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October 27, 1997

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Mr. Cecil I. Wright  
Executive Secretary  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Investigation into the Provision of Community  
Optional Calling Service in Missouri  
Case No. TW-97-333**

**FILED**  
**OCT 27 1997**  
**MISSOURI**  
**PUBLIC SERVICE COMMISSION**

Dear Mr. Wright:

Enclosed for filing, in the above-referenced case, please find the original and fourteen copies of the **Office of the Public Counsel's Application For Rehearing**. Please "file" stamp the extra enclosed copy and return it to this office. I have also on this date mailed and/or hand-delivered the appropriate number of copies to all counsel of record.

Thank you for your attention to this matter.

Very truly yours,

Michael F. Dandino  
Senior Public Counsel

MFD:rjr

cc: Counsel of Record

Enclosure

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

**FILED**  
**OCT 27 1997**  
**MISSOURI**  
**PUBLIC SERVICE COMMISSION**

In the Matter of an Investigation into )  
the Provision of Community Optional )  
Calling Service in Missouri. )

**Case No. TW-97-333**

**OFFICE OF THE PUBLIC COUNSEL'S  
APPLICATION FOR REHEARING**

**COMES NOW** the Office of the Public Counsel ("Public Counsel"), and pursuant to its statutory authority and pursuant to Section 386.500, RSMo. 1994 (as amended) and 4 CSR 240-2.160 moves the Public Service Commission ("Commission") to grant rehearing of its Report and Order issued in this cause on October 16, 1997, effective October 28, 1997. Public Counsel states that rehearing is warranted because the decision is unlawful, unjust, and unreasonable and is arbitrary, capricious, unsupported by substantial and competent evidence, and is against the weight of the evidence considering the whole record, is in violation of constitutional provisions of due process, is unauthorized by law, made upon an unlawful procedure and without a fair trial, and constitutes an abuse of discretion, all as more specifically and particularly described in this application as follows:

1. The Commission erred as a matter of fact and law by elimination COS service based on a low take rate since the take rate is not a relevant indicator of the importance of COS in those areas which depend on COS to reduce the costs of communication within their community. The take rate relied upon by the Commission represents all telecommunications customers, even

those in areas with adequate calling scopes. This decision ignores the need for a reasonably priced option for those customers in rural communities.

2. The Commission's decision deprives rural COS customers of a service which provides calling scopes reasonably comparable to urban areas.

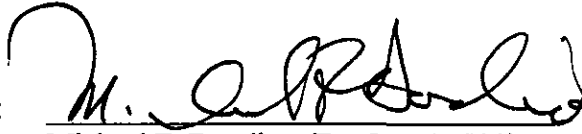
3. The Commission's decision ignores the fact that few competitive LECs are actively offering service in Missouri and few in the rural areas of the State. Competition has not developed as of yet to provide reasonable alternatives to COS customers at reasonable, affordable prices. The elimination of COS is premature without sufficient competition in these exchanges servicing COS customers to provide reasonable alternatives.

4. The premature elimination of COS service subjects COS customers to an environment which provides less choice of service, increases the toll costs, and does not adequately meet their daily needs to call schools, doctors, and other vital services. This results in harm to these customers and is inconsistent with the purpose and interest of the Federal Telecommunications Act of 1996 and Senate Bill 507.

The Commission has placed competitive issues above the need to protect these customers who will not be served by competition in the near future. Competition will not come to rural customers who are benefited from COS. The Commission should have given greater weight to the need to maintain comparable service at comparable prices in both rural and urban areas.

Respectfully submitted,  
**OFFICE OF THE PUBLIC COUNSEL**

BY:



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**Certificate of Service**

I hereby certify that a copy of the foregoing was mailed, hand delivered, or faxed this 27th day of October, 1997 to the following counsel of record:

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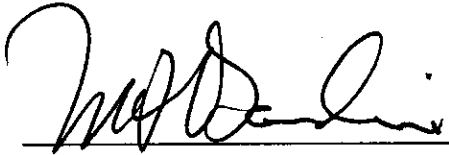
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