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August 26, 2002

**FILED<sup>2</sup>**

AUG 26 2002

Missouri Public  
Service Commission

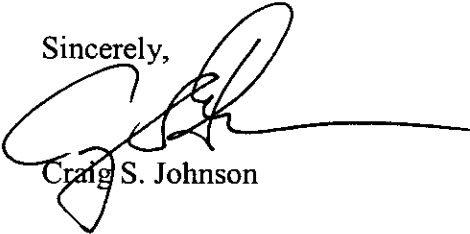
Secretary of PSC  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**Re: Application of Modern Telecommunication Company  
For Waivers of Certain Requirements Contained in A  
Prior Commission Order**

Dear Secretary:

Enclosed for filing please find an original and five (5) copies of the Application of Modern Telecommunication Company for Waivers of Certain Requirements of a Prior Commission Order. This matter has been discussed quite extensively with the Depreciation Department. If any questions or concerns arise with respect to this Application, please direct them to me.

Sincerely,



Craig S. Johnson

CSJ:tr

Enc.

cc: Gary Godfrey  
Dan Joyce, General Counsel  
Michael Dandino, Office of Public Counsel  
Rosella Shad, Depreciation Department

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

**FILED<sup>2</sup>**  
**AUG 26 2002**  
Missouri Public  
Service Commission

**In the Matter of the Application of Modern     )  
Telecommunications Company for a Waiver     )  
of a Certain Requirement of a July 11, 1995     )  
Order in TM-95-142 .                             )**

**Case No. \_\_\_\_\_**

**Application for Waivers**

Comes now Modern Telecommunications Company, and hereby applies for a waiver of a certain requirement of the Commission's July 11, 1995 Order in TM-94-142. In support of this Application, Modern states as follows:

1.     Applicant's legal name is "Modern Telecommunications Company". Applicant is a Missouri corporation doing business as an incumbent local exchange company providing telecommunications services pursuant to certificate of service authority granted by the Commission in TM-95-142. The street and mailing address of Applicant's principal office and place of business is:

Ray Ford  
General Manager  
Modern Telecommunications Company  
718 South West Street  
P.O. Box 98  
Green City, MO 63545  
(660) 874-4111  
(660)874-4100 fax

2.     All inquiries, correspondence, or other communications regarding the operations and management of Applicant should be addressed to:

Ray Ford  
General Manager  
Modern Telecommunications Company  
718 South West Street  
P.O. Box 98  
Green City, MO 63545  
(660) 874-4111  
(660)874-4100 fax

3. All correspondence, communications, motions, pleadings, recommendations, notices, orders, or decisions relating to this Application should be addressed to:

Craig S. Johnson MO  
Bar No. 28179  
Andereck Evans Milne Peace & Johnson, LLC  
The Col. Darwin Marmaduke House  
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Post Office Box 1438  
Jefferson City, Missouri 65102  
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4. Applicant is in good standing with the Missouri Secretary of State, as evidenced by the attached printouts from the Missouri Secretary of State corporate entity database.

5. Applicant has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

6. Applicant has no annual report or assessment fees which are overdue.

7. By Order dated July 11, 1995 in TM-95-142, Applicant was granted a certificate of service authority in connection with the transfer of assets from GTE Midwest Inc. to Modern, subject to a Stipulation and Agreement between Modern, Staff, and Public Counsel.

8. Subparagraphs 12.a through 12.f of the Stipulation adopted in TM-95-142 obligated Modern to utilize certain plant accounts for depreciation rates, to transfer accumulated reserve for plant acquired pursuant to those plant accounts, to maintain continuing property records (CPRs), to submit copies thereof to the Staff Depreciation Department Manager of the Commission Staff within one year of the effective date of the Commission's Order, and to file a comprehensive depreciation study to the Depreciation Department Manager of the Commission Staff within three years of the effective date of the Commission's order approving the stipulation, or together with the filing of any rate case. The effective date of the Order was July 21, 1995.

9. After July 21, 1995, the following developments complicated compliance with the requirements of subparagraphs 12.a through 12.f of the Stipulation within the time frame originally contemplated:

- a. After closing of the acquisition of the GTE properties, Modern discovered from the records transferred from GTE that there were insufficient continuing property records, and that the records of account were insufficient upon which to complete a comprehensive study of the mortality and remaining lives of the assets purchased.
- b. Modern installed new classes of assets and switches, replacing the equipment obtained from GTE, which caused Modern to own classes of equipment not included in the equipment categories of the depreciation accounts transferred from GTE. Modern replaced three mechanical switches with three digital switches. Modern replaced copper interexchange toll facilities with fiber optic cable. Fiber loop plant and digital carrier equipment was installed to eliminate party lines and

accommodate future line growth. Analog circuit equipment was replaced with digital circuit equipment.

10. Since July 21, 1995, Modern has maintained communications with Staff regarding Modern's facilities improvements, continuing property records, and depreciation rates.

11. Modern does now maintain adequate continuing property records. Outside plant CPR's are maintained by Finley Engineering Company and are current through December 31, 2001. Central Office equipment inventory and CPR's are maintained by Martin Group and are completed through December 31, 2000 with the final stages of the December 31, 2001 CPR reconciliation in progress and scheduled for completion on August 31, 2002.

12. In discussing depreciation rates with Staff, Modern was advised that Staff preferred standardized depreciation rates for small Missouri ILECs. If standardized depreciation rates are utilized, there is no need for a comprehensive depreciation study. In TA-2002-199 Modern applied for, and was granted, authority to book higher depreciation rates than those fixed in Case No. TM-95-142, as per the standard depreciation rates Staff preferred for small ILECs. In TA-2002-199 the Commission Staff recommended that the Commission determine that the depreciation study Modern had been previously ordered to submit no longer be required upon adoption of the rates proposed. Although the rates were adopted, the Order did not address the recommendation to release Modern from the requirement of filing a comprehensive depreciation study.

13. Modern believes that the requirement of subparagraph 12.e to provide CPRs has now been fulfilled with issuance on August 22, 2002 of the most recent CPR's currently available to the Staff. Modern believes that the requirement of subparagraph 12.f to file a

comprehensive depreciation study is no longer a necessary or productive use of the resources of Modern, Staff, or the Commission, and should be waived.

WHEREFORE, on the basis of the foregoing Modern respectfully requests that this Commission grant Modern a waiver of the requirement of paragraph 12.f of the Commission's July 11, 1995 Order in TM-95-142 to file a comprehensive depreciation study.

ANDERECK, EVANS, MILNE,  
PEACE & JOHNSON, L.L.C.

By 

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Attorney for Modern Telecommunications Co.

**CERTIFICATE OF SERVICE**

The undersigned does hereby certify that a true and accurate copy of the foregoing was mailed, via U.S. Mail, postage prepaid, this 26 day of August, 2002, to all attorneys of record in this proceeding.

  
Craig S. Johnson MO Bar No. 28179