AT&T Ohio residential customers who receive only basic telephone service will see their monthly rates increase by $1.25, effective Jan. 7, 2011, the Office of the Ohio Consumers' Counsel (OCC) has learned.

Columbus, Ohio – Jan. 6, 2011 AT&T Ohio residential customers who receive only basic telephone service will see their monthly rates increase by $1.25, effective Jan. 7, 2011, the Office of the Ohio Consumers' Counsel (OCC) has learned.

AT&T Ohio notified the OCC that customers have received bill notices that the monthly rate for basic telephone service will increase from $14.25 to $15.50. This is the maximum increase in monthly rates permissible each year under Ohio's new telecommunications deregulation law.

“It is unfortunate residential consumers will have to pay more for basic landline service, especially during these difficult economic times,” Consumers’ Counsel Janine Migden-Ostrander said.

During the past four years, AT&T Ohio received permission from the Public Utilities Commission of Ohio (PUCO) to increase basic service rates under PUCO rules in all but 16 of its telephone exchanges throughout Ohio. On Sept. 23, 2010, AT&T Ohio filed an application under the new law for permission to raise rates for the final 16 exchanges. These areas, mostly located in rural eastern and southern Ohio, include: Aberdeen, Arabia, Bowersville, Clarington, Corning, Duffy, Gnadenhutten, Murray City, New Holland, New Matamoras, Newport, Sedalia, Somerton, Sugar Grove, Sugar Tree Ridge and Woodsfield.

The new law contains a less stringent standard of competitiveness for approval than was in the PUCO’s former rules. Under the new law, which took effect Sept. 13, 2010, telephone companies may receive approval to raise basic service rates by showing only two providers of competing services are available in some part of a telephone exchange. Previously, five providers of competing services had to be available for companies to raise their rates.

The OCC argued that the PUCO should dismiss AT&T Ohio’s request on procedural grounds as well as because, under the new law, AT&T Ohio failed to show sufficient proof that competitive services are available. However, the PUCO did not rule on the OCC’s motion. Under the new law, if the PUCO does not deny a request for permission to increase basic service rates within 30 days, the request is automatically approved. As a result, AT&T Ohio now has the ability to increase basic telephone rates in all of its exchanges.