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PUCO

May 1, 1998

Public Utility Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, Ohio 43215-3793

To Whom It May Concern,

Enclosed please find a Response to information to be entered into Case No. 97-1117-TP-PEX. If there are any questions please call me at the number below.

Thank you!

Sincerely,

Stephanie Bogner

Stephanie Bogner
Spokesperson for the Attica Petitioners
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Technician *Ann M. K. K.* Date Processed *May 4, 1998*

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

<u>Stephanie Bogner</u>)	
Spokesperson)	
)	
V.)	Case No. 97-1117-TP-PEX
)	
<u>GTE</u>)	
Respondent)	

In response to GTE's additional information that was received on April 16, 1998:

1. GTE was to provide us with the number of "subscribers" in September of 1997 for both the Attica and Willard exchanges.

a.) They gave us this information listed as "customers for September 1997". They labeled the number of access lines for each exchange in their Information Response dated Dec. 22, 1997 as "subscribers". The PUCO clearly defines in Rule 4901:1-7-01 the words (A) access line and (P) subscriber. GTE uses the words customer, access line, and subscriber interchangeably and it is confusing and even misleading at times. I suppose we are to assume this time that they mean subscribers?

b.) I would like to question the criteria GTE used to come up with the number of "customers". We have 1116 customers but only 1179 access lines. Are we to believe then that only a few (63 or less) have more than one access line? What do they base their subscriber count on? They say that it is figured by the summarizing of the billing (See Appendix A & B). Since they often use different definitions than the PUCO, I would question their methodology in determining this number and wonder if summarizing the billing is an accurate representation of the number of subscribers (See Appendix C).

The issue of Subscriber verses Access Line is important in EAS cases and in the way our case is viewed by the PUCO. One of the major considerations for the PUCO in EAS cases is Calling rates. We believe that the calling rates are

seriously misrepresented by using the number of access lines rather than the number of subscribers as the denominator in the calculation. With this age of technology we are in, there are increasingly more businesses and individuals putting in second lines for data purposes only. Businesses now have dedicated lines for modems, facsimile machines and even credit card merchant transfers. The Home PC market is growing by leaps and bounds and with it comes the need for second lines for Internet access. We feel that the data lines are diluting the calling rates. For example, say you have an average subscriber with a single access line making 10 calls a month to the exchange in question. He then adds a data line for Internet use only, that subscriber now has a calling rate of 5 when in reality he makes 10 calls. We would like to point out that we feel that using the number of "access lines" rather than the number of "subscribers" in the calling rate calculation has a prejudicially diluting effect on the calling rate. Here in the Village of Attica, we had a population increase of only 2.5% from 1990 to 1996. Our number of access lines increased 17.3%. The access lines increased at a rate almost 7 times that of the population and we had very little net new business growth during that period. It would appear that there are more and more subscribers with multiple access lines.

2. GTE was to provide us with the study that they used to derive the stimulation factor of 2.5 in their calculations for their cost study.

a.) I am shocked that GTE actually wants us to accept the memory of an employee who somewhere around 1987 (see Appendix B) did a study. I would agree that in 1987 with his 31 years of experience and all the credentials that are listed that he probably did know what he was talking about then. But I would like to know what that has to do with our case. Even if he does have a good enough memory to recall exactly what the study entailed that was done at least 11 years ago, it would be irrelevant in today's fast paced world of communications technology. His 31 years of experience that calculated that study would have been with operators and switchboard jacks - not with the digital switches we use today which didn't really come on the scene until the 1980's. Certainly there have been other EAS cases that have been filed since 1987. Didn't GTE learn anything new from those cases? In this day and age of technology and with communications changing and growing on practically a daily basis, it is inadequate to say that a number that accurately represented a stimulation factor 6 months ago would be

relevant today, let alone a study done at least 11 years ago that is based solely on the memory of a man who made a graph some time around 1987.

b.) In GTE's response, they give Art Huggler's experience in 1987. What experience does he have to relate to today's issues and trends in communications and EAS cases? He retired from GTE in 1986 (See Appendix B). How could he possibly judge the relevance of the study compared to today? He would have no idea as to how the rapidly changing communications field is even operating today.

c.) Ms. Cook claims in her statement that their stimulation factor of 2.5 is comparable to other companies. She lists two other companies as examples. What about Sprint/United that uses a 1.5 stimulation factor? When multiplying by the tens of thousands, that is a significant difference. I would also wonder when these other companies did their studies, and if they even have studies to back up their numbers. I would like to point out that if the numbers you are using aren't an accurate representation - they still aren't accurate just because you can find two other companies that use the same numbers that you do.

d.) In the study that was done at least 11 years ago that cannot be located, they claim to have used a calculation of 70% less than the toll rate at that time. This calculation is hardly applicable in today's market. The tolls have changed and GTE is now using 60% reduction. Not only that, but IXC's are now in existence which have totally changed the entire market. You can already get close to the savings they are offering us as a reduction with an IXC right now. (And the IXC's don't have the confusing methods of calculating it either - with connection fees, time of day, and mileage issues.) AT&T and Sprint, to name a few, offer \$0.10 / minute and MCI offers several options, one of which is \$0.06 / minute in the evenings and another is \$0.05 / minute on Sundays. Heavy users already show a significant savings with IXC's. GTE's offer isn't very appealing to us and shows just how behind they are in their studies. If they are interested in their customer's needs in this information age, they should find out what would really benefit them.

e.) I would also like to question the professionalism of an expert providing testimony based on a study that cannot be located. This logically leads us to believe that it was never looked at when the testimony was prepared. Interviewing a retired employee after the fact to find out what your testimony is based on is unconscionable.

3. The PUCO orders in their Entry dated Nov. 13, 1997 that when providing the cost information GTE must also provide (section (4)(b)) The underlying worksheets from which the estimates are derived. This information is requested by the PUCO, not the spokesperson. So why is it that the spokesperson has to ask for this information? The spokesperson is usually an average citizen that is passionate about getting local calling to a neighboring exchange - not a lawyer or an expert on the processes used in EAS cases. We would naturally assume that since the PUCO ordered the information to be provided that they governed whether or not the information was indeed provided, and provided according to the mandates that their order indicates. This is not the case, and I am confused as to why.

We know just from our hearing that was held on April 1, 1998 in Attica, Ohio that:

a.) GTE was ordered to provide the number of subscribers and failed to initially do so.

b.) GTE labeled a page of their official testimony from Pat Cook as "Calling Distribution" and never put anywhere on the page the actual calling distribution as defined by the PUCO in Rule 4901:1-7-01 Definitions. They used their own definition for calling distribution and then informed us that we could mathematically calculate the distribution of calling as asked for by the PUCO from the numbers given. Should we have to mathematically calculate the number that the entire attachment is suppose to represent?

c.) GTE suggested that our calling distribution is not normal and therefore the PUCO should ignore the way they have always judged EAS cases and use the median instead of the mean as representation of the calling rates. They have suggested this without any proof or calculations as to what normal is, and how we deviate from it. They

don't have explanations or set criteria to come to the conclusions that they come to - they just make the statement and we are suppose to accept it?

d.) GTE gives our calling rates in their testimony and states that the number given "includes all message toll calls, but does not include calls made from WATS....." The statement of "all message toll calls" is a serious misrepresentation. Any access line that is subscribed to an IXC is included in their figures as making zero calls for the month. This is an obvious distortion of the facts. At the very least, the IXC subscribers should be excluded from the numbers completely. GTE should set the IXC subscribed access lines aside and give only the information that they know to be true. Why is GTE allowed to assign the IXC users with making zero calls a month when they have no idea how many calls were really made? Assigning IXC subscribed access lines with zero calls for the month is not only a matter of presenting false figures, it also (when used in the calculations) dilutes our calling rates and causes a misrepresentation of our distribution of calling.

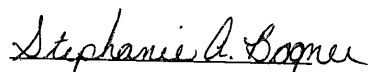
e.) GTE uses a series of assumptions to come up with an "Estimated Annual Revenue from Extended Local Calling Plan". Just one of those assumptions is a stimulation factor of 2.5 - which GTE states is from a previous study that can neither be located nor corroborated by a date. What about the other assumptions used in their cost studies? Should we question their origin?

There is a serious travesty of justice going on here. GTE has the upper hand with their lawyers and expert witnesses. They are familiar with the process and have employees assigned to do EAS cases on a regular basis. The spokesperson is usually an amateur trying to wade through the paperwork and make some sense of it all. We, as spokespersons, should at least be able to be assured that the information that is ordered by the PUCO is being provided by the phone company as the PUCO's orders indicate. GTE should be held accountable for their information and be able to back up their figures with solid facts and studies. They have presented their misrepresented, distorted, and unsubstantiated figures under oath as expert testimony. There is something seriously wrong with this being allowed to take place.

4. With the IXC's that are in existence today, there is a choice for the customers even in their intraLATA calling. If the PUCO were to order GTE to provide us with measured rate EAS it would again create a potential monopoly for GTE which would appear to be in direct violation of the State Telecommunications Policy ORC 4927.02 #3,4,5. We would no longer have the option to choose another provider that could offer us equal or greater savings over GTE's measured rate.

5. I would like to have it noted that Attorney Examiner Greta See ordered that GTE provide the additional information of 1.) the number of subscribers and 2.) the study used for the 2.5 stimulation factor by April 15, 1998. Their response was issued on April 16, 1998.

6. I called Pat Cook on April 21, 1998 to ask her additional questions about her response. She called me back on April 22, 1998 and I asked her a few questions (See Appendix A). I told Pat Cook that I was only given two weeks from the date of her response to make mine so I was in a hurry for this information. I received the answers to my questions on April 27, 1998 when I called her again (See Appendix B). I was only given 14 days to write my response and 6 days were used waiting on additional information. I did still get my response in by May 1, 1998 as ordered by the PUCO.



Stephanie A. Bogner
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Appendix A

Additional Information requested of GTE per April 22, 1998
phone conversation with Pat Cook.

1.) Question: How does GTE determine the number of subscribers?

Answer: She said that she wasn't sure. I asked her if she could find out and she said that she would do so.

2.) Question: How were roll over lines counted in the number of access lines and subscribers?

Answer: Roll over lines are counted separately in the number of access lines but are not counted separately in the number of subscribers.

3.) Question: Does Art Huggler still work for GTE?

Answer: No, he is retired.

4.) Question: When did Art Huggler retire?

Answer: She said that she wasn't sure. I asked if she could find out and she said that she would do so.

Appendix B

Additional Information requested of GTE per April 27, 1998
phone conversation with Pat Cook.

1.) Question: How are the number of subscribers determined?

Answer: It is based on the billing. If the lines are summarized to one name (agency) for the billing then they are counted as one subscriber.

2.) Question: When did Art Huggler retire?

Answer: He retired in 1986, but was contracted back in 1987 to do some EAS cases.

3.) Question: Was the study done in 1987?

Answer: They can't say that for sure. When she talked to Art Huggler he didn't dispute that time frame.

Appendix C

1.) I called the following businesses and asked them how many phone lines they have for their business. The following is a list of the answers that I received.

<u>Name of Business</u>	<u># of Lines</u>
Sutton Bank	16
Seneca Tiles	4
Seneca East Schools	12 (also more on Ethernet for Internet)
Seneca East Library	3
Seneca Publishing	2
Attica Post Office	2
North Central Electric	7
Main Street Market	2
Decker's Furniture	2
Schaaf Chiropractic	3
Attica Police	2
Village really has 5 lines - but billed separately for Water / City Hall / Police (has 2) / Park	
Friendship Citgo	5
Beck Supply	4
Dr. Sizemore / Dr. Jump	2
Terra International	2
NAPA Auto Parts	4
Fry's Auto Body & Radiator	4
Gene's Recycling	3
Bernard Lumber Co.	8
Attica Lumber Co.	5
Martin Excavating	2
Country Spring Farmer's Co-Op	3
East of Chicago	3
Waldock Equipment & Sales	2

2.) There are 24 businesses listed here with a total of 102 access lines. That means that they can account for an additional 78 access lines over the number of subscribers in the 426 exchange.

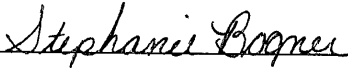
3.) These businesses were called on April 27, 1998 from randomly going through the GTE phone book and the list does not include the entire 426 exchange business community.

4.) This list also does not include residences with more than one phone line.

(I personally have two phone lines in my house, but since I have my bills sent separately, I am also counted as two subscribers.)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Reponse to GTE's additional information has been served, by first class mail, to the following parties of record on this 1st day of May, 1998.


Stephanie Bogner

PARTIES OF RECORD

Public Utilities Commission of Ohio, Docketing Division
Greta See, Attorney Examiner
Joseph Stewart, Attorney for GTE