

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

In the Matter of the Investigation Into)
the Earnings of Cass County Telephone) Case No. IR-2006-0374
Company.)

**AT&T MISSOURI'S
APPLICATION TO INTERVENE**

AT&T Missouri¹ respectfully seeks to intervene² in this proceeding in opposition to the stipulation that has been proposed to resolve Cass County Telephone Company's ("CassTel's") earnings investigation. The Commission should reject the proposed stipulation and direct the parties to consider a new stipulation that would take into account the interests of CassTel's access customer-base, which is one of the largest sources of CassTel's revenues.

1. AT&T Missouri is a Texas partnership duly authorized to conduct business in Missouri with its principal Missouri office at One AT&T Center, St. Louis, Missouri 63101. AT&T Missouri is a "local exchange telecommunications company" and a "public utility," and is duly authorized to provide "telecommunications service" within the State of Missouri as each of those phrases are defined in Section 386.020 RSMo (2000).³

2. All correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

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3. The Commission established this docket for the presentation and consideration of a stipulation to resolve Staff of the Missouri Public Service Commission's ("Staff's")

¹ Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri will be referred to in this pleading as "AT&T Missouri." It previously conducted business as "SBC Missouri."

² AT&T Missouri files this application pursuant to the Missouri Public Service Commission's ("Commission's") April 3, 2006, Order Directing Notice and Setting Date for Submission of Intervention Requests, Order and Notice, Case No. ZA-2006-0346, issued March 14, 2006 at p. 2.

³ All statutory cites are to the Missouri Revised Statutes.

investigation into CassTel's earnings. The parties to this stipulation are CassTel; Local Exchange Company, LLC ("LEC"); FairPoint Communications, Inc. ("FairPoint"); FairPoint Communications Missouri, Inc. ("FairPoint Missouri"); the Office of the Public Counsel ("OPC"); and Staff. Neither AT&T Missouri, nor any other CassTel access customer is a party to the stipulation.

4. In addition to resolving Staff's earnings investigation, the proposed stipulation provides for the following:

- \$350,000 in credits to CassTel's basic local service customers, which will be distributed based on the number of access lines each residential or business customer had during the qualifying period (January 1, 2005 through the effective date of the stipulation);
- \$3.25 million cash distribution to CassTel's basic local service customers upon closing of the CassTel sale to Fairpoint. Like the customer credits, the \$3.25 million cash distribution will be divided among CassTel's residential and business customers based on the number of access lines each had during the qualifying period;
- No revisions to CassTel's rate schedules; and
- A moratorium against the filing of an earnings complaint by a party before January 1, 2007, which will be extended until two years after the closing of CassTel's sale to Fairpoint, if it occurs.⁴

5. According to its last annual report on file with the Commission,⁵ approximately 32 percent of CassTel's total Missouri jurisdictional operating revenues come from access services.⁶ The proposed stipulation, however, completely fails to address the interests of CassTel's access customers. To the extent CassTel's rates were artificially increased, CassTel's access customers were adversely impacted as much as, if not greater than its basic local service customers. Yet, the proposed stipulation allocates none of the \$350,000 in service credits and none of the \$3.25 million cash distribution to CassTel's access customers. Nor does the stipulation propose to reduce any access charges that CassTel's access customers will pay in the future.

⁴ CassTel also agreed to refrain from seeking a rate increase during the same period.

⁵ See, CassTel's May 13, 2005, filing of its ILEC Annual Report for the period ending December 31, 2004.

⁶ Id., at Schedule 7 pp. 1 and 2 of 7.

6. Neither AT&T Missouri nor any other CassTel access customer was a party to the negotiations between CassTel, Staff and the other parties, nor was AT&T Missouri privy to the information upon which these negotiations and the proposed stipulation were based. AT&T Missouri takes no position on the extent to which CassTel may be overearning nor on the appropriate test year. AT&T Missouri does not request a hearing.

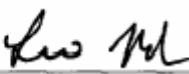
7. In AT&T Missouri's view, the Commission should reject the proposed stipulation and provide guidance to the parties in reforming the stipulation. Specifically, the Commission should direct that all major customer segments of CassTel, including CassTel's access customers, are to be considered in any refund, credit or rate reduction proposal.

8. AT&T Missouri seeks to intervene in this proceeding because, as one of CassTel's access customers, it has a direct interest in the Commission's decision. AT&T Missouri's interests as a local exchange telecommunications service provider and as an access customer of CassTel differ from those of the general public. No other party to this proceeding will adequately protect AT&T Missouri's interest. Granting of this intervention will be in the public interest because AT&T Missouri will bring to this proceeding its expertise and experience as a telecommunications provider.

WHEREFORE, AT&T Missouri respectfully requests the Commission to grant this Application to Intervene.

Respectfully submitted,

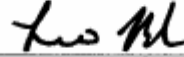
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CERTIFICATE OF SERVICE

Copies of this document were served on the following parties by e-mail on April 24, 2006.



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