

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

In the Matter of the Tariff Filing of Sprint Missouri , Inc. d/b/a/ Sprint to Modify rates in accordance with Sprint's price cap Regulations, pursuant to Section 392.245, RSMo))))	Case No. IT-2004-0225 Tariff No. JI-2004-0611
In the Matter of the Tariff Filing of Sprint Missouri , Inc. d/b/a/ Sprint to Modify rates in accordance with Sprint's price cap Regulations, pursuant to Section 392.245, RSMo))))	Case No. IT-2004-0226 Tariff No. JI-2004-0612
In the Matter of the Tariff Filing of Sprint Missouri , Inc. d/b/a/ Sprint to Modify rates in accordance with Sprint's price cap Regulations, pursuant to Section 392.245, RSMo))))	Case No. IT-2004-0227 Tariff No. JI-2004-0613
In the Matter of the Tariff Filing of Sprint Missouri , Inc. d/b/a/ Sprint to Modify rates in accordance with Sprint's price cap Regulations, pursuant to Section 392.245, RSMo))))	Case No. IT-2004-0228 Tariff No. JI-2004-0614
In the Matter of the Tariff Filing of Sprint Missouri , Inc. d/b/a/ Sprint to Modify rates in accordance with Sprint's price cap Regulations, pursuant to Section 392.245, RSMo))))	Case No. IT-2004-0229 Tariff No. JI-2004-0615

**SPRINT'S REPLY TO
STAFF'S SUPPLEMENTAL RESPONSE**

COMES NOW Sprint Missouri, Inc, and hereby provides its Reply to Staff's Supplemental Response in accordance to the Commission's Order Directing Filing and Scheduling Prehearing Conference of December 17. For its Reply, Sprint states as follows:

1. On October 31, 2003, Sprint filed its proposed tariff sheets to modify its rates in accordance with the Price Cap regulations pursuant to Section 292.245 RSMo

2000. The Commission suspended Sprint's proposed tariff filing on December 16, 2003 in order to allow the Commission additional time for consideration. On December 17, 2003, the Commission issued its Order Directing Filing and Scheduling Prehearing directing Staff to file additional analysis. Staff filed its Supplemental Response on December 21, 2003.

2. In Case No. IT-2004-0225, Sprint is proposing changes -- both rate increases and rate decreases -- to its General Exchange Tariff (P.S.C. Mo. No. 22). Services within Sprint's General Exchange tariff include items such as (a) basic local telecommunications service, (b) custom calling features, (c) CENTREX, (d) frame relay and ATM, (e) directory listings, and (f) other general telecom services purchased by residential and business customers. Sprint's tariff filing proposes the following:

- lowering basic rates by \$0.01 per month, per access line based on the annual CPI-TS adjustment that is required per the Price Cap Statute (Section 392.245.4(1)(a)).
- increasing certain non-basic services by no more than eight percent as allowed per the Price Cap Statute (Section 392.245.11)

3. In Case No. IT-2004-0226, Sprint is proposing administrative changes only to its Message Telecommunications Services Tariff (P.S.C. Mo. No. 23). Services within Sprint's MTS tariff can best be defined as intraLATA toll or other long distance service offerings. Sprint's tariff proposal seeks to modify its maximum allowable rates for MTS service although no actual rates are being modified. Sprint notes that when it

made its initial filing in this case on October 31, 2003, MTS services were defined as non-basic. However, in Case No. IO-2003-0281 (Sprint's Competition Case), the Commission granted Sprint competitive designation for all MTS services effective December 14, 2003 due to the fact that these services are also offered by AT&T, MCI, and other long distance providers. Accordingly, Sprint will be filing a compliance tariff in the near future to remove the maximum allowable rate section from its MTS tariff.

4. In Case No. IT-2004-0227, Sprint is proposing changes to its Private Line Services Tariff (P.S.C. Mo. No. 24). Services within Sprint's Private Line tariff are specialized, non-switched long distance services. Sprint's tariff proposal seeks to increase certain private lines services by no more than eight percent as allowed per the Price Cap Statute (Section 392.245.11). Sprint notes that when it made its initial filing in this case on October 31, 2003, Private Line services were defined as non-basic. However notes that in Case No. IO-2003-0281 (Sprint's Competition Case), the Commission granted Sprint competitive designation for all Private Line services effective December 14, 2003 due to the fact that these services are also offered by AT&T, MCI, and other long distance providers.

5. In Case No. IT-2004-0228, Sprint is proposing administrative changes only to its Wide Area Telecommunications Services Tariff (P.S.C. Mo. No. 25). Specifically, Sprint is seeking to modify its maximum allowable rates for WATS service although no actual rates are being modified. Sprint notes that in Case No. IO-2003-0281 (Sprint's Competition Case), the Commission granted Sprint competitive designation for

all WATS services. Accordingly, Sprint will be filing a compliance tariff in the near future to remove the maximum allowable rate section from its WATS tariff.

6. Finally, in Case No. IT-2004-0229, Sprint is proposing changes – both rate increases and rate decreases -- to its Access Tariff (P.S.C. Mo. No. 26). Services within Sprint's Access tariff include both switched and special access. Sprint's tariff filing proposes the following:

- lowering the carrier common line rate based on the annual CPI-TS adjustment as required per the Price Cap Statute (Section 392.245.4(1)(a)).
- increasing certain non-basic services by no more than eight percent as allowed per the Price Cap Statute (Section 392.245.11)

7. Regarding the CPI-TS adjustment of Sprint's proposal contained within Case No. IT-2004-0225 and IT-2004-0229, both Staff and OPC have reviewed Sprint's application and have stated that Sprint's calculations are correct.¹ In fact, Sprint has reduced rates lower than required by statute. Sprint proposed to reduce every access line in the state by one cent per month -- both business and residential access lines. This approach results in a reduction of revenue that exceeds the impacts of the annual CPI-TS adjustment.

8. Regarding the increase of certain non-basic services contained within Case No. IT-2004-0225, IT-2004-0227, and IT-2004-0229, both Staff and OPC have reviewed

¹ For Staff, see Staff's initial recommendation dated December 5, and Staff's supplemental recommendation dated December 21. For OPC, see OPC's Response dated December 9.

Sprint's application and have stated that Sprint is not seeking to raise any rate more than eight percent.

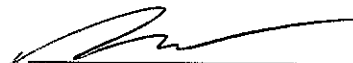
9. Sprint notes for the Commission that these cases do not include any rate rebalancing. Sprint implemented the fourth and final \$1.50 rate rebalance on December 18, 2003 in accordance with Case No. IT-2004-0134. The Commission approved Sprint's rate rebalance tariffs on October 2, 2003 and denied OPC's Motion for Rehearing on December 4, 2003.

10. Sprint's application of the CPI-TS for basic services is consistent with statute and all mathematical calculations for the annual CPI-TS adjustment are correct. Furthermore, Sprint's proposal to raise certain non-basic rates are also consistent with all applicable Price Cap statutes.

WHEREFORE Sprint respectfully requests the Commission consider the above and approve Sprint's proposed tariff revisions.

Respectfully submitted,

SPRINT



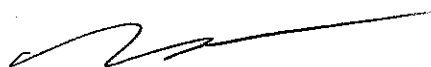
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing was served on each of the following parties by first-class/electronic/facsimile mail, this ____ day of December, 2003.

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