

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office in
Jefferson City on the 17th day
of September, 2002.

In the Matter of Allegiance Telecom of
Missouri, Inc.'s Tariff Filing to Initiate
Two-Year Term Promotion

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Case No. CT-2003-0100
Tariff File No. JX-2003-0316

ORDER REJECTING TARIFF

This order rejects a proposed revision to Allegiance Telecom of Missouri, Inc.'s tariff.

On September 10, 2002, Allegiance submitted a proposed revision to its tariff. The revision set forth an "Independence Plan Volume Discount – Two Year Term Promotion" and has an effective date of September 20, 2002. On September 12, 2002, Staff of the Missouri Public Service Commission filed a motion requesting that the Commission reject the proposed revision to Allegiance's tariff.

Staff asserts that under the proposed plan, Allegiance offers discounts to customers who subscribe for two years. In support of its motion, Staff cites case number TT-2002-227, *In the Matter of Southwestern Bell Telephone Company's Proposed Revisions to P.S.C. Mo. No. 26, Long Distance Message Telecommunications Service Tariff*. In that case the Commission found that "discounted rates in exchange for term commitments that exceed one year [are] detrimental to the health and development of competition in Missouri's local exchange market." Based on this, the Commission rejected the tariffs.

Having previously decided to reject tariffs that offer discounted rates in exchange for a term commitment exceeding one year, the Commission will reject this tariff.

IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on September 10, 2002, by Allegiance Telecom of Missouri, Inc., tariff file number JX-2003-0316, is rejected. The tariff is:

P.S.C. Mo. No. 2
2nd Revised Page 5 and 1st Revised Page 88

2. That this order shall become effective on September 19, 2002.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Simmons, Ch., Lumpe and Gaw, CC., concur
Murray and Forbis, CC., dissent

Jones, Regulatory Law Judge