BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

PETITION OF SOCKET TELECOM, LLC FOR COMPULSORY ARBITRATION OF INTERCONNECTION AGREEMENTS WITH CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS GROUP, LLC PURSUANT TO SECTION 252(b)(1) OF THE TELECOMMUNICATIONS ACT OF 1996	)	CASE NO. TO-2006-0299

CENTURYTEL'S RESPONSE TO ARBITRATOR'S ORDER DIRECTING FILING

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Spectra Communications Group, LLC ("Spectra Communications") and CenturyTel of Missouri, LLC ("CenturyTel of Missouri") (collectively "CenturyTel") respectfully submit this response to the Arbitrator's Order Directing Filing, issued May 30, 2006 (the "Order Directing Filing").

I. EXPLANATION OF CONTENTS OF "ZIPPED" FILES.

1. In an effort to comply with the Arbitrator's Final Report, on May 26, 2006, CenturyTel filed Supplemental Direct Testimony of Ken Buchan. As Proprietary Schedule B to that testimony, CenturyTel also filed two zipped sets of files, which constituted its rerun DS1 and DS3 loop cost studies.[1] These "zipped" sets of files were named, respectively, "DS1 and DS3 UNE Loop Rates.zip" and "DS1 and DS3 UNE Loop Rates2.zip." Each zipped set of files contains a copy of a file named "profile_mo3.xls." and each copy of profile_mo3.xls is identical.

[1] CenturyTel files this Response without a refiling of the electronic cost information, based upon the indication that the cost information was accepted, while the supplemental testimony was rejected. *See* Order Directing Filing at 1-2. If directed to do so, CenturyTel would be more than willing to submit additional copies of its cost information.

2. In the Arbitrator's Final Report, the Arbitrator recognized the fill factor error Mr. Buchan identified in his Direct Testimony (Exhibit J, Buchan Direct at 17) and ordered CenturyTel to correct that error "by rerunning the cost studies." Arbitrator's Final Report at 50. In each copy of profile_mo3.xls, CenturyTel did so, appropriately modifying the copper fill factor, resulting in the loop costs (but only the loop costs). These identical profile_mo3.xls files produce CenturyTel's TELRIC-compliant 2-wire and 4-wire loop costs.

3. The following subsections explain how this information was or was not used in each of the zipped files.

A. DS1 and DS3 UNE Loop Rates.zip.

4. In the Arbitrator's Final Report, the Arbitrator orders CenturyTel to rerun its cost studies making three changes: (a) correcting the fill factors for copper facilities, (b) correcting the investment cost for fiber, and (c) using agreed upon 2-wire and 4-wire analog loop costs. Arbitrator's Final Report at 49-50. The file labeled DS1 and DS3 UNE Loop Rates.zip in Proprietary Schedule B addresses the first two changes; it is a study of DS1 and DS3 UNE Loop costs and rates that were developed pursuant to the Arbitrator's Final Report to correct the fiber investment cost and the copper fill factor errors Mr. Buchan first identified in his Direct and Rebuttal testimony.

5. As a specific example, to correct the copper facility fill factor as ordered in the Arbitrator's Final Report, CenturyTel used the corrected fill factors of ***PROPRIETARY ____ PROPRIETARY*** in areas 1-3 and ***PROPRIETARY ____ PROPRIETARY*** in areas 4 and 5 in profile_mo3.xls in the DS1 and DS3 UNE Loop

Rates.zip file. A review of profile_mo3.xls's Areas 1-5 tabs, cells B10 and C10, shows that correcting the copper facility fill factors results in new 2-wire and 4-wire loop cost for the sampled exchanges. For example, the correction in the copper fill factors results in 2-wire and 4-wire loop costs of ***PROPRIETARY _____ PROPRIETARY*** and ***PROPRIETARY _____ PROPRIETARY*** respectively for the Bland exchange, as shown in cells B166 and C166 of the avgloopcost tab.

6. The profile_mo3.xls 4-wire loop rates that resulted from the application of the corrected copper facility fill factors were then input into the TELRIC cost model files for the sample exchanges. For example, the profile_mo3.xls 4-wire loop rates that resulted from the application of the corrected copper facility fill factor were inserted into the TELRIC_Missouri_Pam_Bland2.xls at the DS1_CT tab by inserting the 4-wire loop rate of $423.91 into Cell D97.

7. In addition, consistent with the Arbitrator's order to similarly correct the error Mr. Buchan identified with respect to fiber investment cost (Arbitrator's Final Report at 50), CenturyTel included the correct fiber investment cost of ***PROPRIETARY ____ PROPRIETARY*[2]** in TELRIC_Missouri_Pam_Bland2.xls under the Fiber tab at Cell H9.

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[2] The ***PROPRIETARY ____ PROPRIETARY*** per foot for fiber facilities that Socket claims is not in the record is in fact located in the original cost study filing in the file named "profile_MO2.xls" under Tab "Cable" at Cell C28. CenturyTel's mistake was its failure to *use* the correct fiber cost factor in the sample exchange TELRIC studies, not the failure to calculate or provide notice of the correct cost of fiber facilities. In fact, this information was disclosed and is in the record. *See* Exhibit J (Buchan Direct) at Proprietary Schedule A.

8. The revised inputs were repeated for each exchange CenturyTel sampled for the study, and revised CenturyTel DS1 UNE loop and DS3 UNE loop rates were, therefore, calculated for each sampled exchange. The results from the sampled exchanges were zoned accordingly. This result is reflected in the summary sheet entitled "DS3_DS1_By_Exchange 05-25-06.xls." In short, adhering to the Arbitrator's Final Report, CenturyTel only corrected its copper facility fill factor and fiber investment cost, which flowed through its DS1 and DS3 loop cost studies to produce TELRIC-compliant recurring rates that the Commission should adopt in this proceeding.

B. DS1 and DS3 UNE Loop Rates2.zip.

9. In the file labeled DS1 and DS3 UNE Loop Rates2.zip in Proprietary Schedule B, CenturyTel addresses the third ordered change in the Arbitrator's Final Report, rerunning the cost studies using the following agreed, non-TELRIC 2-wire and 4-wire loop rates (the "Agreed/Non-TELRIC Loop Rates"):

a. 4W Analog Zone 1 $93.37
b. 4W Analog Zone 2 $86.32
c. 4W Analog Zone 3 $44.65
d. 4W Analog Zone 4 $29.60

10. CenturyTel added the cost of electronics to the Agreed/Non-TELRIC Loop Rates to calculate the cost of a DS1 (that is, the results of profile_mo3.xls with its modified fill factors are not carried into the TELRIC files for the sample exchanges in this zipped file, because, as CenturyTel explained in its Comments, they cannot be applied using agreed rates).

11. For instance, in TELRIC_Missouri_Bland_revised.xls at the DS1_CT tab, cell D97 was filled in with the corresponding agreed/non-TELRIC loop rate for a 4-wire analog loop of $93.37 (Zone 1). The output of TELRIC_Missouri_Bland_revised.xls, holding everything else constant, resulted in a DS1 UNE loop rate for the Bland Exchange of $147.66

12. In addition, in each sample-exchange-specific TELRIC file, the dedicated fiber investment cost was changed to ***PROPRIETARY ____ PROPRIETARY*** in accordance with the Arbitrator's Final Report, modifying the DS3 rates from those originally presented.

13. For example, the dedicated fiber investment cost of ***PROPRIETARY ____ PROPRIETARY*** was input into TELRIC_Missouri_Bland_revised.xls under the Fiber tab at Cell H9, resulting in the calculation of a DS3 UNE loop rate for Bland of $1,826.02.

14. Revised DS1 UNE loop and DS3 UNE loop rates were calculated for each sampled exchange using this methodology. The results from the sampled exchanges were then zoned appropriately, and the output is reflected in the summary sheet entitled "DS3_DS1_By_Exchange 05-25-06.xls." The output of this methodology, however, is not consistent with TELRIC, as CenturyTel explains in its Comments.

II. CONCLUSION.

CenturyTel respectfully requests that the Commission accept this explanation of the cost files and adopt the revised DS1 and DS3 rates as set forth in CenturyTel's Comments to the Arbitrator's Final Report.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the undersigned has caused a complete copy of the attached document to be electronically filed and served on the Commission's Office of General Counsel at (gencounsel@psc.mo.gov), the Office of the Public Counsel at (opcservice@ded.mo.gov), and counsel for Socket Telecom, LLC at (clumley@lawfirmemail.com; lcurtis@lawfirmemail.com; and b.magness@phonelaw.com) on this 5th day of June 2006.

/s/ Larry W. Dority
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