

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In The Matter of Embarq Missouri, Inc.)	
Application for Competitive Classification)	Case No. TO-2009-0061
Under Section 392.245.5 RSMo. (2008))	

SECOND AMENDED APPLICATION FOR COMPETITIVE CLASSIFICATION

COMES NOW Embarq Missouri, Inc. (“Embarq” or “Applicant”) and hereby requests the Commission approve Embarq’s Application for Competitive Classification under Section 392.245.5 RSMo. (2008)¹. Embarq is seeking competitive classification for all residential services, other than exchange access services, offered in its Lone Jack exchange. In addition, Embarq is seeking competitive classification for all business services, other than exchange access services, offered in the following 35 exchanges (hereafter referred to as “Applicant’s 35 business exchanges”): (1) Appleton City, (2) Butler, (3) California, (4) Centerview, (5) Clinton, (6) Cole Camp, (7) Eugene, (8) Fort Leonard Wood, (9) Greenridge, (10) Harrisonville, (11) Henrietta, (12) Holden, (13) King City, (14) Lake Lotawana, (15) Leeton, (16) Lexington, (17) Lincoln, (18) Lone Jack, (19) Maryville, (20) Missouri City, (21), Montrose, (22) New Bloomfield, (23) Newburg, (24) Pickering, (25) Richland, (26) Russellville, (27) Sweet Springs, (28) Tarkio, (29) Tipton, (30) Urich, (31) Warsaw, (32) Waverly, (33) Wellington, (34) Weston, and (35) Windsor. In support of its Second Amended Application, Embarq states as follows:

¹ Embarq is pursuing the “60 day tract” for its Application even though Embarq’s Application contains components of both a 30-day tract and a 60-day tract as outlined in Section 392.245.5.(6). Consequently, Embarq’s accompanying proposed tariff has a 60 day effective date which accommodates all exchanges in Embarq’s Application.

1. Embarq is a public utility, and a telecommunications company, as those terms are defined in Section 386.020(42) and (51), RSMo 2000. Embarq is a large incumbent local exchange telecommunications company and is subject to Price Cap Regulation under Section 392.245.

2. Missouri Revised Statutes §392.245.5 (2008) allows carriers subject to Price Cap Regulation to seek competitive classification for each telecommunications service offered to business and residential customers, other than exchange access service, in any exchange in which at least two non-affiliated entities are providing basic local telecommunications service to customers within the exchange.

3. Embarq faces growing residential competition from two or more non-affiliated entities in its Lone Jack exchange. Furthermore, Embarq faces growing business competition from two or more non-affiliated entities in Applicant's 35 business exchanges. More specifically, Embarq faces competition from (a) numerous non-affiliated wireless providers, (b) from wireline carriers using their own facilities, in whole or in part, to provide basic local telecommunications services, and (c) resellers (non-prepaid) and other carriers using commercial arrangements with Embarq.

4. With the enactment of House Bill 1779, Section 392.245.5 RSMo. (2008) now recognizes that if an ILEC faces residential competition by two non-affiliated entities then both residential services and business services shall be deemed competitive in the exchange. Contained in the listing of Applicant's 35 business exchanges are three exchanges (Fort Leonard Wood, Lake Lotawana and Weston) that have previously been deemed competitive by the Commission for residential services and Embarq now seeks competitive classification for business services. In addition, in this Second Amended Application, Embarq is seeking

residential competitive classification for its Lone Jack exchange and upon finding that two non-affiliated carriers are providing residential service the Commission shall also deem Embarq's business services as competitive as now recognized by Section 392.245.5 RSMo. (2008).

5. Section 392.245.5(1) RSMo. (2008) recognizes that commercial mobile service providers shall be considered as entities providing basic local telecommunications service, provided that (a) only one such non-affiliated provider shall be considered as providing basic local telecommunications service within an exchange and (b) if the commercial mobile service provider does not designate customers by business or residential class, such provider will be deemed to be providing service to both business and residential customers. Embarq has numerous non-affiliated wireless providers operating in its exchanges providing basic local telecommunications service including, but not limited to, the following wireless carriers that are providing basic local telecommunications service to business and/or residential customers in Applicant's 35 business exchanges and Lone Jack: Sprint Nextel (www.sprint.com), AT&T Wireless (www.wireless.att.com), Verizon (www.verizon.com), Alltel (www.alltel.com), T-Mobile (www.t-mobile.com), and US Cellular (www.uscc.com). See Attachment A.

6. Section 392.245.5(2) RSMo (2008), recognizes any entity providing local voice service in whole or in part over telecommunications facilities it owns as an entity that provides basic local telecommunications services in competition with Embarq. Time Warner Cable Information Services², in conjunction with Sprint Communications Company, L.P., offers local phone service in direct competition with Embarq in Lone Jack. Embarq has experienced residential customer loss in its Lone Jack exchange as a direct result of competitive entry by Time Warner Cable in conjunction with Sprint.

7. With the enactment of House Bill 1779, Section 392.245.5(6) RSMo (2008) now recognizes that any entity, other than pre-paid resellers, providing local voice service in competition with an ILEC shall be considered by the Commission when determining whether two non-affiliated entities are providing basic local telecommunications service to customers within the exchange, regardless of whether such entity provides local voice service using its own telecommunications facilities. Granite Telephone³, American Fiber Network, Inc.⁴, and other business providers known to the Commission offer local phone service in direct competition with Embarq in Applicant's 35 business exchanges. Embarq has experienced business customer loss in Applicant's 35 business exchanges as a direct result of competitive entry by Granite Telephone, American Fiber Network, Inc, and other business providers known to the Commission. Attachment B identifies the specific carriers and exchanges for business classification.

8. Embarq's Second Amended Application for Competitive Classification does not request any price changes. In fact, Embarq acknowledges that all rates currently in effect for these exchanges will remain in effect until such time Embarq files a tariff requesting a price change. Under current law, Embarq will be required to file tariffs for any future price changes, either increases or decreases, associated with these exchanges which will continue to require

² Time Warner Cable Information Services (Missouri) LLC ("Time Warner Cable") obtained a Certificate to Provide Basic Local, Local Exchange, and Interexchange Telecommunications Services within Missouri, including the exchanges of Embarq, on March 2, 2004 (Case No. LA-2004-0133).

³ Granite Telecommunications, LLC, obtained a Certificate to Provide Basic Local, Local Exchange, and Interexchange Telecommunications Services within Missouri, including the exchanges of Embarq on December 3, 2003 (Case No. LA-2004-0124)

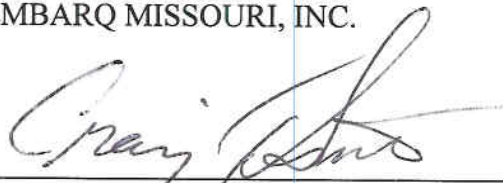
⁴ American Fiber Network, Inc. obtained a Certificate to Provide Basic Local, and Local Exchange Services within Missouri, including the exchanges of Embarq on March 3, 2003 (Case No. TA-2000-305)

Commission approval. Furthermore, Embarq will be required to notify its customers of any future price increase.

WHEREFORE Embarq respectfully requests the Commission approve Embarq's Second Amended Application for Competitive Classification pursuant to Section 392.245.5 RSMo (2008). Embarq has identified that there are at least two non-affiliated entities providing basic local telecommunications service to residential customers within its Lone Jack exchange. Also, Embarq has identified that there are at least two non-affiliated entities providing basic local telecommunications service to business customers within Applicant's 35 business exchanges identified above. Embarq's Second Amended Application meets the statutory requirements for competitive classification, which should become effective in no more than 60 days.

Respectfully submitted,

EMBARQ MISSOURI, INC.

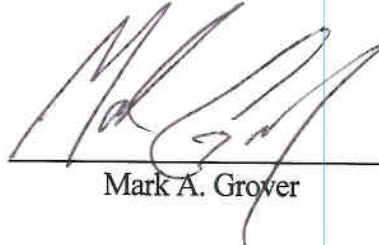


Craig T. Smith MO Bar No. 27793
5454 West 110th Street
KSOPKJ0401
Overland, Park, KS 66211
Voice: 913-345-6691
Fax: 913-323-4458
craig.t.smith@embarq.com

Kevin K. Zarling
400 West 15th Street, Suite 400
Austin, Texas 78701
(512) 867-1075 (phone)
(512) 472-8362 (fax)
Kevin.K.Zarling@Embarq.com

VERIFICATION

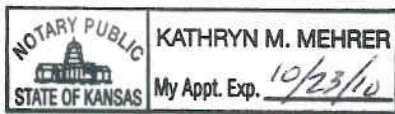
I, Mark A. Grover, a duly authorized representative of Embark Missouri, Inc. hereby verify and affirm that I have read the foregoing Second Amended Application for Competitive Classification and that the statements contained therein are true and correct to the best of my information and belief.

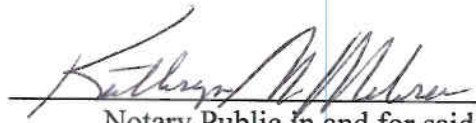


Mark A. Grover

Subscribed and sworn to before me on this 13th day of October 2008.

My Appointment Expires:





Notary Public in and for said
County and State

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 14th day of October 2008, a copy of the above and foregoing document was served via electronic mail, facsimile or U.S. Mail, postage prepaid to each of the following:

William K. Haas
Deputy General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101
gencounsel@psc.mo.gov

William Voight
William.Voight@psc.mo.gov

Lewis Mills
Office of the Public Counsel
P. O. Box 2200
Jefferson City, MO 65101
opcservice@ded.mo.gov



SUMMARY WIRELESS COVERAGE

Embarq Missouri, Inc.
Application for Competitive Classification
August, 28 2008

Attachment A

Embarq Exchange	Sprint	AT&T	Alltel	US Cellular	Verizon	T-Mobile
Appleton City	No	Coverage	Coverage	Coverage	Coverage	Coverage
California	Coverage	Coverage	Coverage	Coverage	Coverage	No
Centerview	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Clinton	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Cole Camp	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Eugene	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Ft. Leonard Wood	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Greenridge	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Harrisonville	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Henrietta	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Holden	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
King City	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Lake Lotawana	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Leeton	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Lexington	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Lincoln	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Lone Jack	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Maryville	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Missouri City	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Montrose	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
New Bloomfield	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Newburg	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Pickering	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Richland	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Russellville	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Sweet Springs	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Tarkio	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Tipton	Coverage	Coverage	Coverage	Coverage	Coverage	No
Urich	Coverage	Coverage	Coverage	Coverage	Coverage	No
Warsaw	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Waverly	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Wellington	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Weston	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Windsor	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage

Coverage Information Derived from Wireless Carrier Company Websites

Summary Wireline Providers

Embarq Missouri, Inc.
Application for Competitive Classification - Business Exchanges
28-Aug-08

Attachment B
PUBLIC

<u>Embarq Exchange</u>	<u>Granite 2007 Annual Report</u>	<u>American Fiber 2007 Annual Report</u>	<u>Navigator (Internal Embarq Data)</u>	<u>Residential Classification</u>
Appleton City	1	-		
Butler	11	5		
California	7	-		
Centerview	2	-		
Clinton	20	5		
Cole Camp	4	-		
Eugene	5	-		
Ft. Leonard Wood				TO-2008-0147
Greenridge	1	-		
Harrisonville	17	-		
Henrietta	2	-		
Holden	5	-		
King City	2	-		
Lake Lotawana	-	-		IO-2006-0551
Leeton	1	-		
Lexington	11	-		
Lincoln	1	-		
Lone Jack	-	-		This Application
Maryville	12	3		
Missouri City	2	-		
Montrose	2	-		
New Bloomfield	2	-		
Newburg	4	-		
Pickering	2	-		
Richland	3	-		
Russellville	2	-		
Sweet Springs	6	-		
Tarkio	4	-		
Tipton	5	-		
Urich	2	-		
Warsaw	9	-		
Waverly	2	-		
Wellington	2	-		
Weston	-	-		IO-2006-0092
Windsor	5	-		

PUBLIC