

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

In the Matter of the Request for Expedited)	Case No. IT-2007-0089
Treatment of Portions of CenturyTel of)	Tariff File Nos.YI-2007-0118
Missouri, LLC's Annual Price Cap Filing)	and YI-2007-0119

STAFF RECOMMENDATION

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

1. On August 26, 2006, CenturyTel of Missouri, LLC filed a motion seeking expedited treatment in conjunction with two proposed tariff filings to implement rate changes under the provisions of Missouri's price cap statute, Section 392.245 RSMo. (2000). Staff has no objection to treating these tariff filings in an expedited manner, and also recommends that the Commission approve them. The tariff filings propose to adjust CenturyTel's basic local rates and exchange access rates by the change in the CPI-TS as required by Section 392.245.4.

2. Attached as Appendix A is Staff's Recommendation, which reviews the revisions of basic local rates and access rates permitted by Section 392.245.4, and recommends that the Commission approve CenturyTel's revisions and adjustments.

WHEREFORE, for the foregoing reasons, Staff respectfully requests the Commission to approve the tariff sheets CenturyTel filed with the Commission in tariff files YI-2007-0118 and YI-2007-0119, with an effective date of October 1, 2006.

Respectfully submitted,

/s/ David A. Meyer

David A. Meyer

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Missouri Public Service Commission

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 12th day of September 2006.

/s/ David A. Meyer

MEMORANDUM

To: Missouri Public Service Commission Official Case File

Case No.: **IT-2007-0089**

Tariff File Nos.: **YI-2007-0118 and YI-2007-0119**

From: Mike Scheperle
Telecommunications Department

Natelle Dietrich 09/12/06
Utility Operations Division/Date

/s/ David Meyer 09/12/06
General Counsel's Office/Date

Subject: Staff Recommendation for Approval of CPI-TS Price Cap adjustment and for Expedited Treatment

Date: September 12, 2006

Filing Deadline: September 20, 2006

Company: CenturyTel of Missouri, LLC

OVERVIEW AND EXPEDITED TREATMENT

On August 28, 2006, CenturyTel of Missouri, LLC (CenturyTel), an incumbent local exchange carrier, submitted tariff revisions to change exchange access and basic service rates pursuant to Section 392.245 RSMo in tariff filings YI-2007-0118 and YI-2007-0119 effective October 12, 2006. CenturyTel made the tariff filings to effectuate the change in the telephone service component of the Consumer Price Index (CPI-TS), a part of its annual price cap filing in accordance with Section 392.245.4(1). Also, on August 28, 2006, CenturyTel filed a Motion for Expedited Treatment (Case No. IT-2007-0089) for the instant tariff filings to change the effective date of the two tariff filings from October 12, 2006 to October 1, 2006. The CPI-TS component is a negative 0.1578% whereby CenturyTel is reducing its exchange access and basic service rates to reflect the change in the CPI-TS component. On August 30, 2006, the Commission issued an *Order Directing Staff to File an Expedited Recommendation* by September 20, 2006.

As a result of CenturyTel's Notice of Voluntary Dismissal of Application and Withdrawal of Tariff filed August 22, 2006 in Case No. IE-2007-0077¹, CenturyTel made three (3) separate tariff filings to effectuate the change in the CPI-TS as outlined below:

1. Substitute tariff sheets in existing Tariff Filing JI-2007-0090 (reflecting issue date of August 16, 2006 and effective date of October 1, 2006). Tariff File JI-2007-0090 includes tariff revisions proposing to make changes to basic and non-basic services. Within Tariff Filing JI-2007-0090, CenturyTel submitted original tariff sheets adjusting only non-basic charges but some basic service rates are contained on the same tariff sheets. CenturyTel substituted tariff sheets to reflect the negative CPI-TS component for basic rates contained in Tariff Filing JI-

¹ Request for Waiver as outlined in Section 392.245.4(1)(a) where CenturyTel proposed to use a negative CPI-TS adjustment to change the MCA service rates for the Ozark exchange in lieu of adjusting exchange access and basic service rates.

2007-0090. Staff's tariff filing recommendation is submitted in Tariff File JI-2007-0090 filed this same day as Staff's recommendation in Case No. IT-2007-0089.

2. New Tariff Filing YI-2007-0118 to effectuate the remaining CPI-TS reductions to basic local telecommunications services rates (reflecting the 45-day notice requirements of Section 392.245.4, with Issued dates of August 28, 2006 and Effective dates of October 12, 2006).
3. New Tariff Filing YI-2007-0119 to effectuate the CPI-TS reductions to exchange access rates (reflecting the 45-day notice requirements of Section 392.245.4, with Issued dates of August 28, 2006 and Effective dates of October 12, 2006).

Since the three tariff filings have different effective dates (JI-2007-0090, effective October 1, 2006; YI-2007-0118, effective October 12, 2006; YI-2007-0119, effective October 12, 2006), CenturyTel submitted a Motion for Expedited Treatment for Tariff Filings YI-2007-0118 and YI-2007-0119 to go into effect on October 1, 2006. This means that residential and business customers would receive a decrease for their basic services on October 1 instead of October 12.

BASIC SERVICE RATES (CPI-TS ADJUSTMENTS)

Pursuant to Section 392.245.4(1) (a), RSMo 2006, CenturyTel proposes to reduce its basic local exchange services overall by the percentage change in the telephone services component of the Consumer Price Index (CPI-TS). This proposal reduces the current rates for business customers, residential customers and service charges by at least 0.1578% (based on average percent change).

Residential, Business and Service Charge Reductions in Rates (CPI-TS Adjustments)

Residential Rate Changes – noncompetitive exchanges

Service	Current Rate	Proposed Rate	Difference	Percent
Access Line - Residential				
Rate Group A1	\$8.93	\$8.91	(\$0.02)	-0.22%
Rate Group A2	\$9.40	\$9.38	(\$0.02)	-0.21%
Rate Group A3	\$9.87	\$9.85	(\$0.02)	-0.20%
Rate Group A4	\$10.33	\$10.31	(\$0.02)	-0.19%
Rate Group A5	\$10.80	\$10.78	(\$0.02)	-0.19%

Business Rate Changes – noncompetitive exchanges

Service	Current Rate	Proposed Rate	Difference	Percent
Access Line - Business				
Rate Group A1	\$15.04	\$15.01	(\$0.03)	-0.20%
Rate Group A2	\$15.97	\$15.94	(\$0.03)	-0.19%
Rate Group A3	\$16.92	\$16.89	(\$0.03)	-0.18%
Rate Group A4	\$17.86	\$17.83	(\$0.03)	-0.17%
Rate Group A5	\$18.80	\$18.77	(\$0.03)	-0.16%

Service Charge Changes – noncompetitive exchanges

Service Charges	Current Rate	Proposed Rate	Difference	Percent
Service Ordering Charge - Initial Residence	\$12.19	\$12.17	-\$0.02	-0.16%
Service Ordering Charge - Subsequent Residence	\$3.73	\$3.72	-\$0.01	-0.27%
Line Connection Charge - Residence	\$7.12	\$7.10	-\$0.02	-0.28%
Restoral Charge - Residence	\$10.88	\$10.86	-\$0.02	-0.18%
Service Ordering Charge - Initial Business	\$23.48	\$23.44	-\$0.04	-0.17%
Service Ordering Charge - Subsequent Business	\$8.44	\$8.42	-\$0.02	-0.24%
Line Connection Charge - Business	\$13.14	\$13.11	-\$0.03	-0.23%
Restoral Charge - Business	\$21.60	\$21.56	-\$0.04	-0.19%

EXCHANGE ACCESS RATES (CPI-TS ADJUSTMENTS)

Pursuant to Section 392.245.4(1)(a), RSMo 2006, CenturyTel proposes to reduce its exchange access services overall by the percentage change in the telephone services component of the Consumer Price Index (CPI-TS). This proposal reduces the current rates for exchange access by 0.1578% (based on average percent change).

RECOMMENDATION

Staff has reviewed CenturyTel's proposed price cap filing and finds that it meets the requirements of the price cap regulations as set forth in Section 392.245. Staff has no objections to the proposed rate changes. Staff recommends that the Motion for Expedited Treatment be granted changing the effective dates of the instant tariff filings (YI-2007-0118 and YI-2007-0119) from October 12, 2006 to October 1, 2006.

Staff is aware that tariff filing JI-2007-0090 affects or may be affected by this proposal.

The Staff states that the tariffs meet the requirements of all applicable statutes, specifically, one or more of the following: 392.200(8), (12); 392.455(3), (4); 392.515(1) and 392.500(2) RSMo. In addition, the tariff filings do not conflict with the following Commission rules: 4 CSR 240-3.545 (4), (6), (7), (8C,G,H), (9), (15), (16), (19); 4 CSR 240-31.065(1), (2), (3); 4 CSR 240-32.150(5), 32.160(1), (2), 32.190; 4 CSR 240-33.040(4), 33.045(2), 33.050(4) and 33.070(2).

☒ The Company is current in filing its Annual Reports and Assessment payments.

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Treatment of Portions of CenturyTel of
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Case No. **IT-2007-0089**

AFFIDAVIT OF Michael S. Scheperle

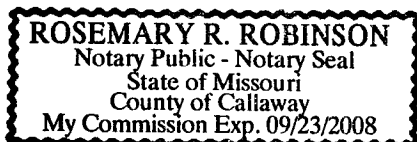
STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Michael S. Scheperle, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in the preparation of the accompanying document, and that the facts therein are true and correct to the best of his knowledge and belief.

Michael S. Scheperle
Michael S. Scheperle

Subscribed and affirmed before me this 12th day of September 2006

I am commissioned as a notary public within the County of Cole, State of Missouri
and my commission expires on 9-23-2008



Rosemary R. Robinson
NOTARY PUBLIC