

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Choice)
One Communications of Ohio, Inc. for a)
Certificate of Public Convenience and) Case No. 99-724-TP-ACE
Necessity to Provide Local Exchange)
Telecommunication Services in Ohio.)

FINDING AND ORDER

The Commission finds:

- (1) On June 14, 1999, as amended on July 15, July 19, July 29, and August 5, 1999, Choice One Communications of Ohio, Inc. (Choice One, applicant), filed an application for authority to provide local exchange telecommunication services in the state of Ohio pursuant to the guidelines issued in Case No. 95-845-TP-COI, *In the Matter of the Commission Investigation Relative to the Establishment of Local Exchange Competition and Other Competitive Issues* (95-845).
- (2) By Entry issued August 6, 1999, the Attorney Examiner suspended the case pending further review of Choice One's application and tariff by the Commission's Staff.
- (3) Choice One has on file with the Commission a completed application and a proposed tariff. Upon further review, the Commission finds that Choice One's application for authority to provide local exchange telecommunication services is in compliance with the orders issued in 95-845 and, therefore, should be approved. However, Choice One's tariff is incomplete and shall remain suspended until the Commission specifically orders otherwise.
- (4) The information contained in the Commission's file in this proceeding reveals the following:
 - (a) Choice One is a Delaware corporation, with its principal place of business located at 100 Chestnut Street, Suite 700, Rochester, New York 14604-2417.
 - (b) By this application, Choice One will provide re-sold and facilities-based local exchange and interexchange telecommunication services.

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Technician Andrew Smith Date Processed 9/10/99

- (c) Choice One is currently in good standing with the Ohio Secretary of State.
- (d) Choice One has notified the Ohio Department of Taxation of the pendency of this application.
- (e) Choice One filed its proposed tariff on June 14, 1999, as amended on July 15, July 29, and August 5, 1999.
- (f) Choice One states that it will provide service to both business and residential customers in Ohio.
- (g) In the amendment to the application filed on July 19, 1999, Choice One requested authority to provide services in the following Ohio counties within 24 months of certification:

| | | |
|----------|-----------|------------|
| Adams | Ashtabula | Brown |
| Butler | Champaign | Clark |
| Clermont | Clinton | Columbiana |
| Cuyahoga | Delaware | Fairfield |
| Fayette | Franklin | Fulton |
| Greene | Geauga | Hamilton |
| Highland | Lake | Licking |
| Lucas | Lorain | Madison |
| Mahoning | Miami | Montgomery |
| Ottawa | Pickaway | Portage |
| Ross | Stark | Summit |
| Trumbull | Warren | Wood |

- (5) The applicant's proposed operations qualify it as a telephone company and as a public utility, as defined in Sections 4905.02 and 4905.03(A)(2), Revised Code. Therefore, the applicant is subject to the jurisdiction of the Commission under the authority of Sections 4905.04 and 4905.05, Revised Code.
- (6) Included with Choice One's application was a request for a waiver from the requirement of maintaining records in accordance with the Uniform System of Accounts (USOA). The USOA requirement is set forth in Guideline II.B.1.i. of

the local service guidelines established in 95-845. In support of the USOA waiver request, the applicant states that the company currently maintains its books and records in another format, Generally Accepted Accounting Principles (GAAP).

- (7) By letter filed August 10, 1999, Choice One agreed to maintain a translation matrix for the conversion of Choice One's account numbering system and description of accounts into USOA's account numbering system and description of accounts. Further, Choice One agreed to make the matrix available to the Commission upon request and include the matrix with the submission of financial information to the Commission.
- (8) Upon consideration of this matter, the Commission first notes that we are opposed to granting a blanket waiver on this issue. The Commission believes that such an approval would result in filings to the Commission containing a myriad of account numbering schemes and account descriptions. Under those conditions, comparisons among companies would be extremely difficult, except at aggregated levels such as revenue or income. Our staff, however, has recommended partial approval of the USOA waiver request, provided all of the following requirements are agreed to by Choice One:
 - (a) The company may use its own number scheme for their books, provided that a translation matrix is maintained that maps the local exchange operations only between this numbering system and the USOA accounts. The purpose of the matrix is to allow a conversion from each company's chosen account numbering scheme and descriptions for the local exchange operations into USOA account numbers;
 - (b) The translation matrix shall be made available for the Commission staff's review upon request; and
 - (c) All filings with the Commission that require submission of financial information specific to local exchange operations, such as the Commission's Annual Report, shall utilize the transla-

tion matrix and be provided in the USOA format. To the extent the treatment under the USOA of a particular transaction or event differs from the treatment the companies would otherwise apply, the financial information filed with the Commission shall reflect the USOA prescribed treatment of this item. Companies shall use subsidiary records, if needed, to substantiate differences between USOA-prescribed accounting principles and the companies' accounting scheme.

- (9) The Commission has considered our staff's recommendation and concludes that it appropriately balances Choice One's interests and our staff's needs. The Commission, however, would emphasize that approval of this waiver is conditional and noncompliance with the terms of this ruling shall operate to rescind our approval of this waiver. Upon that occurrence, Choice One shall revert to the USOA format.
- (10) Choice One has on file with the Commission a completed application and a proposed tariff. The application should be approved. However, Choice One's tariff is incomplete and shall remain suspended until the Commission specifically orders otherwise.

It is, therefore,

ORDERED, That Choice One's request for a waiver of the USOA requirement is granted as stated herein. It is, further,

ORDERED, That Choice One's application to offer local exchange telecommunication services is approved. It is, further,

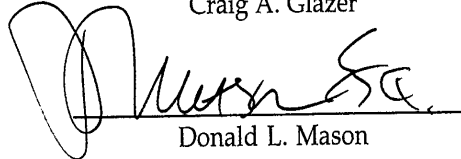
ORDERED, That copies of this Finding and Order be served upon Choice One and all other interested persons of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

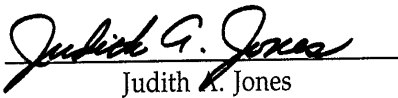
Alan R. Schriber, Chairman



Ronda Hartman Fergus

Craig A. Glazer


Donald L. Mason



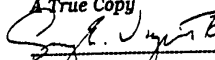
Judith A. Jones

GNS/jkg

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SEP 9 1999

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Gary E. Vigorito
Secretary

SERVICE NOTICE

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CASE NUMBER 99-724-TP-ACE
CASE DESCRIPTION CHOICE ONE COMMUNICATIONS OF OHIO
DOCUMENT SIGNED ON September 9, 1999
DATE OF SERVICE September 10, 1999

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