

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

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| In The Matter of Embarq Missouri, Inc. |) | |
| Application for Competitive Classification |) | Case No. |
| Under Section 392.245.5 RSMo. (2005) |) | |

APPLICATION FOR COMPETITIVE CLASSIFICATION

COMES NOW Embarq Missouri, Inc. (“Embarq”) and hereby requests the Commission approve Embarq’s Application for Competitive Classification Under Section 392.245.5 RSMo. (2005). Embarq is seeking competitive classification for all residential services, other than exchange access services, offered in its Lebanon exchange. In support of its Application, Embarq states as follows:

1. Embarq is a public utility, and a telecommunications company, as those terms are defined in Section 386.020(42) and (51), RSMo 2000. Embarq is a large incumbent local exchange telecommunications company and is subject to Price Cap Regulation under Section 392.245.

2. Missouri Revised Statutes §392.245.5 (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.

3. Embarq faces growing and intense residential competition from two or more non-affiliated entities in its Lebanon exchange. More specifically, Embarq faces competition from numerous non-affiliated wireless providers and from wireline carriers using their own facilities,

in whole or in part, to provide basic local telecommunications services. In Case No. TO-2007-0301, the Commission approved Embarq's Application for Competitive Classification for all business services, other than exchange access services, offered in its Lebanon exchange on March 6, 2007.

4. Embarq has numerous non-affiliated wireless providers operating in its Lebanon exchange providing local service. Exhibit A identifies the following wireless carriers providing local service to customers in Embarq's Lebanon exchange: Sprint Nextel, Cingular, Verizon, Alltel, T-Mobile, and US Cellular (see Exhibit A). Section 392.245.5(1) RSMo. (2005) recognizes 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. The Commission Staff previously affirmed wireless providers were operating in Embarq's Lebanon exchange in Case No. TO-2007-0301.

5. Section 392.245.5(2) RSMo (2005), recognizes wireline carriers providing local phone service in whole or in part over telecommunications facilities it owns as competing entities that providing basic local telecommunications services in competition with Embarq. In Embarq's Lebanon exchange, Fidelity Communications Services I ("Fidelity") offers local phone service to residential customers in direct competition with Embarq. Fidelity obtained a Certificate to Provide Basic Local, Local Exchange, and Interexchange Telecommunications Services within Missouri, including the exchanges of Embarq, on November 30, 1999 (Case No. TA-2000-191). Embarq has experienced residential customer loss to Fidelity in its Lebanon exchange. As evidenced by Fidelity's June 2007 press release (see Exhibit B), Fidelity is now offering residential service to more than twenty customers. Additionally, Embarq has received

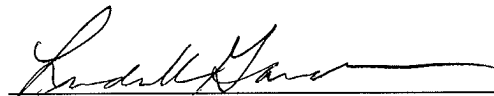
and completed requests by Fidelity for number porting and directory listing associated with residential customers in Lebanon.

6. Embarq's Application for Competitive Classification does not request any price changes. In fact, Embarq acknowledges that all rates currently in effect for these exchanges will remain in effect until such time Embarq files a tariff requesting a price change. Under current law, Embarq 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, Embarq will be required to notify its customers of any future price increase.

WHEREFORE Embarq respectfully requests the Commission approve Embarq's Application for Competitive Classification pursuant to Section 392.245.5 RSMo (2005). Embarq has demonstrated that at least two non-affiliated entities are providing basic local telecommunications service to residential customers within its Lebanon exchange. Embarq's Application meets the statutory requirements for competitive classification and should become effective in no more than 30 days.

Respectfully submitted,

EMBARQ MISSOURI, INC.



Linda Gardner,
5454 West 110th Street
KSOPKJ0401

MO Bar #32224

Overland, Park, KS 66211

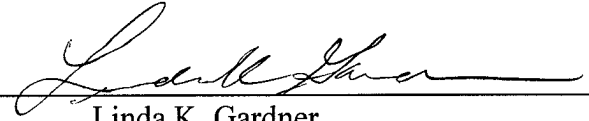
Voice: 913-345-6193

Fax: 913-397-3598

Email: Linda.gardner@embarq.com

VERIFICATION


I, Linda Gardner, an attorney and duly authorized representative of Embarq Missouri, Inc. 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.


Linda K. Gardner

Subscribed and sworn to before me on this 25th day of July 2007.

My Appointment Expires:



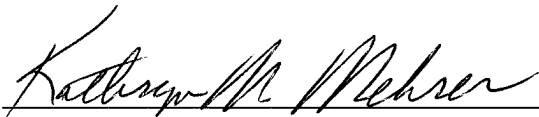

Notary Public in and for said
County and State

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 25th day of July 2007, 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:

William K. Haas
Deputy General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65101
William.haas@psc.mo.gov

Lewis Mills
Office of the Public Counsel
P. O. Box 2200
Jefferson City, MO 65101
opcservice@ded.mo.gov



LIST OF EXHIBITS

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| Exhibit A | Wireless Carriers Operating in Embarq Exchanges |
| Exhibit B | Fidelity Press Release |
| Exhibit C | Embarq Proposed Tariff |