

TO BE RESCINDED

4901:1-7-04 **Rate adjustments.**

- (A) The institution of EAS may require additional plant investment by a local exchange company and may result in additional costs being incurred by the company. Such investment and cost considerations may necessitate rate adjustments for subscribers in the involved exchanges.
- (B) The commission shall consider the following guidelines in determining the reasonableness of rate adjustments proposed by a local exchange company due to the institution of EAS:
- (1) When the local exchange company utilizes a banding principle in establishing its exchange rate levels, the exchange or exchanges of such company involved in the institution of EAS should take the rate level of the appropriate band.
 - (2) When a local exchange company does not establish its exchange rate levels by utilizing a banding principle, the burden shall be on the local exchange company to demonstrate that there are compelling circumstances to warrant the proposed rate increase, as well as, that the proposed rate increase associated with the establishment of EAS is based upon the annual gross marginal costs and savings to the company of providing the service.

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Certification

12/28/2006

Date

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