

# MEMORANDUM

To: Missouri Public Service Commission Official Case File  
Tariff File No. JI-2005-0851 Case No. IE-2005-0347  
Northeast Missouri Rural Telephone Company

From: Sherri Kohly  
Telecommunications Department

William L. Voight 04/19/05                      /s/ Marc Poston 04/19/05  
Utility Operations Division/Date              General Counsel's Office/Date

Subject: Recommendation to Grant Request for Waiver and Approve Tariff Filing to Implement  
Missouri Universal Service Fund

Date: April 19, 2005

On April 1, 2005, Northeast Missouri Rural Telephone Company (NEMO), an incumbent local exchange company, filed a Request for Waiver along with tariff sheets designed to add the Missouri Universal Service Fund (USF) language to its tariff, P.S.C. Mo. No. 2. The Commission issued an Order on April 5, 2005, directing the Staff to file a recommendation concerning the waiver request and the tariff sheets by April 22, 2005.

NEMO is requesting a waiver of 4 CSR 240-31.065(1) which directs the procedure for collecting the USF surcharge from a company's end-users. Although the Commission stated that all applicable carriers shall place on each retail end-user customer's bill, a surcharge equal to the percentage assessment ordered by the Commission to avoid any competitive advantages, NEMO requests a waiver of this rule due to the administrative cost and burden of passing through the surcharge to its customers. NEMO proposes to bear the cost and pay the USF assessment directly from its revenue.

NEMO's proposed tariff filing outlines the Lifeline assistance criteria for low-income and/or disabled customers. The Staff has no objections to NEMO's Request for Waiver or to NEMO's proposed tariff filing. Commission rule 4 CSR 240-2.060(4) allows the Commission to waive a rule if the applicant can provide justification setting out the good cause for granting the variance or waiver. NEMO asserts that the administrative cost and burden of passing the surcharge through to NEMO's customers is greater than the amount likely to be collected from its customers. Staff believes this is good cause to grant NEMO's waiver request and recommends that the Commission issue an order to approve the waiver request and the following tariff sheets effective May 1, 2005:

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Northeast Missouri Rural Telephone Company P.S.C. Mo. No. 2

First Revised Sheet No. 4-33 Replacing Original Sheet 4-33

First Revised Sheet No. 4-34 Replacing Original Sheet 4-34

First Revised Sheet No. 4-35 Replacing Original Sheet 4-35

First Revised Sheet No. 4-36 Replacing Original Sheet 4-36

First Revised Sheet No. 4-37 Replacing Original Sheet 4-37

Third Revised Sheet No. 4-38 Replacing Original Sheet 4-38

Original Sheet 4-39

Original Sheet 4-40

- ☒ The Company is not delinquent in filing an annual report and paying the PSC assessment.  
☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.  
(☐ No annual report ☐ Unpaid PSC assessment. Amount owed:    )