STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 5th day of November, 1993.

In the matter of the request for community optional service from Southwestern Bell Telephone's)
Fair Grove exchange to Missouri) CASE NO. TO-94-74
Telephone's Bolivar, Pleasant Hope, and Morrisville exchanges; GTE)
Midwest's Buffalo, Marshfield and)
Ozark exchanges; and Southwestern)
Bell Telephone's Willard exchange.

ORDER GRANTING RECONSIDERATION AND CLARIFICATION

On September 10, 1993, in response to a petition from the residents of the Fair Grove exchange, the Commission ordered Southwestern Bell Telephone Company (Bell) to perform calling usage studies from the Fair Grove exchange to the Bolivar, Pleasant Hope, Morrisville, Buffalo, Marshfield, Ozark, and Willard exchanges to determine if such routes would qualify for Community Optional Service (COS).

On September 29, 1993, Bell filed a motion for reconsideration and clarification of the Commission's Order. Bell maintains that because the Metropolitan Calling Area (MCA) service was established by the Commission in Case No. TO-92-306, Fair Grove is no longer an exchange but is instead a zone within the Springfield metropolitan exchange. Bell states that in the past calling usage studies have not been done for a particular zone but rather for an entire exchange, so the petitioning exchange, for purposes of the calling usage studies, should be the Springfield metropolitan exchange. Bell also states that the Pleasant Hope, Morrisville, Marshfield, and Ozark exchanges have been subsumed into the MCA-2 zone while Willard is now in the MCA-1 zone. Bell argues that calling usage studies should not be ordered between Springfield (Fair Grove) and these new MCA exchanges.

On October 5, 1993, the Office of the Public Counsel (Public Counsel) filed

a response to Bell's motion. Public Counsel states that for ordinary toll rating purposes Fair Grove continues to be an exchange and that the Commission should not impose additional restrictions on COS.

On October 8, 1993, the Staff of the Commission (Staff) filed its response to Bell's motion. Staff recommends that Bell be required to study only the traffic originating in Fair Grove and terminating in Buffalo and Bolivar.

Pursuant to Section 386.500, RSMo 1986, the Commission shall grant a reconsideration "if in its judgment sufficient reason therefor be made to appear." Upon review of Bell's motion, Public Counsel's response, and Staff's response, the Commission finds that there is sufficient reason to order a reconsideration. Thus, the Commission determines that Bell's motion for reconsideration and clarification should be granted.

Fair Grove is an MCA-1 exchange located in the Springfield metropolitan calling area. In the Springfield area, MCA service is mandatory for customers located in the central zone and tier 1 exchanges. Willard is also a Springfield MCA-1 exchange while Pleasant Hope, Morrisville, Marshfield, and Ozark are Springfield MCA-2 exchanges. Because MCA service is mandatory in tier 1 exchanges such as Fair Grove, those customers already have the ability to call all Springfield MCA exchanges, including Willard, Pleasant Hope, Morrisville, Marshfield, and Ozark, on a flat-rate basis. Thus, COS is unnecessary for these routes and no calling usage studies should be conducted.

The Bolivar and Buffalo exchanges are not situated within the Springfield MCA. COS continues to be available from exchanges within the MCAs to those outside the MCAs and vice versa. To obtain COS into the Springfield exchange, traffic that terminates in the central zone and tier 1 exchanges is studied. If the calling criteria are met, then the calling scope for that COS route includes the areas studied (i.e. the MCA mandatory areas).

This case involves the opposite situation. Fair Grove, an MCA mandatory exchange, seeks to obtain COS <u>out</u> from the Springfield MCA. The issues of what traffic should be studied and what calling scope should be available in this situation have not previously been addressed.

Bell essentially proposes to require all traffic originating in the MCA mandatory areas within the Springfield exchange (central zone and tier 1 exchanges) to be studied in order to determine whether customers in Fair Grove can obtain COS to Bolivar and Buffalo. Meeting the calling criteria would mean that COS to the target exchange would be available to all customers in the MCA mandatory areas. Although Bell's proposal parallels the manner in which COS is obtained into the Springfield exchanges, it would for all practical purposes preclude COS outward from the MCA mandatory areas. The Commission considers this to be an inequitable result, particularly in the Fair Grove situation where a mandatory MCA exchange (Fair Grove) abuts a non-MCA exchange (Buffalo).

The Commission is of the opinion that it would be more equitable to limit the traffic to be studied to that which originates in Fair Grove. If the calling criteria are met, then only Fair Grove customers would be eligible to subscribe to COS to the target exchange and toll-free return calling would be limited to termination to COS subscribers in the Fair Grove exchange.

IT IS THEREFORE ORDERED:

- 1. That the motion for reconsideration and clarification filed by Southwestern Bell Telephone Company is hereby granted.
- 2. That the requirement that Southwestern Bell Telephone Company conduct calling usage studies on the routes from Fair Grove to Willard, Pleasant Hope, Morrisville, Marshfield, and Ozark is hereby withdrawn.
- 3. That Southwestern Bell Telephone Company shall perform calling usage studies, covering one billing cycle, to determine whether a sufficient community of interest between the Fair Grove exchange and the Buffalo and Bolivar exchanges.
- 4. That the results of the calling usage studies directed in Ordered Paragraph 3 shall be filed with the Commission on or before March 4, 1993.

5. That this Order shall become effective on the date hereof.

BY THE COMMISSION

David L. Rauch Executive Secretary

(S E A L)
Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.