

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

FILED

FEB 03 2003

**Missouri Public
Service Commission**

In Re the matter of VarTec Telecom, Inc.)
proposed tariff to add a new monthly usage)
fee.)

Case No.
Tariff No. JL-2003-1356

**OFFICE OF THE PUBLIC COUNSEL'S MOTION TO SUSPEND
TARIFF AND FOR EVIDENTIARY AND PUBLIC HEARINGS**

The Office of the Public Counsel (Public Counsel) respectfully asks the Public Service Commission of Missouri to suspend the proposed tariff of VarTec Telecom, Inc. (the Company) introducing and establishing two new monthly usage charges for the Company's customers in Missouri one for \$1.95 and the other for \$2.95 depending on the type of intrastate long distance service. The tariff fails to disclose the purpose of the "usage" charge. The tariff filing lacks the required summary that discloses the effect of the proposed tariff. Public Counsel is concerned that these usage charges may be access recovery charges similar to the ones adopted by AT&T, MCI WorldCom and Sprint. Excel Communications, Inc. had proposed a similar recovery charge, but withdrew it upon objection by Public Counsel. Excel is a subsidiary company of VarTec Telecom, Inc. since 2001.

A. Public Counsel states that the proposed charge is vague, confusing, and drafted in a manner that makes it difficult to determine on what basis and how the charge will be imposed and which customers are going to be assessed the charge

B. Public Counsel states that the tariff violates PSC Rule 4 CSR 240-30.010 (25) because the Company at the time of the filing of the tariff failed to provide a summary of not more than 100 words on the effect of the proposed tariff and failed to

disclose the purpose of the tariff, especially whether or not the new charges are designed to recover access charges. The information provided with the tariff and the vagueness and lack of any discussion of the month usage fees illustrate that non-compliance with the Commission's rule mandating a summary is detrimental to the public interest.

C. Although the charges are labeled a "monthly usage fee" both fees appear to be flat rated fees that are assessed to an account rather than on actual customer usage of the service as measured by minutes of use.

The public interest is not served by allowing such surcharges to go into effect without the required disclosure of its effect required by PSC rule and without an examination into whether such rates and surcharges are proper, reasonable, and just or are discriminatory after the purpose of the fees are disclosed.

For the foregoing reasons, Public Counsel asks the PSC to suspend the tariff and set this matter for an evidentiary hearing. In addition, Public Counsel asks the PSC to hold a public hearing on the broad impact this tariff has on Missouri toll customers.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

BY:



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was emailed or hand delivered this 3rd day of February, 2003 to the following:

General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Ben Boaitey, Regulatory Analyst II
VarTec Telecom, Inc.
1600 Viceroy Drive
Dallas, TX 75235

Michael G. Hoffman
VarTec Telecom, Inc.
1600 Viceroy Drive
Dallas, TX 75235





VarTec Telecom, Inc.

January 20, 2003

VIA OVERNIGHT DELIVERY

Mr. Dale Hardy Roberts
Secretary & Chief Regulatory Law Judge
Missouri Public Service Commission
Governor's Office Building
200 Madison Street
Jefferson City, Missouri 65102

RECEIVED

JAN 21 2003

*Records
Public Service Commission*

Re: Revisions to Missouri P.S.C. No. 3 – Telephone
VarTec Telecom, Inc.

Dear Mr. Roberts:

Transmitted herewith on behalf of VarTec Telecom, Inc. ("VarTec") is an original and three (3) copies of the Company's proposed revisions to its Missouri P.S.C. No. 3 – Telephone Tariff currently on file with the Missouri Public Service Commission. Enclosed please find the following revised pages: Seventeenth Revised Page No. 4.1, Second Revised Page No. 5.2, Fourth Revised Page No. 52.12, Second Revised Page No. 52.13, Original Page No. 52.19, Seventh Revised Page No. 58, Fifth Revised Page No. 61, Original Page Nos. 83 and 86.

The purpose of this proposed tariff filing is to accomplish the following: 1) move text and make minor a textual change, 2) introduce a monthly access fee to the following services: VarTec's VoiceSM Long Distance Service, VarTec's FiveLine[®] Service and VarTec's New DimeLine[®] Service, 3) reduce the Alternative Payment Processing Fees, and 4) introduce VarTec's 5 TalkSM Service. VarTec respectfully requests an effective date of February 21, 2003 for these proposed revisions. Customers will be informed of these proposed rate changes as required by the Commission.

Acknowledgment and date of receipt of this filing are requested. Please date and file stamp the attached copy of this correspondence and return it to the Company in the enclosed pre-addressed, postage prepaid envelope. Please direct any questions or correspondence regarding this filing to the undersigned directly at (214) 424-1713.

Respectfully submitted,

Ben Boaitcy
Regulatory Analyst II

cc: Becky Gipson, Director
Regulatory Affairs Department

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TELECOMMUNICATIONS SERVICES TARIFF

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TELECOMMUNICATIONS SERVICES TARIFF

3.0 DESCRIPTION OF SERVICES (Continued)

3.27 VarTec Voice™ Services (Continued)

3.27.1 VarTec Voice™ Long Distance Service (Continued)

As of February 21, 2003, a monthly usage fee of \$1.95 will be billed to all existing Customers of the VarTec Voice™ Long Distance Service, and all new Customers as of this date will be billed the monthly usage fee of \$1.95 after the initial two (2) calendar months from their first use of the service (e.g., if a new Customer uses the VarTec Voice™ Long Distance Service for the first time on March 16, 2003, the first monthly usage fee would be assessed for May 2003 usage). The monthly usage fee will be billed in each calendar month in which the Customer uses the VarTec Voice™ Long Distance Service. The monthly usage fee is waived for all Customers of VTI's bundled local exchange services listed in 3.2 of P.S.C. Mo No. 1-Local.

(N)

(N)

3.27.2 VarTec Voice™ Travel Card Service

VarTec Voice™ Travel Card Service is designed to allow residential Customers to make calls from any non-rotary dialed telephone within Missouri to any other location by dialing 1 + 800 + XXX + XXXX, receiving a prompting tone, then dialing in the Customer's Authorization Code assigned by VT followed by the telephone number of the called party. Rates and charges associated with the VarTec Voice™ Travel Card Service are set forth in Section 4.27.2 following:

3.27.3 VarTec Voice™ Call Direct® Service

The VarTec Voice™ Call Direct® Service permits residential Customers to make calls from any non-rotary dialed telephone within Missouri to any other pre-designated location by dialing 1 + 800 + NXX-XXXX, receiving a prompting tone, then dialing a personal identification number (PIN). The calls are then routed to a single destination (terminating ANI) which is pre-programmed by VT and pre-designated by the Customer. Rates and charges for the VarTec Call Direct® Service are set forth in Section 4.27.3 following.

3.27.4 VarTec Voice™ Toll Free Service

VarTec Voice™ Toll Free Service allows Customers to receive inbound intrastate calls from any other calling station within Missouri. Rates and charges associated with the VarTec Voice™ Toll Free Service are set forth in Section 4.27.4 following:

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Material previously located on Third Revised Page No. 52.12 is now located on Second Revised Page No. 52.13.

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TELECOMMUNICATIONS SERVICES TARIFF

3.0 DESCRIPTION OF SERVICES (Continued)

3.28 VarTec LibertyLineSM Services

VarTec LibertyLineSM Services are intended for business Customers for calling within the State of Missouri. Customers of VarTec LibertyLineSM Services will be able to utilize one-plus (1+) long distance service, toll-free ("800") service and travel card service. Billing for the VarTec LibertyLineSM Services will be rendered directly by VT. Only those Customers who select VT as their primary interexchange carrier and/or the responsible organization for a particular toll-free telephone number will be eligible to utilize any or all of the long distance telecommunications services associated with VarTec LibertyLineSM Services. Rates and charges associated with VarTec LibertyLineSM Services are set forth in Section 4.28 following. The VarTec LibertyLineSM Services are long distance telecommunications services including, up to the following:

(M)

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3.28.1 VarTec LibertyLineSM Long Distance Service

Customers may access the VarTec LibertyLineSM Long Distance Service via Equal Access FGD circuits and/or other switched access services to make intrastate calls. Calls are routed over carrier's transmission and switching facilities to any valid NPA-NXX. The specific rates and charges associated with the VarTec LibertyLineSM Long Distance Service are included in Section 4.28.1 following:

3.28.2 VarTec LibertyLineSM Travel Card Service

VarTec LibertyLineSM Travel Card Service is designed to allow business Customers to make calls from any non-rotary dialed telephone within Missouri to any other location by dialing 1 + 800 + XXX + XXXX, receiving a prompting tone, then dialing the Customer's Authorization Code assigned by VT followed by the telephone number of the called party. Rates and charges associated with the VarTec LibertyLineSM Travel Card Service are set forth in Section 4.28.2 following:

3.28.3 VarTec LibertyLineSM 800 Service

VarTec LibertyLineSM 800 Service allows business Customers to receive inbound intrastate calls from any other calling station within Missouri. Rates and charges associated with the VarTec LibertyLineSM 800 Service are set forth in Section 4.28.3 following:

Material on this page was previously located on Third Revised Page No. 52.13.

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TELECOMMUNICATIONS SERVICES TARIFF

3.0 DESCRIPTION OF SERVICES (Continued)

3.35 5 TalkSM Service

(N)

VTI's 5 TalkSM Service (non-operator assisted, direct dial) is intended for residential Customers for calling within the State of Missouri. Customers access VTI via Equal Access FGD circuits and/or other Switched Access Services. Customers access VTI's 5 TalkSM Service by dialing 1 + (area code when necessary) + NXX-XXXX if they have selected VTI as their primary interexchange carrier. When VTI is not the presubscribed interexchange carrier, Customers can access this service by dialing 1 + area code (if required) + NXX-XXXX. Calls are routed over Carrier's transmission and switching facilities to any valid NPA-NXX. In order to receive 5 TalkSM Service rates, however, the Customer must be entered into the VTI billing database prior to utilizing this service.

Rates and charges for VTI's 5 TalkSM Service are set forth in Section 4.35 following. Calls are rated based on call duration.

(N)

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TELECOMMUNICATIONS SERVICES TARIFF

4.0 RATE SCHEDULES (Continued)**4.1 General (Continued)****4.1.9 Emergency Calls**

Customer shall configure its system so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of VTI. 911 calls are not routed but are completed through the local network. No billing applies to emergency calls.

4.1.10 Payphone Use Charge

A \$0.25 per call charge is applicable to calls that originate from any payphone within Missouri and access VarTec's services via an 800 number (e.g., Business 800SM, Travel Card, Prepaid Calling Card services or Home Direct[®] calls). The Payphone Use Charge is in addition to the tariffed per minute usage rates and any applicable monthly service fees and surcharges associated with utilizing VarTec's service and is unrelated to the specific VarTec service accessed from the payphone.

4.1.11 Late Payment Fee

Customers billed directly by VTI or its agents for usage charges incurred as the result of utilizing VTI's service will be assessed a late payment fee equal to 1.5% of any unpaid monthly balance if payment is not received by VTI by the due date specifically listed on the Customer's bill.

4.1.12 Alternative Payment Processing Fees

The following fees apply for Customers who make payment for services rendered using alternative payment processing options. Per use charges apply for individual transactions. Customers may elect to enroll in VTI's Recurring Payment Plan, whereby the Customer's payment is automatically processed by VTI each month through the Customer's selected alternative payment processing option.

	<u>Credit Card Payment</u>	<u>ACH Payment</u>	
One-time Payment (per use)	\$0.00	\$0.00	(R)
Online Payments (per use)	N/C	N/C	
Recurring Payments	N/C	N/C	

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TELECOMMUNICATIONS SERVICES TARIFF

4.0 RATE SCHEDULES (Continued)

4.5 FiveLine® Service - Intrastate Usage Rates

Customers of VTI's FiveLine® Service will be billed at the following per minute usage rates regardless of mileage and/or time of day:

Day/Evening/Night/Weekend - \$.0500

A ten (10) minute minimum will apply to each completed call, and thereafter, Customers shall be billed at sixty (60) second increments.

As of February 21, 2003, a monthly usage fee of \$2.95 will be billed to all existing Customers of VTI's FiveLine® Service, and all new Customers as of this date will be billed the monthly usage fee of \$2.95 after the initial two (2) calendar months from their first use of the service (e.g., if a new Customer uses the FiveLine® Service for the first time on March 16, 2003, the first monthly usage fee would be assessed for May 2003 usage). The monthly usage fee will be billed in each calendar month in which the Customer uses VTI's Five line® Service. The monthly usage fee is waived for all Customers of VTI's bundled local exchange services listed in Section 3.2 of P.S.C. Mo No. 1-Local.

(N)
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TELECOMMUNICATIONS SERVICES TARIFF

4.0 RATE SCHEDULES (Continued)

4.33 New DimeLine® Service - Customer Conversion - Intrastate/Interstate Usage Rates

Customers of VTI's New DimeLine® Service - Customer Conversion will be billed at the following per minute usage rates regardless of mileage and/or time of day:

Day/Evening/Night/Weekend - \$.1000

A one (1) minute minimum will apply to each completed call, and thereafter, Customers shall be billed in sixty (60) second increments.

As of February 21, 2003, a monthly usage fee of \$1.95 will be billed to all Customers of VT's New DimeLine® Service in each calendar month in which the Customer uses VT's New DimeLine® Service.

(N)
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(N)

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TELECOMMUNICATIONS SERVICES TARIFF

4.0 RATE SCHEDULES (Continued)

4.35 5 TalkSM Service Rates

(N)

Customers of VTI's 5 TalkSM Service will be billed at the following per minute intrastate rate:

Day/ Evening/ Night/ Weekend - \$.15

A three (3) minute minimum will apply to each completed call, and thereafter, customers shall be billed in sixty (60) second increments.

A monthly usage fee of \$2.95 will be billed to all existing Customers of VTI's 5 TalkSM Service, and all new Customers as of this date will be billed the monthly usage fee of \$2.95 after the initial two (2) calendar months from their first use of the service (e.g., if a new Customer uses the 5 TalkSM Service for the first time on March 16, 2003, the first monthly usage fee would be assessed for May 2003 usage). The monthly usage fee will be billed in each calendar month in which the Customer uses VTI's 5 TalkSM Service.

(N)

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