

Choosing a long distance provider

Choosing a long distance telephone provider can be a tricky business. Not only are there hundreds of long distance companies, but each company offers numerous long distance calling plans. With so many options, it can seem overwhelming when trying to find the long distance plan to best fit your needs. The Ohio Consumers' Counsel (OCC) has developed some tips to help consumers choose a long distance plan.



Know your needs

It is often a good idea for most people to shop around for a plan that meets their long-distance calling needs. The same long-distance calling plan is not right for all consumers. While some may benefit from a larger long-distance company, others may see rewards in a smaller company. To choose the best long-distance calling plan, consumers must know their personal long-distance needs. To understand your long distance needs, it is important to be familiar with your monthly telephone bills. You should know:

- The number of calls you make each month.
- How long each call lasts.
- What time of day you make most of your long-distance calls.
- The destination to which calls are being placed (local, domestic, long-distance or intercontinental).

Once you understand your telephone bill, compare the different services offered by long-distance telephone companies.

- Evaluate your calling patterns.
- Contact different companies and request written information about calling packages they offer, or use a rating service.
- Match your calling pattern to the long-distance company that best fits your needs.

Try a dial-around access code

("10-10" numbers)

If you are not ready to switch to a new long-distance provider, try a dial-around access code. Access codes can be punched into the telephone before dialing a telephone number. The access code allows you to have that call carried by the provider whose access code is dialed. By doing this you can see the various rates different companies charge, then you can decide which price is right for you.

The following are the access codes for the larger carriers: Sprint: 10-10333, MCI: 10-10222, AT&T: 10-10288, LCI: 10-10432, LDDS WorldCom: 10-10488 and Allnet: 10-10444. Not only can you use access codes to make long distance out-of-state calls, but you can also use access codes to make long distance in-state calls. Long distance in-state calls are most often carried by your local provider and are normally charged at a higher rate than companies you can access by using a code.

If you are considering using dial-around services, the OCC recommends the following:

- **Know the dial-around terms.** Remember, not all dial-around services use the same terminology. What some companies call "prime time" (normally the most expensive time to call) may be considered "off-peak" (a less expensive time to call) by another.
- **Don't use dial-around for local calls.** Some local calls require you to dial the area code. If you have doubt about whether a call will be a toll call, contact the operator. Using a dial-around code on a local call may cost you more. You will be billed at the toll rate,

➤ **“long distance”** continued from page 28

even though you could have dialed for free if you have flat-rate local service.

- Be aware when using dial-around directory assistance. This service, such as 10-10-2000, can connect you to a telephone number much like traditional directory assistance. However, there are some issues to consider. For example, you can be charged even if the call is not completed or if the telephone number given is incorrect.
- Be careful using dial-around numbers on nights and weekends. When you consider the surcharges and minimums, the per-minute rate offered by dial-around services may not be much cheaper than your regular long-distance company if you are on a calling plan.
- Determine your calling patterns. When do you make long-distance telephone calls? Where do you call? How long do you talk? Answering these questions can help give you a sense of whether dial-around calling will best suit your household's needs.



Contact a rating service

Perhaps you have contacted different companies and received information about the plans those companies offer, but you still cannot decide which plan is best. It may be time to contact a service that can examine your telephone bill and recommend a long-distance company. Web Pricer is such a service. Web Pricer is located on the Internet at www.trac.org/WebPricer.

This site is run by the

Telecommunication Research and Action Center (TRAC), a Washington, D.C., nonprofit consumer group. The site searches the seven largest long-distance carriers to find the cheapest interstate plan. If you do not have access to a computer, send \$5 and a self-addressed stamped envelope to TRAC, P.O. Box 27270, Washington, D.C., and TRAC will send you a copy of its Tele-Tips, which compares the

rates of seven different companies' plans. Another option is to contact Consumer Action. Consumer Action offers a free guide to long-distance calling plans. Write the group at 116 New Montgomery St., Suite 233, San Francisco, California, 94105 and they will send you a guide to help compare different long-distance plans. You can also visit ABELLTOLLS at www.abelltolls.com, which provides long distance rate comparisons detailing day, evening and weekend rates as well as any minimum monthly charges that may exist.

Discount packages and plans

Of the U.S. households that currently have Sprint, MCI or AT&T as their long-distance carrier, approximately half of those households are not enrolled in any type of discount program. From lack of enrollment in discount plans, it has been asserted consumers spend a total of \$2 billion a year more than they should for telephone service. Therefore, it may be wise to enroll in a discount program to justify your long-distance choice. Be aware that programs constantly change and it is best to contact the company directly and ask what programs are currently available. Once you contact the company, determine whether or not you are eligible, how long the discount is available and ask the company to send you information about the offer.

Calling cards

Calling cards are a convenient way to place a call when not at home. However, a calling card provided by long distance carriers such as AT&T and MCI, may come with a surcharge for each use. Some calling cards have a rate of 20 to 40 cents per minute. You may avoid a surcharge and gain a lower rate by obtaining a card from a smaller provider or reseller of telephone service.

Prepaid calling cards

Another way to avoid a surcharge is to buy a prepaid calling card. Be aware, prepaid calling cards are not problem free. Many consumers cards are not problem free. Many consumers have recently discovered

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some prepaid cards have the following problems:

- Higher per-minute rates than other telephone cards.
- Some companies have gone out of business leaving their customers with unused minutes and without being reimbursed.
- Access numbers or personal identification numbers do not work.
- Toll-free access numbers are always busy preventing use of the card.
- Hidden connection charges have been added to cards.
- Poor connections prevent use.

When considering purchasing a prepaid calling card, ask the following questions:

- What is the actual cost per minute of the card?
- Is there a sign up or activation fee?
- Where can I call from?
- Who do I contact if there is a problem with the card?
- How reputable is the company?
- How many minutes is the calling card worth?
- Is there an expiration date?



A personal 1-800 number

Setting up a personal 1-800 number may be a good idea for parents with a child in college. While a calling card can be used to call anyone, the 1-800 number can only be used to call home. Ask your carrier about receiving a 1-800 number. Often they will set up the number at a reasonable rate with no monthly or installation fees.

Avoid rounding charges

Some companies charge for a five-minute long distance call when you really only spoke for four minutes and two seconds. This is because the company bills in 60-second increments. Therefore, you will often pay for more time than you actually use. AT&T, MCI Worldcom and Sprint bill in 60-

second increments. Other carriers may provide different options, www.abeltolls.com is a helpful resource for finding alternative options.

Pay attention to pay phones

It is important to be cautious when using a pay phone. Long-distance companies connected to pay phones may charge higher rates and additional fees. Using a calling card to access a different long-distance company's service may be the best alternative. However, you should be aware that some companies may go to great lengths to make it difficult for you to bypass their service and use a different carrier. For example, letterless keypads have been placed on some pay phones, therefore making it difficult to dial through to another carrier (i.e. 1-800-CALL-ATT etc.).

Research and compare

Long distance rates and discount plans change on a continual basis. Consumers should frequently call long-distance companies and ask about domestic rates, billing increments and applicable discount plans. What may have been the best plan for you six months ago, may no longer apply.



definitions

A

access number: any set of numbers, dialed before the area code, that are required to access a particular rate plan when calling long distance.

activation fee: a one-time fee for starting a new telephone service plan. Long-distance activation fees can range from \$0 to more than \$20, depending on the service plan and the carrier.

affiliate: a non-regulated company which has the same owner as a regulated utility company.

aggregator: local government or affinity groups that arrange to buy energy in bulk for a group of consumers.

B

base load: the minimum energy levels a company must provide to its customers on a constant basis.

basic local exchange service: a package of services defined by Ohio law.

billing increment: a portion of time, usually one minute, used to measure and determine the cost of a telephone call. With a one-minute billing unit, the duration of calls is rounded up to the next full minute.

bulk power market: wholesale purchases and sales of electricity.

C

call forwarding: an optional service that allows calls placed to one telephone number to be transferred to another number.

call waiting: an optional service that notifies a telephone user who is already engaged in a call that another caller is trying to contact him/her.

caller ID: an optional telephone service that allows

the recipient of a call to see the telephone number of the person placing the incoming call.

Ccf: a unit of measuring natural gas and water. It is short for hundred cubic feet. The average residential household uses 100 Ccf of gas per month. However, actual usage varies greatly with the weather.

cherry-picking: the practice of pursuing certain customers and ignoring other customers. The term is commonly used to describe a company's tactic of trying to get the business of the largest energy or service users.

city gate: a local delivery point for natural gas, generally the point at which the local distribution company takes over movement of the gas from an interstate pipeline.

competition: a market structure in which two or more companies compete for customers' business.

Commission: see PUCO.

conservation: reducing a customer's use of water, gas or electricity to decrease the need to produce and/or transport these commodities. Conservation reduces utilities' costs for the consumer and reduces environmental pollution.

cooperative (co-op): a type of utility in which the customers are also the owners. Co-ops are common in rural areas that are expensive to serve because of the long distances between users. The Ohio Consumer's Counsel (OCC) does not have jurisdiction in matters dealing with cooperative utilities.

cramming: the act of billing a customer for additional services that the customer did not order. Consumers are often unaware of such service charges and have not consented to them.

customer choice: the ability of consumers to choose their suppliers of natural gas or electricity.

D

daily peak: the maximum amount of energy or service demanded in one day from a company or utility service.

demand: a measure of customer or system load requirements over a measured period of time.

deregulation: the process of removing certain regulations on utility companies.

distribution: the equipment (wires, pipes, substations, etc.) used to distribute and deliver utility commodities such as electricity and gas to end-use consumers; in the case of electricity, the distribution is from the high-voltage transmission lines.

distribution charges or delivery service charges: part of the basic service charges on every customer's electric or gas bill for delivering electricity or natural gas to a customer's home or business. This distribution charge is regulated by the Public Utilities Commission of Ohio (PUCO). This charge will vary according to how much electricity or natural gas is used.

E

efficacy: this refers to the number of lumens produced for each watt of electricity consumed by a light bulb. See watt, kilowatt, lumen.

electric cooperative: a not-for-profit electric light company that is both financed in whole or in part under the Rural Electrification Act and owns or operates generating, transmission or distribution facilities in the state. Electric cooperatives are not required to offer their customers choice under the law.

electric distribution utility (EDU): the company that owns the power lines and equipment necessary to deliver purchased electricity to the customer.

electric restructuring: describes the changes in the electric industry as a result of Senate Bill 3, the electric restructuring law. As a result of the law, the generation component of electricity became a competitive business, which gives consumers the

opportunity to choose a provider other than their local utility to supply electricity.

electric supplier: a company that sells electricity to consumers. This will include power brokers and marketers, non-governmental aggregators and independent power producers. Energy, Department of (DOE): an agency created by the federal government in 1977. It provides information to achieve efficiency in energy use, diversity in energy sources, a more productive and competitive economy, improved environmental quality and a secure national defense.

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F

Federal Energy Regulatory Commission (FERC): an independent regulatory agency within the U.S. Department of Energy that has jurisdiction over interstate electricity sales, wholesale electricity rates, gas/oil pipeline rates, and gas pipeline certification. It also licenses and inspects private, municipal and state hydroelectric projects private, municipal and state hydroelectric projects and oversees related environmental matters.

fixed price: a rate per unit of commodity that remains the same, usually for a set time period.

flat rate: an option in which an unlimited number of local calls can be made for a "flat" monthly rate. This differs from the long-distance flat rate in that regardless of the number of local calls placed, the monthly flat rate service fee will remain the same. Some long-distance carriers flat rate offers might include "anytime, anywhere two cents per minute."

formal complaint: a written dispute or disagreement about a utility problem filed by a consumer with the Public Utilities Commission of Ohio (PUCO). A formal complaint is assigned to an administrative law judge who holds a hearing to develop a record. After the hearing, the judge issues a decision.

G

gas cost recovery (GCR): This makes up the largest portion of a gas bill. To deliver gas to a customer, the utility purchases gas from a producer and has it shipped through a pipeline. The GCR rate, which recovers both the cost of the gas and the use of the space in the interstate pipeline, is the charge for the gas on a unit price. This rate changes quarterly, and the changes will affect customers' bills.

generation: the process of producing electrical energy. This is a competitive retail electric service that began on Jan. 1, 2001.

generation charges: part of the basic service charges on every customer's bill for producing electricity. When there is competition between electric suppliers, the level of this charge depends on the terms of service between the customers and the supplier.

governmental aggregator: a municipality, township or county that acts as an aggregator to supply energy to its residents.

grid: A network for the transmission of electricity throughout the state or nation.

I

independent power producer (IPP): an electricity generator that sells power to others but is not owned by the holding company of a local utility.

independent systems operator (ISO): an impartial, independent third party responsible for maintaining the secure and economical operation of an open access transmission electric system on a regional basis.

interruptible rate: a special utility rate discount given to those who agree to have their service reduced or temporarily stopped as part of an agreement with the utility company. Circumstances for service interruptions can be periods of high demand or high cost periods of short supply for the utility and/or system emergencies. Large companies or industrial customers often have this type of contract with utility companies

K

kilowatt (kW): this is equal to 1,000 watts; it is used as a measure of demand for electricity during a preset time (minutes, hours, days, or months). Ten 100-watt light bulbs use one kW of electric power.

kilowatt-hour (kWh): the basic unit of electric energy for which most customers are charged. The amount of electricity used by ten 100-watt light bulbs left on for one hour. Consumers are charged for electricity in cents per kilowatt-hour.

L

load: the amount of electricity being used at one time by a customer, circuit or system.

load management: shifting of electricity use from periods of high demand to periods of low demand.

local calling area: the area defined by the Public Utilities Commission of Ohio (PUCO) where a telephone call placed from within the local calling area to a number within the same local calling area is covered by the local service rate.

local distribution company (LDC): a utility that takes natural gas from a local delivery point (generally called the city gate) and distributes it to local customers. In the past, LDCs almost always owned the gas and passed the supply cost through, under government regulation, to local gas users. Today, many LDCs transport the gas to large users without having ownership of the gas. Deregulation is making transportation available to smaller customers, including residential consumers.

local electric utilities: companies that supply and deliver electricity to consumers in a regulated environment. This does not include electric cooperatives and municipal electric systems.

lumen: this is a measure of the amount of visible light produced by a light bulb.

M

marketer: an intermediary in the purchase and sale of electricity or natural gas. This term is used interchangeably with “supplier.”

Mcf: a unit of measuring natural gas. It is short for thousand cubic feet. The average residential household uses 10 Mcf of gas per month.

measured rate: in this form of telephone billing, charges reflect the duration, time of day, and distance of each call. See peak/off-peak rate, message rate.

message rate: a telephone billing method in which a customer is charged a specific amount for a maximum number of calls each month. If the customer makes more than the allotted number of calls, he or she is charged separately for each additional call.

municipal electric utility: a municipal corporation that owns or operates facilities to generate, transmit or distribute electricity. Municipal electric utilities are not required to offer customers choice under the law.

municipal utility: a utility owned by the city. The Ohio Consumers' Counsel (OCC) does not have jurisdiction in matters dealing with municipal utilities.

N

natural gas: a hydrocarbon gas that is usually obtained from underground sources, often in association with petroleum and coal deposits. It generally contains a high percentage of methane and inert gases.

nuclear power: electricity generated in facilities (fission reactors) that split atoms of radioactive materials such as uranium. These reactors produce radioactive waste but not air pollution.

number portability: the ability to change local service providers and still keep the same telephone number.

O

off-peak/on-peak: blocks of time when energy demand and price is low (off-peak) or high (on-peak).

optional services: any service offering that is not essential to the delivery of dial tone. For local telephone service, optional services include, among others, voice mail, call forwarding, call waiting and caller ID.

P

peak/off-peak rate: any variable telephone rate that is applied on a per call basis. The variable rates are typically set at day (highest rate); evening (moderate rate) and night/weekend (lowest rate). The time and rates will vary with each carrier and are typically applied to toll calls.

PIC (primary interexchange carrier) or presubscribed carrier: the long-distance company selected by the user over which all regular long-distance calls are routed. When service is started with a customer's local telephone company, he/she is asked to choose a long-distance carrier; this is the presubscribed carrier.

PIC freeze: this is a way to prevent slamming; it prevents changes in long-distance service without the customer's consent and authorization.

pilot: a utility program offering an experimental service to a limited group of customers.

price cap: a situation where a price for a commodity cannot rise above a pre-determined fixed rate.

price to compare: the price for an electric supplier to beat in order for you to save money. It will be shown on your local electric utility bill.

PUCO: the Public Utilities Commission of Ohio. This is the regulatory agency that serves as the “judge” in utility proceedings.

R

regulation: a rule or law established by the federal or state government which sets the rules under which a utility must operate.

reliability: providing adequate and dependable generation, transmission and distribution service.

restructuring: the process of changing the structure of a utility industry from one of monopoly to one of open competition among suppliers for customers.

retail customer: a customer who buys energy and consumes it. Residential customers are considered retail customers.

retail competition: the activity through which companies compete to sell energy to the end user.

retail wheeling: the process of transmitting electricity over transmission lines not owned by the supplier of the electricity to a retail customer of the supplier. With retail wheeling, electricity consumers can secure their own supply of electricity indirectly, from a marketer or directly from the generating source. The power is then wheeled at a fixed rate or regulated “non- discriminatory” rate set by a utility commission.

S

slamming: the act of changing a consumer’s long-distance telephone carrier without his/her knowledge or permission. This is typically achieved through some type of deceptive advertising. The Federal Communications Commission (FCC) has fined carriers with a proven history of slamming practices. Slamming can also be the act of changing a consumer’s electric or natural gas supplier without the consumer’s permission.

subscriber line charge (SLC): an amount (determined by the FCC) that each wireline user must pay for the use of that telephone service. The amount of the SLC depends on the number of lines into a house and whether those lines are used for business or residential purposes.

spot market: purchases of electricity or natural gas at current market prices.

stranded investments or stranded costs: a utility investment, such as for improving facilities and equipment, that is not supported by market prices.

T

ten- plus dialing or 10-10-XXX dialing: each long distance company has a specific seven-digit number (10-10 followed by a three-digit access code) that is used to access their network for telephone calls. Customers don’t normally need to dial in this number unless they want to use a long-distance company other than the one they have designated as their primary interexchange carrier (PIC). Calls made in this manner, which will usually appear on a customer’s local phone company bill, are often billed at the long distance company’s highest rate.

toll call: a generic term used to describe any telephone call other than a local call. A long-distance call, or call placed to a number outside the local calling area, is billed on a per-call basis at the applicable long-distance rate.

transmission: electric lines which move high voltage electricity from its production site to the point of distribution to customers.

transmission charges: part of the basic service charges on every customer’s bill for transporting a utility commodity (usually electricity or gas) from the source of supply to the distribution company.

U

unbundling: breaking down utility service into its different parts so each part can be priced separately.

universal service: a policy goal of some states and the federal government that basic utility service be affordable and available to everyone. Universal basic telephone service is a formal policy goal of the Telecommunications Act of 1996.

utility: a regulated monopoly delivering electricity, natural gas or other fundamental products or services (such as water and telephone service) to people within a given region.

V

variable price: a rate per unit of commodity that can change over a period of time.

voice mail: an optional service that is essentially an answering machine at the telephone company.

W

watt: this is a measure of the amount of electricity needed to power a device such as a light bulb. See kilowatt.

wellhead: the site at which natural gas and oil come out of the ground. It is commonly used as a pricing point by producers.

wholesale: this is the sale of a utility commodity in quantity for resale purposes.

