 10. Night period revenues	\$	528 114
STIMULATED LCP REVENUES (ANNUALIZED)		
11. Factor 12. Total Revenues	\$	2.1 16,178

ESTIMATED ANNUAL TOLL REVENUE

Monthly Toll Revenue Tiffin to McCutcheonville (October 1994) Annual Toll Revenue Tiffin to McCutcheonville (Monthly x 12)	\$ \$	1,950.06 23,400.72
Monthly Toll Revenue Tiffin to Sycamore (October 1994) Annual Toll Revenue Tiffin to Sycamore (Monthly x 12)	\$	5,642.36 67,708.32
Monthly Toll Revenue Upper Sandusky to McCutcheonville (October 1994) Annual Toll Revenue Upper Sandusky to McCutcheonville (Monthly x 12)	\$	654.80 7,857.60
Monthly Toll Revenue Upper Sandusky to Sycamore (October 1994) Annual Toll Revenue Upper Sandusky to Sycamore (Monthly x 12)	\$	4,892.61 58,711.32

DIRECTORY COSTS

In accordance with the Minimum Telephone Service Standards, Section 4901:1-5-09, Sub-section D, all EAS subscribers who request a directory for the EAS area will be provided the most current available directory free of charge. This does not require any special publication and , therefore, no marginal cost is incurred by Ameritech. Any consolidation of directories which may take place is not a direct result of any particular EAS implementation.

IMPLEMENTATION OF SERVICE

Ameritech Ohlo would implement either non-optional two-way flat rate or non-optional two-way measured rate extended area service at the earliest practicable time, but no later than 12 months from the date of a Commission order for such service.

COST STUDY METHODS/JUSTIFICATION/ASSUMPTIONS

The within cost study was conducted in the following manner. Out-of-pocket investments necessary to provide EAS were calculated based on traffic studies. These investments represent transmission and trunk termination equipment. The annual costs then were based on the foregoing out-of-pocket investments.

Depreciation, cost of money and F.I.T. annual costs were computed using a cost model called CAPCOST which has been used in other service cost filings with the Commission. This program models the capital structure, prospective cost of capital, tax laws and service life characteristics of the investments over the life of the asset.

The utilities personal property tax factor was computed by dividing the Public Utilities Property Tax amount by the average plant in service less land, buildings, and motor vehicles. This tax is the result of levies on all property owned by the telephone company excluding real estate and motor vehicles. The addition of new investments will cause this tax to increase.

The maintenance expense factor was computed by dividing the annual maintenance expense by the average plant in service times the current cost to book cost ratio. These maintenance factors are the best and most appropriate cost tools available for predicting future maintenance costs.

The measured revenues calculations were based on the existing toll minutes repriced at measured retes. The unstimulated measured revenues were stimulated by use of an elasticity factor. The elasticity factor represents the relationship between the change in price and the change in quantity. The toll revenues were derived from a metropolitan area study for the appropriate exchanges.

AMERITECH OHIO ATTACHMENT 5 PAGE 1 OF 1

AMERITECH OHIO
P.U.C.O. CASE NO. 94-1000-TP-PEX
SYCAMORE/UPPER SANDUSKY, TIFFIN EXCHANGES

AFFIDAVIT

STATE OF OHIO)) S

- 1. I am employed by Ameritech Ohio as a Manager-Regulatory with offices at 45 Erieview Plaza, Cleveland, Ohio.
- 2. The information contained in Attachments 1 through 4 has either been prepared by me or under my direct supervision and control.
- 3. I swear that the foregoing is true and correct to the best of my knowledge, information and belief.

FURTHER AFFIANT SAYETH NAUGHT

SWORN TO BEFORE ME and subscribed in my presence this

JACQUELINE M. YOUNG

<u>31²</u> day of July, 1995.

MARY S. CASE

Mary S. Case

Notary Public - State of Ohio, Cuya. Cty. My Commission Expires Jan. 25, 1999

CERTIFICATE OF SERVICE

A copy of the foregoing Information Response of Ameritech Ohio has been served upon the following parties by regular U.S. mail, postage prepaid, this ____ day of August, 1995:

J. Raymond Prohaska, Esq. 17 South High Street Suite 1250 Columbus, OH 43215-3413

Helen L. Liebman, Esq. Jones, Day, Reavis & Pogue 1900 Huntington Center 41 South High Street Columbus, OH 43215

Judith B. Sanders, Esq. Bell, Royer & Sanders Co., L.P.A. 33 South Grant Avenue Columbus, OH 43215-3927

Joseph L. Ranker 1199 W. Twp. Rd. 28 Tiffin, OH 44883

CHARLES S. RAWLINGS