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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
  
Prehearing Conference  
  
TRANSCRIPT OF PROCEEDINGS  
  
April 19, 2004  
Jefferson City, Missouri  
Volume 1

In the Matter of the Tariff )  
Filing of McLeodUSA )  
Telecommunications, Inc. to )Case No. CT-2004-0497  
Implement an Account )  
Handling Charge )

LEWIS MILLS, Presiding  
DEPUTY CHIEF REGULATORY LAW JUDGE

REPORTED BY: Monnie S. VanZant, CCR, CSR, RPR  
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A P P E A R A N C E S

For McLeodUSA Telecommunications Services, Inc.:

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Phonetic spelling: (ph.)  
Exactly as Stated: (sic)



1           filings, there were a number of other changes  
2           made, which have sort of been hung up as a  
3           result of the account handling charge. Has  
4           the company had any discussions with the staff  
5           about how -- where this case is going? Are we  
6           going to the hearing? Or is this going to  
7           resolve itself?

8                       MS. YOUNG: Yes, Judge. We have  
9           initiated some discussions along those lines.  
10          With the questions from coming from the  
11          Commission rather than the staff, we  
12          understand we can't, quote, resolve it just  
13          among the parties.

14                     JUDGE MILLS: Right.

15                     MS. YOUNG: And the company is -- is  
16          -- because we weren't present at the agenda  
17          discussion where the questions were raised by  
18          the Commissioners is curious as to whether --  
19          what we understand the concern or one of the  
20          concerns of the Commission was whether the  
21          account handling charge could ultimately  
22          accrue as an additional charge against the  
23          customer. And I can clarify that very simply  
24          that the company did not intend to do anything  
25          but recover the charges up to the amount of

1           the credit that was owing to the customer from  
2           the company.

3                   JUDGE MILLS:   Okay.

4                   MS. YOUNG:   And we'd certainly be  
5           willing to revise the text of the tariff to  
6           reflect that if that would resolve the  
7           Commission's concerns and then enable the  
8           entire -- both tariffs to go into effect.

9                   JUDGE MILLS:   You know, and I wasn't  
10          in agenda that day either, but I have talked  
11          to one of the Commissioners since then.   And  
12          that certainly -- it's my impression that was  
13          at least one of the main concerns, if not the  
14          only concern was that the -- that the way that  
15          the tariff was worded was that the account  
16          handling charge could accrue up to and beyond  
17          the amount of credit.   And so that, you know,  
18          the consumer could ultimately, you know, a few  
19          years down the line find themselves with a  
20          credit report saying they owe some thousand  
21          dollars as to McLeod Telephone Company and  
22          then think to themselves, My gosh, I canceled  
23          service with them two years ago and I thought  
24          I had a credit.   And I think if that was  
25          corrected, that may resolve at least some of

1 the problems, if not all of them.

2 MS. YOUNG: And the company's  
3 intention was that rather than carrying on the  
4 accounting entries ad infinitum and in  
5 addition sending out periodic attempts to  
6 locate the customer --

7 JUDGE MILLS: Yeah.

8 MS. YOUNG: -- that they would  
9 reduce the credit each time after the first  
10 attempt until the credit balance was gone or  
11 until they found the customer and could refund  
12 the remainder. And I don't know if you can  
13 confirm that, you know, if we clarified that  
14 language that the entire tariff would go  
15 through.

16 JUDGE MILLS: I can't -- I can't  
17 confirm that. But I suspect that that's the  
18 case.

19 MS. YOUNG: I guess the company will  
20 have to decide, you know, whether to proceed  
21 that way. I do know that they are most  
22 interested in having the remainder of the  
23 changes go through. And so one of the options  
24 that we have and are considering is the  
25 withdrawal of the charge in question. And

1           we're not able to get a clearance to date as  
2           to whether mechanically it is permissible to  
3           withdraw a portion of a suspended tariff.  
4           JUDGE MILLS: I don't think it is.  
5           MS. YOUNG: Okay.  
6           JUDGE MILLS: I think if you want to  
7           proceed that way, you would have to withdraw  
8           the entire tariff filing and refile the  
9           tariffs without the account handling charge  
10          language.  
11          MS. YOUNG: Okay. Okay.  
12          JUDGE MILLS: But, in essence, I  
13          think the way the Commission looks at it is  
14          once the tariffs have been suspended, they're  
15          sort of in our hands.  
16          MS. YOUNG: Sure.  
17          JUDGE MILLS: We've suspended them  
18          and you can't simply make substitutions and  
19          you couldn't file substitute sheets, for  
20          example, once a tariff has been suspended.  
21          Really, your only option is to withdraw it and  
22          start over.  
23          MS. YOUNG: Okay.  
24          JUDGE MILLS: Or proceed, you know,  
25          to hearing.

1 MS. YOUNG: Sure. Then,  
2 mechanically, I guess that produces another  
3 question for me, whether it makes sense for us  
4 to talk to staff today and try to figure out  
5 something that they would be comfortable with  
6 us proposing to attempt to address the  
7 Commission's concerns. And then,  
8 mechanically, would that be presented as a  
9 stipulation or would it be, you know --

10 JUDGE MILLS: Certainly -- yeah.  
11 Certainly with having this case docketed, you  
12 could file a -- a pleading, whether it be with  
13 the staff or separate pleadings. You can file  
14 it as a stipulation saying, you know, we've  
15 talked about this and -- you know, the staff  
16 and the company have talked about this. We  
17 agree that tariffs such as the certain tariffs  
18 attached would address the Commission's  
19 concerns and present it that way. And if the  
20 Commission were to approve a stipulation like  
21 that, then you'd be instructed to file tariffs  
22 in compliance with the illustrative tariffs.  
23 That would be one way you could approach it.

24 MS. YOUNG: And then the Commission  
25 would lift the suspension or issue an order?

1 JUDGE MILLS: The Commission would  
2 -- most likely, if they approve the  
3 stipulation, they would reject the initial  
4 tariff filing or authorize you to file new  
5 tariffs, you know, and you could ask for  
6 expedited treatment that were in conformance  
7 with the stipulation agreement.

8 MS. YOUNG: Okay. I appreciate the  
9 guidance. Thanks.

10 JUDGE MILLS: Yeah. Sounds like a  
11 plan. Anything else while we're on the  
12 record? Okay. Well, I'll leave you all to  
13 talk, then. We'll conclude the on-the-record  
14 portion. If you all need me, I'll be around  
15 all day and you can track me down. If there's  
16 nothing further, we're off the record.

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