

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Investigation into the)	
Earnings of Citizens Telephone Company)	<u>Case No. IR-2005-0024</u>
of Higginsville, Missouri.)	

DISSENTING OPINION OF COMMISSIONER CONNIE MURRAY

I would not approve the Stipulation and Agreement because I do not think it is in the public interest to allocate any portion of the rate reduction from the over-earnings investigation to local rates.

The local rates of Citizens are currently low and the local calling scopes to all three of its wire centers have recently been expanded. There is no need to lower local basic rates, and certainly no justification for reducing to "0" many of the popular calling features. These reductions will simply reduce the likelihood of competition in Citizens' territory.

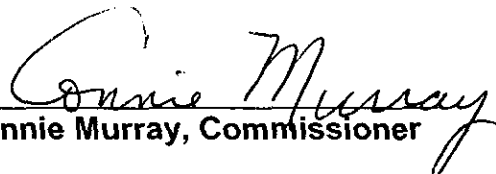
By allocating 34% of the rate reduction to local rates, the Commission unwisely preserves the proportional revenue stream of Citizens, i.e., local vs. access. This misses the opportunity to place a higher proportion of Citizens' revenue requirement on local rates and reduce the proportion that it gets from access rates. The need for such rebalancing is widely recognized in today's telecommunications environment.

The Commission could have used this opportunity to achieve at least a small level of rate rebalancing without creating a revenue-neutrality issue.

Failure to reduce dependency on access rates contributes to the delay of real competitive choice for Citizens' customers.

For these reasons, I respectfully dissent.

Respectfully submitted,


Connie Murray, Commissioner

Dated at Jefferson City, Missouri,
on this 13th day of August, 2004.