

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

In the Matter of the Revised Tariff Filing) File No. TR-2012-0299
of MoKan Dial, Inc.) Tariff No. JI-2012-0442

**THE OFFICE OF THE PUBLIC COUNSEL'S AMENDED
OBJECTION AND MOTION TO SUSPEND**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Amended Objection and Motion to Suspend states as follows:

1. On March 14, 2012, MoKan Dial, Inc. (Company) filed revised tariff sheets (attached as Appendix A) with the Missouri Public Service Commission (Commission) for the purpose of changing its approved charges for telephone services rendered. Among other changes, Company's proposed tariff would increase the residential basic local rate by more than 166% over the current rate and reduce charges for Optional Metropolitan Calling Area service. Company offers no evidence that the charges reflected in the proposed revised tariffs are just and reasonable.

2. Section 392.200.1 of the Missouri Revised Statutes (RSMo) Cum. Supp. 2010, requires that rates be just and reasonable, and not more than allowed by law or by order or decision of the Commission:

Every telecommunications company shall furnish and provide with respect to its business such instrumentalities and facilities as shall be adequate and in all respects just and reasonable. All charges made and demanded by any telecommunications company for any service rendered or to be rendered in connection therewith shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for any such service or in connection therewith or in excess of that allowed by law or by order or decision of the commission is prohibited and declared to be unlawful.

3. Company is a non-competitive incumbent local exchange telecommunications company (ILEC) as defined by Section 386.020.22 RSMo Cum. Supp. 2010. Unlike a competitive telecommunication company where Section 392.500 RSMo Cum. Supp. 2010 states that a review of rates under the “just and reasonable” provision of Section 392.200.1 is not required,¹ the Commission must review Company’s rates for justness and reasonableness.

4. There is no provision which allows Company to automatically waive the requirement for just and reasonable rates under Section 392.200.1. Section 392.420, RSMo Cum. Supp. 2010 states:

The commission is authorized, in connection with the issuance or modification of a certificate of interexchange or local exchange service authority or the modification of a certificate of public convenience and necessity for interexchange or local exchange telecommunications service, to entertain a petition to suspend or modify the application of its rules or the application of any statutory provision contained in sections 392.200 to 392.340 if such waiver or modification is otherwise consistent with the other provisions of sections 392.361 to 392.520 and the purposes of this chapter. In the case of an application for certificate of service authority to provide basic local telecommunications service filed by an alternative local exchange telecommunications company, and for all existing alternative local exchange telecommunications companies, the commission shall waive, at a minimum, the application and enforcement of its quality of service and billing standards rules, as well as the provisions of subsection 2 of section 392.210, subsection 1 of section 392.240, and sections 392.270, 392.280, 392.290, 392.300, 392.310, 392.320, 392.330, and 392.340. ...

Company’s revised tariff filing is not “in connection with the issuance or modification of a certificate,” therefore the Commission is not authorized to entertain a petition to suspend or modify the application of Section 392.200.1. Additionally, Section 392.200.1 is not specifically named in the list of statutes the Commission must waive if requested to do so. Therefore, Section 392.200.1 and the requirement for just and reasonable rates remains firmly in effect.

¹ *State of Missouri, ex rel. Public Counsel v. Public Service Commission of the State of Missouri, et al.*, 259 S.W.3d 23, Mo. App. WD (2008)

5. Public Counsel has been in discussions with Company, and Company has provided some very cursory information about its current earnings and some very limited projections about what its earnings might be if the Commission approved its requested rate increase. But Public Counsel has been unable to verify the source or accuracy of some of the data, and Company has been unwilling to respond to requests for additional information. Company is a rate-of-return regulated telecommunications company. As such, a review of the proposed tariff revisions must include an earnings review in order to determine if the proposed rates are just and reasonable per Section 392.200.1.

6. The Commission should suspend the pending tariffs in order to investigate whether the changes they propose would result in just and reasonable rates. Section 392.230.5 RSMo Cum. Supp. 2010 provides that the Commission may suspend the tariffs at issue for a period of 150 days beyond their stated effective date. In order to allow for adequate time for the Commission to determine whether the proposed charges are just and reasonable, the Commission should suspend the proposed revised tariffs for the maximum period to complete as thorough an earnings review as is possible within the time allowed.

WHEREFORE, Public Counsel respectfully submits its Objection and Motion to Suspend.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/Christina L. Baker

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 19th day of March 2012:

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/s/ **Christina L. Baker**

LOCAL EXCHANGE TARIFF

MoKan Dial, Inc.

2nd Revised Sheet No. 2
 Cancels 1st Revised Sheet No. 2

LOCAL EXCHANGE SERVICE

I. LOCAL EXCHANGE SERVICE

B. RATES

1. Access Line Rates within the Base Rate Area:

<u>Access Type</u>	<u>One Party</u>	
Business ¹	\$ 8.50 ¹	
Residence ¹	5.25 ¹	*Text

2. Exchange Access Line Rates outside the Base Rate Area:

<u>Access Type</u>	<u>One Party</u>	
Business ¹	\$ 8.50 ¹	*Text
Residence ¹	5.25 ¹	*Text

¹Rates Effective January 1, 1983 – May 14, 2012

Any license or occupational tax levied to the municipality for Local Exchange Service is not included in the bill in any form.

Phase 1 Rates Effective: May 15, 2012 – December 14, 2012

1. Access Line Rates:

<u>Access Type</u>	<u>Touch-Tone Dial Service</u>	
Business	\$ 10.00	----- *Rate/Text
Residence	10.00	

Phase 2 Rates Effective: December 15, 2012

1. Access Line Rates:

<u>Access Type</u>	<u>Touch-Tone Dial Service</u>	
Business	\$ 14.00	----- *Rate/Text
Residence	14.00	

*Indicates new rate or text
 +Indicates change

Issued: March 14, 2012

Effective: May 15, 2012

Deborah Nobles
 Vice President of Regulatory Affairs
 505 Plaza Circle, Suite 200
 Orange Park, FL 32073

LOCAL EXCHANGE TARIFF

LOCAL EXCHANGE SERVICE (cont'd)

C. DS1 Channel Service

*Moved Text

1. Description

DS1 Channel Service is an intraLATA digital service that provides a DS1 digital facility and channelization capability using a digital, high capacity T-1 interface. DS1 Channel is provisioned for multiple voice grade channel equivalents (DSO) where 24 voice grade channels are equal to a DS1. DS1 Channel Service provides local channels and/or interoffice channels for analog voice services, analog data service, and digital data services. The Telephone Company will provide channelization capability in the Central Office whereas channelization equipment on a customer's premises is provided by the customer. The customer may activate any number or combination of channels within a DS1 Channel Service package as long as the total number of voice grade equivalent channels activated by the customer does not exceed 24 channels.

2. Rates

The rate for DS1 Channel Service is the effective Local Exchange Access Line Service rate multiplied by the number of voice grade channels in service.

*Moved Text

*Indicates new rate or text

+Indicates change

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LOCAL EXCHANGE TARIFF

MoKan Dial, Inc.

3rd Revised Sheet No. 3.21
 Cancels 2nd Revised Sheet No. 3.21

GENERAL EXCHANGE SERVICE

(C) Rates	Per Month Per Line Equipped	Installation Per Line	
1. Call Forwarding	\$1.00	\$5.00 &	
2. Call Waiting	\$1.00	\$5.00 &	
3. Cancel Call Waiting	\$1.00	\$5.00 &	
4. Abbreviated Dialing (8 code)	\$1.00	\$5.00 &	
5. Three-way Calling	\$1.00	\$5.00 &	
6. Toll Restriction	\$1.00	\$5.00 &	
7. Package Offerings			
(a) Any two features listed in items 1-5 above	\$1.75	\$6.00 &	
(b) Any three features listed in items 1-5 above	\$2.50	\$7.00 &	
(c) Any four features listed in items 1-5 above	\$3.00	\$8.00 &	
(d) Any five features listed in items 1-5 above	\$3.50	\$9.00 &	
8. Abbreviated Dialing (30 code)	\$2.00	\$5.00 &	+Delete Text
9. Line Hunting (After 1 st Line)	\$2.50	\$5.00 &	
10. Number Referral			
(a) New number in same exchange: 1 st 30 days	No Charge	No Charge	
Each month thereafter	\$5.00		
(b) New number in different exchange:	\$5.00	\$5.00 &	

& Applicable service order charges apply with each installation

*Indicates new rate or text
 +Indicates change

Issued: March 14, 2012

Effective: May 15, 2012

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 P.S.C. MO – No. 2

LOCAL EXCHANGE TARIFF

MoKan Dial, Inc.

1st Revised Sheet No. 3.26
Cancels Original Sheet No. 3.26

GENERAL EXCHANGE SERVICE

V. OPTIONAL METROPOLITAN CALLING AREA (MCA) SERVICE – Continued

D. Regulations – Continued

9. Nonrecurring Service and Equipment Charges, as Specified in Paragraph II.D.1 and II.D.2 above, are applicable on a per-line basis when a customer adds or deletes Optional MCA Service. These Charges will be waived in an exchange for the first 60 days from the date that MCA Service becomes available in that exchange.

E. Rates and Charges

1. Monthly Rates, per line:

Kansas City MCA-5

	<u>Residence</u>	<u>Business</u>	
Flat Rate Option	\$32.50 ¹	\$70.70 ¹	

¹Rates Effective April 4, 1994 – May 14, 2012

*Text

*Text

Phase 1 Rates Effective: May 15, 2012 – December 14, 2012

Kansas City MCA-5

	<u>Residence</u>	<u>Business</u>	
Flat Rate Option	\$25.59	\$67.34	

*Rate/Text

Phase 2 Rates Effective: December 15, 2012

Kansas City MCA-5

	<u>Residence</u>	<u>Business</u>	
Flat Rate Option	\$18.84	\$51.51	

*Rate/Text

*Indicates new rate or text
+Indicates change

Issued: March 14, 2012

Effective: May 15, 2012

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P.S.C. MO. NO. 2
LOCAL EXCHANGE TARIFF

MoKan Dial, Inc.

1st Revised Sheet No. 3.21 B(1)
Cancels Original Sheet No. 3.21.B(1)
For Freeman, Missouri

(E) Calling and Class Feature Discount Bundles (cont'd)

(3).	Residential Plans	Monthly Rate (Per month/Per Access Line)	
(1)	AllStar – Red ¹ Local Exchange Service Calling Class Discount Bundle	\$21.95	
	AllStar – Red Phase 2 Rate Effective December 15, 2012	\$23.50	*Rate/Text
(2)	AllStar – White ² Local Exchange Service Calling Class Discount Bundle	\$34.95	
(3)	AllStar – Blue ³ Local Exchange Service Calling Class Discount Bundle	\$68.95	
(4)	AllPro – Red ⁴ Local Exchange Service Calling Class Discount Bundle	\$57.95	
(5)	AllPro – White ⁵ Local Exchange Service Calling Class Discount Bundle	\$74.95	
(6)	AllPro – Blue ⁶ Local Exchange Service Calling Class Discount Bundle	\$104.95	
(7)	AllStar – Gold ⁷ Local Exchange Service Calling Class Discount Bundle	\$39.95	
(8)	AllPro – Gold ⁸ Local Exchange Service Calling Class Discount Bundle	\$79.95	

Issued: March 14, 2012

Effective: May 15, 2012

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¹ Customers must subscribe to MoKan Communications Wire Maintenance

² Customers must subscribe to MoKan Communications Wire Maintenance and Residential 300 Minutes AllStar Long Distance Plan

³ Customers must subscribe to MoKan Communications Wire Maintenance and Residential Unlimited AllStar Long Distance Plan

⁴ Customers must subscribe to MoKan Communications Wire Maintenance, and DSL Basic

⁵ Customers must subscribe to MoKan Communications Wire Maintenance, Residential 300 Minutes AllPro Long Distance Plan, and DSL Basic

⁶ Customers must subscribe to MoKan Communications Wire Maintenance, Residential Unlimited AllPro Long Distance Plan, and DSL Deluxe

⁷ Customers must subscribe to MoKan Communications Wire Maintenance, Residential Unlimited AllStar Gold Long Distance Plan, and Voice-Mail

⁸ Customers must subscribe to MoKan Communications Wire Maintenance, Residential Unlimited AllPro Gold Long Distance Plan, DSL Basic, and Voice-Mail

MoKan Dial, Inc. Bill Message

Run on March 15, 2012 bills and November 15, 2012 bills

MoKan Dial, Inc (“MoKan” or “Company”) will soon submit a notice with The Missouri Public Service Commission to reflect an increase in the basic local access line rates for certain residential customers in the Freeman exchange. These rate changes are being proposed in response to a recent decision by the Federal Communications Commission (“FCC”) that determined that the Company’s universal service support would be reduced if its local rates (plus state regulated fees) are not raised to meet the floor that the FCC has established. Accordingly, MoKan is proposing the rate changes described below in an attempt to mitigate the impact of the FCC’s rule change.

The FCC Order intends to direct the focus of the federal universal service fund from supporting local rates to supporting broadband deployment. As part of this change the FCC has directed that MoKan’s local rate, which due to past universal service support has remained at \$5.25 since January 1, 1983, be increased.

Because MoKan Dial, Inc. values and appreciates, you, our customer we are proceeding in a manner that decreases the impact of these changes. The increase in Basic Local Service rates will be mitigated by reductions to the Optional MCA Rates. In addition, all bundle rates with the exception of AllStar-Red will remain the same. As a tertiary measure, the Basic Local Service increase and subsequent MCA decrease will be broken into two phases.

Phase 1, effective April 1, 2012, Touch-tone service will be rolled into both residential and business Basic Local Service Rates. Residential rates will increase from \$5.25 to \$10.00 and the residential MCA will decrease from \$32.50 to \$25.59. Business rates will increase from \$8.50 to \$10.00 and the business MCA will decrease from \$70.70 to \$67.34.

Phase 2, effective December 31, 2012, residential Basic Local Service Rates will increase from \$10.00 to \$14.00 and the residential MCA will decrease from \$25.59 to \$18.84. AllStar-Red Bundle will increase from \$21.95 to \$23.50. Concurrently business Basic Local Service Rates will increase from \$10.00 to \$14.00 and the business MCA will decrease from \$67.34 to \$51.51.

MoKan Dial, Mo April 15th Bill Message

There has been a delay in the basic rate increase and MCA decrease described in the bill message on your March 1, 2012, telephone bills. As a result, the rate changes will become effective on your May 15, 2012 telephone bill, versus the proposed April 1, 2012 effective date.