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

In The Matter of CenturyTel of Missouri,	
LLC's Request for Competitive	) Case No.
Classification Pursuant to Section	)
392.245.5, RSMo. (2005).	)

# CENTURYTEL OF MISSOURI, LLC'S APPLICATION FOR COMPETITIVE CLASSIFICATION

COMES NOW CenturyTel of Missouri, LLC ("CenturyTel"), pursuant to Section 392.245.5 RSMo. (2005), and hereby requests that the Commission conduct a 30-day competitive classification review pursuant to Section 392.245.5(6) RSMo. and approve CenturyTel's Application for Competitive Classification for all its residential services, other than exchange access service, for the following exchanges: (a) Bourbon, (b) Branson, (c) Columbia, (d) Dardenne, (e) O'Fallon, (f) St. Peters and (g) Wentzville; and for all of its business services, other than exchange access services, in the following exchanges: (a) Bourbon, (b), Columbia (c) Cuba, (d) Dardenne, (e) O'Fallon, (f) St. James, (g) St. Peters and (h) Wentzville. Concurrent with the filing of this Application, CenturyTel is filing proposed tariffs, with thirty day effective dates, reflecting grants of the requested competitive classification. In support of its Application, CenturyTel states as follows:

1. CenturyTel is a Louisiana limited liability corporation that is duly authorized to do business in the state of Missouri. Copies of CenturyTel's Certificate of Authority to transact business in Missouri from the Missouri Secretary of State were filed in Case No. TM-2002-232, and are incorporated herein by reference pursuant to

<sup>&</sup>lt;sup>1</sup> On July 14, 2005, Governor Blunt signed into law Senate Bill No. 237 ("SB 237"), which became effective August 28, 2005.

Commission Rule 4 CSR 240-2.060(1)(G). CenturyTel 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 terms are defined in Section 386.020, RSMo. 2000. Pursuant to the Commission's *Report and Order* issued in Case No. TM-2002-232, CenturyTel is a large incumbent local exchange carrier subject to Price Cap Regulation under Section 392.245 RSMo.

2. All correspondence, communications, and orders and decisions of the Commission issued in this matter should be sent to:

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- 3. CenturyTel 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 (3) years of the date of the Application. No Missouri annual reports or assessment fees are overdue.
- 4. Missouri statute Section 392.245.5 RSMo. (2005) allows carriers subject to Price Cap Regulation to seek competitive classification for each telecommunications service offered to business and residential customers, other than exchange access service, in any exchange in which at least two non-affiliated entities are providing basic local

telecommunications service to customers within the exchange. CenturyTel respectfully submits that all the exchanges listed above meet the requisite criteria set out in Section 392.245.5 RSMo. Specifically, at least one non-affiliated wireless carrier is providing service in all the exchanges. In addition, CenturyTel's primary wireline competitors in these exchanges are CLECs or cable operators that are providing local phone service in whole or in part over facilities they own. Section 392.245.5 RSMo. (2005) states as follows:

- 5. Each telecommunications service offered to business customers, other than exchange access service, of an incumbent local exchange telecommunications company regulated under this section shall be classified as competitive in any exchange in which at least two non-affiliated entities in addition to the incumbent local exchange company are providing basic local telecommunications service to business customers within the exchange. Each telecommunications service offered to residential customers, other than exchange access service, of an incumbent local exchange telecommunications company regulated under this section shall be classified as competitive in an exchange in which at least two non-affiliated entities in addition to the incumbent local exchange company are providing basic local telecommunications service to residential customers within the exchange. For purposes of this subsection:
  - (1) Commercial mobile service providers as identified in 47 U.S.C. Section 332(d)(1) and 47 C.F.R. Parts 22 or 24 shall be considered as entities providing basic local telecommunications service, provided that only one such non-affiliated provider shall be considered as providing basic local telecommunications service within an exchange;
  - (2) Any entity providing local voice service in whole or in part over telecommunications facilities or other facilities in which it or one of its affiliates have an ownership interest shall be considered as a basic local telecommunications service provider regardless of whether such entity is subject to regulation by the commission. A provider of local voice service that requires the use of a third party, unaffiliated broadband network or dial-up Internet network for the origination of local voice service shall not be considered a basic local telecommunications service provider. For purposes of this subsection only, a broadband network is defined as a connection that delivers services at speeds exceeding two hundred kilobits per second in at least one direction:

- (3) Regardless of the technology utilized, local voice service shall mean two-way voice service capable of receiving calls from a provider of basic local telecommunications services as defined by subdivision (4) of section 386.020, RSMo;
- (4) Telecommunications companies only offering prepaid telecommunications service or only reselling telecommunications service as defined in subdivision (46) of section 386.020, RSMo, in the exchange being considered for competitive classification shall not be considered entities providing basic telecommunications service; and
- (5) Prepaid telecommunications service shall mean a local service for which payment is made in advance that excludes access to operator assistance and long distance service;
- (6) Upon request of an incumbent local exchange telecommunications company seeking competitive classification of business service or residential service, or both, the commission shall, within thirty days of the request, determine whether the requisite number of entities are providing basic local telecommunications service to business or residential customers, or both, in an exchange and if so, shall approve tariffs designating all such business or residential services other than exchange access service, as competitive within such exchange.
- 5. Section 392.245.5(1) RSMo. (2005) states that commercial mobile service providers shall be considered as entities providing basic local telecommunications service, provided that only one such non-affiliated provider shall be considered as providing basic local telecommunications service within an exchange. CenturyTel has numerous non-affiliated wireless providers operating in its exchanges providing local service. Exhibit A identifies wireless carriers, including (a) Cingular, (b) Verizon, (c) T-Mobile, (d) Alltel, (e) US Cellular, (f) Nextel and (g) Sprint providing local service in the above CenturyTel exchanges. (See Exhibit A for Wireless Carriers Operating in CenturyTel Exchanges.)

- 6. Section 392.245.5(2) RSMo. (2005) allows any wireline carrier providing local phone service in whole or in part over telecommunications facilities it owns to be considered as entities providing basic local telecommunications service, including cable operators that are also providing local phone service. Specific to this Application, Charter Fiberlink-Missouri, LLC is providing both residential and business phone service, using facilities it owns in part or whole, in the following CenturyTel exchanges: (a) Dardenne, (b) O'Fallon, (c) St. Peters, and (d) Wentzville. Furthermore, Fidelity Communications Services II, Inc. is providing business phone service, using facilities it owns in part or whole, in the following CenturyTel exchanges: (a) Bourbon, (b) Cuba and (c) St. James. In addition, Fidelity Communications Services, II also is providing residential phone service, using facilities it owns in part or whole, in the CenturyTel exchange of Bourbon. Socket Telecom, LLC is providing residential and business phone service, using facilities it owns in part or whole, in the CenturyTel exchange of Columbia. Finally, CD Telecommunications, LLC is providing residential phone service, using facilities it owns in part or whole, in the CenturyTel exchange of Branson. Each of these carriers are discussed in detail below:
  - a. Charter Fiberlink-Missouri, LLC ("Charter") provides local phone service
    to both residential and business customers in direct competition with
    CenturyTel in the following CenturyTel exchanges: (a) Dardenne, (b)
    O'Fallon, (c) St. Peters and (d) Wentzville:
    - i. Charter obtained a Certificate to Provide Basic Local and Interexchange Telecommunications Services within Missouri,

- including the exchanges now owned by CenturyTel, on April 5, 2001 (Case No. TA-2001-346).
- ii. Charter is not a reseller of CenturyTel's services but uses its own facilities. Charter has its own facilities extensively deployed throughout the above-mentioned exchanges.
- iii. Based upon a combination of Charter's website and its 2004

  Annual Report, it is providing residential service in the following

  CenturyTel exchanges: (a) Dardenne, (b) O'Fallon, (c) St. Peters,

  and (d) Wentzville. (See Exhibit B)
- iv. In addition, migrations of business customers from CenturyTel to Charter are reflected in CenturyTel's internal business records showing the disconnection of this particular CLEC customers' loops from CenturyTel's switch. Exhibit C HC (HIGHLY CONFIDENTIAL) reflects recently ported business numbers to Charter occurring in the CenturyTel exchanges of Dardenne, O'Fallon, St. Peters and Wentzville. Using the LERG, CenturyTel validated the subject NPA-NXXs of Charter for the abovereferenced exchanges.
- b. Fidelity Communications Services II, Inc. ("Fidelity") is providing local phone service to business customers in direct competition with CenturyTel in the following CenturyTel exchanges: (a) Bourbon, (b) Cuba and (c) St. James. In addition, Fidelity also is providing local phone service to residential customers in direct competition with CenturyTel in the CenturyTel exchange of Bourbon.

- Fidelity Communications Services II, Inc. obtained a Certificate to Provide Basic Local Telecommunications Services within Missouri, including the exchanges now owned by CenturyTel, on November 30, 1999 (Case No. TA-2000-229):
- ii. Fidelity's 2004 Annual Report reflects that it is providing Full Facility Based services to business customers in direct competition with CenturyTel in the CenturyTel exchanges of Cuba, Bourbon and St. James. Fidelity's 2004 Annual Report also reflects that it is providing Full Facility Based services to residential customers in direct competition with CenturyTel in the CenturyTel exchange of Bourbon. (See Exhibit D for Fidelity's 2004 Annual Report).
- c. Socket Telecom, LLC ("Socket") provides local phone service to business and residential customers in direct competition with CenturyTel in CenturyTel's Columbia exchange:
  - i. Socket was certificated by the Commission in Case No. TA-2001 671 to provide basic local telecommunications services in Missouri, including the exchanges now owned by CenturyTel.
  - ii. Socket is providing service in the Columbia, Missouri exchange with its own facilities, and it is recognized as a facilities-based local exchange carrier. (*See*, Transcript pp. 266-267, Case No. CO-2005-0066.)
  - iii. Upon information and belief, CenturyTel would expect that Socket's 2004 Annual Report identifies local residential and business customers in the CenturyTel exchange of Columbia, and

that Socket is providing service in this exchange with its own facilities. However, Socket's 2004 Annual Report is filed on a Highly Confidential basis (See Exhibit E). Accordingly, pursuant to Section 392.245.5(6), CenturyTel respectfully requests that the Commission consider its own records concerning ownership of facilities, including the 2004 Annual Report of Socket Telecom, LLC.

- iv. In addition, migrations of business and residential customers from CenturyTel to Socket are reflected in CenturyTel's internal business records showing the disconnection of this particular CLEC customers from CenturyTel's switch. Exhibit F HC (HIGHLY CONFIDENTIAL) reflects recently ported business and residential numbers to Socket occurring in the CenturyTel exchange of Columbia. Using the LERG, CenturyTel validated the subject NPA-NXXs of Socket for the above-referenced exchange.
- d. CD Telecommunications, LLC ("CD Telecom") provides local phone service to residential customers in direct competition with CenturyTel in the CenturyTel exchange of Branson:
  - CD Telecom was certificated by the Commission in Case No. TA-2002-453 to provide basic local telecommunications services in Missouri, including the exchanges now owned by CenturyTel.
  - ii. CD Telecom's 2004 Annual Report reflects that it is providing FullFacility Based services to residential customers in direct

competition with CenturyTel in the CenturyTel exchanges of Branson. (See Exhibit G for CD Telecom's 2004 Annual Report.)

7. CenturyTel's Application for Competitive Classification is not a request for any price changes and the above-referenced tariffs being filed concurrently herewith (attached copies for illustrative purposes only as Exhibit H) reflect administrative changes only indicating the new competitive classification. In fact, CenturyTel acknowledges that all rates currently in effect for these exchanges will remain in effect until such time CenturyTel files a tariff requesting a price change. CenturyTel will be required to file tariffs for any future price changes, either increases or decreases, associated with these exchanges which will continue to require Commission approval. Furthermore, CenturyTel will be required to notify its customers of any future price increase.

WHEREFORE CenturyTel of Missouri, LLC respectfully requests the Commission to approve CenturyTel's Application for Competitive Classification and its tariffs filed concurrently herewith, pursuant to Section 392.245.5 RSMo. (2005). CenturyTel has demonstrated that at least two non-affiliated entities are providing basic local telecommunications service to customers within each of the listed exchanges. CenturyTel's Application and tariffs meet the statutory requirements for competitive classification and should become effective in no more than 30 days.

Respectfully submitted,

Larry W. Dority, Esq.

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#### **VERIFICATION**

I, Arthur P. Martinez, Director Government Relations for CenturyTel, hereby verify and affirm that I have read the foregoing Application for Competitive Classification and that the statements contained therein are true and correct to the best of my information and belief.

Subscribed and sworn to before me on this 9th day of September, 2005.

Notary Public

My Appointment Expires:

July 8,2008

#### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this  $\underline{9} \pm$  day of September, 2005, a copy of the above and foregoing document was served via electronic mail, facsimile or U.S. Mail, postage prepaid to each of the following:

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### **LIST OF EXHIBITS**

Exhibit A	Wireless Carriers Operating in CenturyTel Exchanges
Exhibit B	Charter Fiberlink-Missouri, LLC Operating in CenturyTel Exchanges
Exhibit C HC	Highly Confidential Internal Business Records of CenturyTel of Missouri, LLC
Exhibit D	Fidelity Communications Services II, Inc. Operating in CenturyTelExchanges
Exhibit E	Socket Telecom, LLC Operating in CenturyTel Exchange
Exhibit F HC	Highly Confidential Internal Business Records of CenturyTel of Missouri, LLC
Exhibit G	CD Telecommunications, LLC Operating in CenturyTel Exchange
Exhibit H	CenturyTel Illustrative Tariffs