

## TO BE RESCINDED

4901:1-6-04      **Tier 1.**

## (A) Tier 1 definition

Tier 1 includes basic local exchange service as defined in section 4927.01 of the Revised Code, as well as those services that are not essential but nevertheless retain such a high level of public interest that these services still require regulatory oversight.

(1) The following services, to the extent offered by a telephone company, shall be afforded continued regulatory oversight:

## (a) Tier 1 core services

(i) Basic local exchange service.

(ii) Basic caller identification (number delivery only services).

## (b) Tier 1 noncore services

(i) Second and third local exchange service access lines.

(ii) Call waiting.

(iii) Call trace (\*57)

(iv) Per line number identification blocking.

(v) Nonpublished number service.

(vi) N-1-1 access and usage, unless exempted.

(2) The commission may add any new services to this list for which the commission determines that a specific public interest exists.

(3) A local exchange carrier (LEC) that provides service to a nonresidential customer with four or more access lines will receive tier 2 treatment for all access lines in accordance with rule 4901:1-6-05 of the Administrative Code.

(B) Tier 1 regulatory framework

- (1) All terms, conditions, and pricing of tier 1 services must be maintained in a complete, up-to-date tariff on file at the offices of the commission at all times.
- (2) All incumbent local exchange carrier (ILEC) tier 1 core and competitive local exchange carrier (CLEC) tier 1 core services must show a maximum and actual rate in the tariff.
- (3) The minimum rate, which must be no lower than the long run service incremental cost (LRSIC) plus a common cost allocation, need not appear in the tariff.
- (4) The maximum rate for CLEC tier 1 core offerings will be established based on the marketplace. ILEC pricing for tier 1 core services will continue to be subject to the retail pricing constraints established in paragraph (C) of rule 4901:1-4-06 of the Administrative Code, and, where applicable, paragraph (A) of rule 4901:1-4-11 of the Administrative Code.
- (5) CLEC tier 1 noncore services shall be granted tier 2 treatment set forth in rule 4901:1-6-05 of the Administrative Code. ILEC pricing for tier 1 noncore services will be subject to the retail pricing constraints established in paragraph (C) of rule 4901:1-4-06 of the Administrative Code, and, where applicable, shall have tier 2 pricing flexibility as set forth in paragraph (A) of rule 4901:1-4-11 of the Administrative Code.
- (6) The commission and staff will apply a test of reasonableness to the initial rate setting.
- (7) New services, change in terms and conditions, and expansion of local calling area
  - (a) In order to introduce a new tier 1 service or for an expansion of a local calling area, a LEC must docket a zero-day tariff application (ZTA) with the commission.
  - (b) Changes in terms and conditions of an existing tier 1 service shall be filed through a thirty-day application for tariff amendment (ATA) filing.
  - (c) Changes in terms and conditions of a tier 1 service or for an expansion of

a LEC's local calling area requires a customer notice to be filed in accordance with rule 4901:1-6-16 of the Administrative Code.

(8) Cost studies

- (a) To demonstrate the cost of service and minimum rate, a LEC may be required to submit a LRSIC study upon request by the commission's staff.
- (b) The rates of any LEC are subject to suspension and reversal should the commission find, after review of a cost study, that the service was priced below the LRSIC of such service.

(9) Rate changes for services with tier 1 pricing flexibility

- (a) Rate changes within the approved range are subject to a zero-day notice-only filing under the company's tariff filing docket.
- (b) Increases within the approved range also require a customer notice in accordance with rule 4901:1-6-16 of the Administrative Code.

(10) Late payment and returned check charges

Late payment and returned check charges for regulated services may be introduced or increased through a thirty-day ATA filing. A standard of reasonableness will be applied to the rates for such services including, but not limited to, a comparison with similar charges previously approved by the commission and similar charges assessed by nonregulated providers.

(11) Nonrecurring service charges

Nonrecurring service charges (e.g., service establishment, service connection, and service change charges) for tier 1 services shall have the pricing flexibility of the tier 1 service that gives rise to the nonrecurring rate. Tier 1 nonrecurring service charges and statewide averaged cash deposit amounts may be introduced through a thirty-day ATA filing.

(12) Self-complaint cases

To raise the ceiling of an approved rate range for a service with tier 1 pricing flexibility, a CLEC must file a self-complaint (SLF) application that includes commission-approved customer notice to affected customers in accordance

with rule 4901:1-6-16 of the Administrative Code. Such applications are subject to a thirty-day automatic approval outlined in rule 4901:1-6-08 of the Administrative Code. Affected customers shall have fifteen days from the filing of the SLF to file objections to the application in the SLF docket.

(13) Per-call and per-line blocking

A LEC must provide free per-call blocking to all customers. Per-line blocking shall be made available with no fee to nonpublished and nonlisted customers on an opt-in basis. Per-line blocking shall be made available on a subscription basis to all other customers. The charge for subscription per-line blocking for these customers shall not exceed the LEC's rate for nonpublished service.

(14) Rates, terms, and conditions for intrastate carrier access, N-1-1 service, pole attachments and conduit occupancy, pay telephone services, toll presubscription, and telecommunications relay service are not affected by this rule and shall continue to be subject to the applicable laws, rules and orders of the commission and the federal communications commission.

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Certification

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Date

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