Sprint

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August 29, 2003

Mr. Dale Hardy Roberts
Secretary of the Public Service Commission
Missouri Public Service Commission
200 Madison Street, Suite 360
Jefferson City, Missouri 65102-0360

Dear Mr. Roberts:

Enclosed for filing are an original and three (3) copies of revised pages for Sprint of Missouri, Inc. d/b/a Sprint General Exchange Tariff and Access Service Tariff. These revisions are filed in accordance with Missouri Public Service Commission Rules and Regulations and submitted with an August 29, 2003 issue date and a proposed effective date of December 18, 2003. These tariff revisions are available on Sprint's website at www.sprint.com/tariffs.

The tariff pages enclosed for review and approval are as follows:

P.S.C. MO. – No. 22 General Exchange Tariff

Section 16	Eleventh Revised Page 4
	Sixth Revised Page 21
Section 50	Fourth Revised Page 3
	Third Revised Page 11

P.S.C. MO. – No. 26 Access Service Tarifff

Section 3	Eighth Revised Page 107
Section 20	Third Revised Page 676

Sprint is making this filing to reduce its intrastate access rates and to make a corresponding, revenue-neutral rate increase to basic local telecommunications services, pursuant to subsection 8 and 9 of RSMo 392.245. Specifically, Sprint proposes to decrease its carrier common line access charge and to offset the revenue loss by increasing the rates for basic local telecommunications services by $1.50 per month. Sprint became subject to the price cap provisions of the Act on August 29, 1999, and this proposed rate rebalance is the fourth and final rebalance allowed by law.

As determined by the Commission in Case No. TR-2002-251[1], Sprint's monthly rates for basic local telecommunication services remain below long run incremental cost while its access rates remain above cost. Thus, Sprint has met the mathematical test defined by The Act for rate rebalancing. The proposed effective date for these changes is December 18, 2003 which is the anniversary date of Sprint's third rate rebalance[2] in December 2002.

In prior years, Sprint simultaneously filed its proposed changes for all three aspects of the Price Cap Statute: (1) the rate rebalance[3], (2) the Consumer Price Index adjustments[4], and (3) the non-basic service price changes[5]. For its 2003 changes, Sprint has bifurcated the filing process to provide the Commission,

[1] Sprint's 2001 Annual Price Cap and Rate Rebalance Filing.
[2] Established in Case Nos. IT-2003-0166, IT-2003-0167, IT-2003-0168, IT-2003-0169, and IT-2003-0170.
[3] Provisions contained within subsections 8 and 9, RSMo 392.245.
[4] Provisions contained within subsection 4.(1)(a), RSMo 392.245.
[5] Provisions contained within subsection 11, RSMo 392.245.

its Staff, and the Office of Public Counsel ample time to review the fourth and final rate rebalance and to be consistent with statutory timeframes.

Another benefit of Sprint's advanced filing process, is that the outcome of the proposed rate rebalance will be set prior to Sprint's mandated filing of the annual Consumer Price Index and non-basic services adjustments, simplifying the calculation of Sprint's Consumer Price Index adjustments. Assuming the Commission takes a full 45 days to reach a decision in this case, a final order should be issued on or around October 13, 2003. Sprint anticipates filing the annual Consumer Price Index adjustment to its basic service prices along with any non-basic service price changes no later than November 3, 2003 which is 45 days prior to effective date of December 18. Customer notification for all changes, including the attached rebalance, will be made simultaneously to avoid customer confusion that may arise from multiple notifications and will be made at least 30 days prior to December 18.

Approval of Sprint's proposed rate rebalance will complete a four year process of moving rates for access services and basic local services closer to their costs. The legislature enacted the four years of rate rebalancing to promote a competitive telecommunication environment by removing at least a portion of the implicit subsidies contained in long distance and access charges. The legislators understood that implicit subsidies discourage competition by artificially keeping toll rates high and basic local rates low.

Four years of rate rebalancing produces no new revenue for ILECs like Sprint. The Price Cap Statute requires each of Sprint's four allowed annual rebalances to be revenue-neutral. In fact, upon starting the rate rebalancing process, Sprint was required to reduce its intrastate long distance rates by ten percent. The legislators provided the rate rebalancing to benefit Missouri consumers by removing as much implicit subsidies as possible from long distance and access rates and, thus, encourage competition.

Sprint respectfully requests these proposed tariff changes be accepted and approved by October 13, 2003.

If you have questions or need additional information regarding this filing, you may call John Idoux at (913) 315-8564 or Lisa Padilla at 866-827-4350.

Sincerely,

Margaret R. (Peg) Prendergast

Attachments

cc: Office of Public Counsel
John Idoux

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