

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

In the Matter of the Application of Mid-Missouri)
Telephone Company of Pilot Grove, Missouri)
to Authorize a Minimum Depreciation Rate and) File No. IU-2010-0164
to Record Depreciation Expense in Excess of Such)
Minimum Rate.)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation states:

1. On November 25, 2009, Mid-Missouri Telephone Company of Pilot Grove, Missouri filed an application with the Missouri Public Service Commission requesting authority to establish a minimum depreciation rate of 6.67% for Account 2212, Digital Circuit Equipment, and to record depreciation expense at a rate of 20.0% for a period of five years beginning January 1, 2010, in excess of such minimum rate pursuant to Section 392.280.2 RSMo 2000.

2. According to its application, Mid-Missouri purchased and placed into service a Lucent 5ESS CDX (5ESS) central office switch in 1997, and proposes to retire the 5ESS switch on December 31, 2009. Mid-Missouri plans to replace it with a Metaswitch MG 3510, which is compatible with fiber and expected to allow the Company to provide advanced services and more robust services.

3. Section 392.280.2 RSMo provides that a telecommunications company may request the Commission to authorize minimum depreciation rates in lieu of fixed rates, and to record depreciation expense on the basis of depreciation rates in excess of such minimum rates. Section 392.420 RSMo Supp. 2008 permits a telecommunications company such as Mid-Missouri to elect to not be subject to the §392.280. Although Mid-

Missouri has elected waiver pertaining to other rules and statutory provisions, it has not elected a waiver of §392.280.

4. As noted in Attachment A, the Staff recommends that the Commission approve the Company's request in this application, as it will allow the Company to remain competitive in the rapidly advancing telecommunications technology.

WHEREFORE, the Staff recommends that the Commission approve Mid-Missouri's application.

Respectfully submitted,



Colleen M. Dale
Senior Counsel
Missouri Bar No. 31624
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4255 (Telephone)
cully.dale@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 16th day of December, 2009.



MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. IU-2010-0164 Mid-Missouri Telephone Company

FROM: David Williams
Engineering & Management Services Department

/s/ David Williams 12/16/2009

/s/ Cully Dale 12/16/2009

Project Coordinator / Date

General Counsel's Office / Date

SUBJECT: Application of Mid-Missouri Telephone Company to Authorize a Minimum
Depreciation Rate and to Record Depreciation Expense in Excess of Such
Minimum Rate

DATE: December 16, 2009

Staff recommends that the Commission approve the Company's application and authorize the Company to book a higher depreciation rate of 20% for Account 2212, Digital Circuit Equipment, for a period of five years beginning January 1, 2010, in excess of such minimum 6.67% depreciation rate established in Case No. IR-2005-0024.

Mid-Missouri is not delinquent in paying the Commission's assessment, MoUSF assessment, Relay Missouri, and has submitted an annual report to the Commission.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

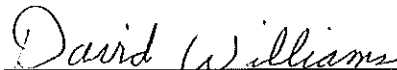
In the Matter of the Application of Mid-)
Missouri Telephone Company of Pilot)
Grove, Missouri to Authorize A Minimum)
Depreciation Rate and to Record)
Depreciation Expense in Excess of Such)
Minimum Rate)

Case No. IU-2010-0164

AFFIDAVIT OF DAVID WILLIAMS

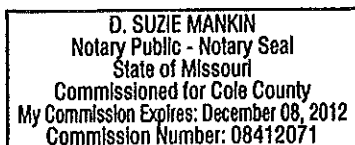
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

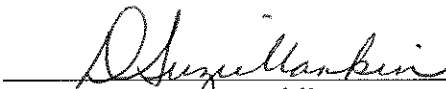
David Williams, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.



David Williams

Subscribed and sworn to before me this 16th day of December, 2009.





Notary Public