

EXHIBIT B

MARK TWAIN
COMMUNICATIONS
COMPANY

OPERATING
IN
SPECTRA
EXCHANGES

**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
December, 2002.

In the Matter of the Petition of	)	
Spectra Communications Group, L.L.C. d/b/a CenturyTel	)	
Regarding Price Cap Regulation	)	<u>Case No. IO-2003-0132</u>
under Section 392.245, RSMo 2000	)	

ORDER APPROVING PRICE CAP REGULATION

Syllabus: This order approves the applicant's petition for a determination that it is subject to price cap regulation.

Brief Procedural History

On October 4, 2002, Spectra Communications Group, L.L.C. d/b/a CenturyTel filed with the Missouri Public Service Commission a verified petition for a determination that it is subject to price cap regulation under Section 392.245, RSMo 2000,^[1] known as the "price cap statute."

On October 9, 2002, the Commission issued its order and notice, setting an intervention deadline of October 29, 2002. No one intervened. On October 28, 2002, the Office of the Public Counsel filed its request for an evidentiary hearing. The Staff of the Commission responded both to Spectra's and Public Counsel's pleading on October 29, 2002.

On October 30, 2002, the Commission ordered Staff to file its memorandum and recommendation by November 20, 2002, and also ordered that any party wishing to respond to Staff's pleading should do so by November 30, 2002. Staff filed its memorandum and recommendation on November 1, 2002, and Spectra responded to it on November 25, 2002. No other party responded.

The Applicant

Spectra states that it is a Delaware limited liability company authorized to do business in Missouri under the certificate of authority issued by the Secretary of State and filed in case number TM-2000-182. According to Spectra, it operates in Missouri using the fictitious name of "CenturyTel," the registration of which is filed in case number TO-2001-437. Spectra's principal place of business is 1151 CenturyTel Drive, Wentzville, Missouri.

Spectra points out that it is a provider of basic local telecommunications services in 107 rural exchanges throughout Missouri, including the exchanges of Lewiston, LaBelle, and Ewing. Spectra says that it provides basic local telecommunications services under tariffs filed with the Commission. According to Spectra, it currently provides telecommunications service to customers located in the state of Missouri totaling approximately 130,988 access lines.

Spectra's Petition

Spectra cites Section 386.020(22), which defines "incumbent local exchange telecommunications company" as a "local exchange telecommunications company authorized to provide basic local telecommunications service in a specific geographic area as of December 31, 1995, or a successor in interest to such a company." Spectra notes that GTE Midwest Incorporated, also known as Verizon, was a local exchange telecommunications company authorized to provide basic local telecommunications service as of December 31, 1995. Spectra argues that it is a "successor in interest" to GTE/Verizon as a result of its purchase of local exchange properties which was approved by the Commission^[2] and Spectra is therefore an incumbent local exchange company.

Spectra then cites Section 386.020(30), which defines a large local exchange telecommunications company as a company that has at least one hundred thousand access lines in Missouri. Since, according to Spectra, it presently serves more than 100,000 access lines in Missouri, it is thus a large incumbent local exchange telecommunications company as defined in Missouri statutes.

Spectra argues that Section 392.245.2 requires that a large local exchange telecommunications company must be regulated under price cap regulation when: 1) a competitive local exchange company is properly certificated to provide service in its service area; and 2) the competitive local exchange company is, in fact, providing service in any

part of the incumbent local exchange company's service area.

Spectra states these two things have happened: Mark Twain Communications Company has been certified to provide basic local telecommunications service in two of Spectra's exchanges.^[3] Mark Twain, says Spectra, is also now providing basic local telecommunications service in three Spectra exchanges and customers of Mark Twain have subscribed to basic local telecommunications service.^[4]

Spectra does not consider price cap regulation to be discretionary. To the contrary, argues Spectra, the statute provides that a large incumbent local exchange telecommunications company must be subject to price cap regulation after a determination has been made that a competitor is certified and providing basic local telecommunications services. Spectra cites some of the cases where the Commission has made this determination for other large incumbent local exchange companies.^[5] Spectra also points out that its affiliate, CenturyTel of Missouri L.L.C., was also determined to be price cap regulated.^[6]

Spectra concluded by noting that the Commission has previously found that Mark Twain is certificated and providing service in the Lewiston and LaBelle exchanges.^[7] Those findings are equally true today, says Spectra, except that the exchanges are now served by Spectra instead of GTE/Verizon.

Staff's Response to Public Counsel

In its response to Spectra's petition and Public Counsel's request for an evidentiary hearing, Staff noted that the Commission need not grant a hearing to a party in a noncontested case merely because a party requests a hearing. Staff cites the Cole County Circuit Court, which has found that Section 392.245.2 does not give rise to a Section 536.010(2) "contested case" scenario and does not require notice and hearing before the Commission makes its determinations in response to a large incumbent local exchange telecommunications company's price cap application.^[8] Since, in Staff's view, notice and hearing are not mandatory, and the facts supporting the petition are straightforward and are not in dispute, there is no need for an evidentiary hearing, and the Commission should deny Public Counsel's request.

There are no further questions of law or fact for the Commission to decide, so the Commission agrees with its Staff that there is no necessity of an evidentiary hearing and will deny Public Counsel's request for such a hearing.

Staff's Memorandum and Recommendation

Staff recommends that the Commission grant Spectra price cap status because it meets the criteria in Section 392.245.2. Staff notes that Spectra now serves as a "large incumbent local exchange telecommunications company," as used in Section 392.245.2, by providing service to former GTE Midwest Incorporated exchanges, and that Mark Twain Communications Company is acting as an "alternative local exchange telecommunications company" as used in Sections 386.020(1) and 392.245.2.

Staff believes that Mark Twain has not only the authority to provide service in Spectra's service area, but is also

in fact doing so. According to Staff, Mark Twain serves 784 full facility-based residential voice grade equivalent lines and 250 full facility-based business voice grade equivalent lines in the Spectra service area. Staff recommends that the Commission grant Spectra price cap status.

The Commission agrees with its Staff and will grant Spectra price cap status.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact. The Commission in making this decision has considered the positions and arguments of all of the parties. Failure to specifically address a piece of evidence, position, or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

In order to qualify for price cap regulation under Section 392.245.2, Spectra must show and has shown: (1) that an alternative local exchange company is properly certificated to provide local exchange telecommunications services in Spectra's service area, and (2) that the alternative local exchange carrier is, in fact, providing such services in any part of Spectra's service area.

The Commission finds, after consideration of the petition and supporting materials, that Mark Twain is a facilities-based, alternative local exchange carrier that is duly certificated and actually providing basic local telecommunications service within Spectra's service area.

The Commission further finds that Spectra is a large incumbent local exchange company under Section 392.245.2 in that it operates in excess of 100,000 access lines.

Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law.

The Missouri Public Service Commission has jurisdiction over the services, activities, and rates of Spectra under Section 386.250 and Chapter 392.

Under Section 392.245.2, a large incumbent local telecommunications company is subject to price cap regulation after a determination by the Commission that an alternative local telecommunications company has been certified to provide basic local telecommunications service and is providing such service in any part of the large incumbent company's service area. The record shows that Spectra meets the conditions contained in Section 392.245.2, and thus will be subject to price cap regulation.

IT IS THEREFORE ORDERED:

1. That the request for an evidentiary hearing filed by the Office of the Public Counsel on October 28, 2002, is denied.
2. That Spectra Communications Group, L.L.C. d/b/a CenturyTel will be subject to price cap regulation under Section 392.245.2, RSMo 2000, as currently supplemented.
3. That this order will become effective on December 27, 2002.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Murray, Lumpe and Forbis, CC., concur
Simmons, Ch., and Gaw, C., dissent
Hopkins, Senior Regulatory Law Judge

[1] All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), revision of 2000, as currently supplemented.

[2] Report and Order, *Re GTE Midwest Incorporated and Spectra Communications Group L.L.C.*, Case No. TM-2000-182 (issued April 4, 2000).

[3] Order Granting Certificate of Service Authority and Suspending Tariff, *In the Matter of the Application of Mark Twain Communications Company*, Case No. TM-98-305 (issued May 19, 1998).

[4] See Affidavit of Arthur Martinez attached to Spectra's petition as Appendix 2.

[5] See Report & Order, *Re Southwestern Bell Telephone Company*, Case No. TO-97-397 (issued September 16, 1997); Order Approving Price Cap Regulation Application, *Re GTE Midwest Incorporated*, Case No. TO-99-294 (issued January 26, 1999); Order Approving Price Cap Application, *Re Sprint Missouri, Inc.*, Case No. TO-99-359

(issued August 19, 1999).

[6] Report and Order, *Re GTE Midwest Incorporated d/b/a Verizon Midwest and CenturyTel of Missouri L.L.C.*, Case No. TM-2002-232 (issued May 21, 2002).

[7] Order Approving Price Cap Regulation Application in Case No. TO-99-294, *supra*.

[8] *State of Missouri, ex rel. Public Counsel Martha S. Hogerty v. The Public Serv. Comm'n of the State of Mo., et al.*, Cause No. CV199-282CC (Cole Co. Cir. Ct., July 27, 1999).

Before the Public Service Commission
State of Missouri

In the Matter of the Application)
Of Mark Twain Communications)
Company for a nunc pro tunc)
Order Specifying the Service Area)
Of Mark Twain Communications,)
And redefining the Service Area of)
Spectra Communications for)
Purposes of Mark Twain's)
ETC Service Area and Federal)
Universal Service Support Pursuant)
To Section 254 of the Telecommuni-)
cations Act of 1996.)

Case No. TD-2006-0100

Application of Mark Twain Communications Company
for Nunc Pro Tunc Order
Specifying Service Area of Mark Twain Communications,
for an Order
Redefining the Service Area Of Spectra Communications Group, LLC, for
Purposes of Mark Twain's ETC Service Area,
and for an Order Granting Mark Twain Authority to File Such Order
Redefining the Study Area with the FCC for the FCC's Consideration

Comes now Mark Twain Communications Company (Mark Twain) and hereby
requests that the Commission provide the following relief:

Relief Requested:

Mark Twain requests that the June 15, 2000 Order in TA-2000-591 granting Mark Twain ETC Status be corrected nunc pro tunc to specify that the service area for which Mark Twain was designated an Eligible Telecommunications Carrier ("ETC") status consists of the Missouri exchanges of Ewing, La Belle, and Lewiston. "Nunc pro tunc" is a Latin phrase meaning "now for then". Nunc pro tunc orders are available to the Commission. They are used to correct a mistake, oversight, or clerical error in the

original order to conform it to the judgment actually intended to be entered, but which was accurately recorded. This is an appropriate Order to follow to make the correction requested herein.

Mark Twain requests that the Commission determine that the Study Area of Spectra Communications Group, LLC should be redefined for the purpose of Mark Twain's ETC designated service area pursuant to 47 U.S.C 214(e)(5) and 47 C.F.R. 54.207.

Mark Twain also seeks this Commission's authorization to file This Commission's Order redefining the Spectra study area for purposes of establishing Mark Twain's service area with the Federal Communications Commission ("FCC") pursuant to 47 U.S.C 214(e)(5) and 47 C.F.R. 54.207.

In support hereof, Mark Twain states as follows:

1. Mark Twain is a competitive local exchange carrier ("CLEC") certified by the Commission to provide basic local telecommunications services in the State of Missouri in Case No. TA-98-305.

2. Mark Twain's street address and principal place of business is P.O. Box 68, Highway 6 East, Hurdland, Missouri, 63547.

3. All Correspondence, pleadings, notices, orders, and decisions in this matter should be addressed to:

William Rohde
General Manager and Exec V.P.
P.O. Box 128
Hurdland, MO 63547
(660) 423-5211
(660) 423-5496 FAX
gm@marktwain.coop

Craig S. Johnson
Mo Bar # 28179
1648-A East Elm St
Jefferson City, MO 65101
(573) 632-1900
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craig@csjohnsonlaw.com

4. Mark Twain is a competitive local exchange carrier that has been providing local services in the Northeast Missouri exchanges of Ewing, LaBelle, and Lewistown since 1997. Mark Twain is also a competitive eligible telecommunications carrier (ETC) providing the services supported by the federal universal service fund. Mark Twain has received federal universal service support for such services provided in 2000 and thereafter.

5. It has been brought to Mark Twain's attention by the Universal Service Administrative Company ("USAC") that the Commission's June 15, 2000 Order designating Mark Twain as an ETC did not specify the service area for which it designated Mark Twain as an ETC, as is required by 47 CFR 54.201(b).

6. In its March 22, 2000 Application for ETC Designation, docket TA-2000-591, Mark Twain in paragraph 1 specified that its service area consisted of three Northeast Missouri exchanges, Ewing, La Belle, and Lewistown.

7. There were no interventions or requests for hearing in opposition to granting Mark Twain's ETC application.

8. In its Staff Recommendation of May, 16, 2000 in TA-2000-591, paragraph 3, Staff recommended the Commission "grant Mark Twain designation as an eligible telecommunications carrier for the purposes of receiving federal universal service support in its service area consisting of the Ewin[g], LaBelle, and Lewiston exchanges."

9. The Commission's June 15, 2000 Order granting Mark Twain's Application for ETC designation indicated the Application and Staff Recommendation had been reviewed, and based on that review the Commission granted "the relief requested in Mark Twain's application."

10. The June 15 Order issued by the Commission did not explicitly describe the service area for which it designated Mark Twain as an ETC. This Order was the Missouri Commission's first competitive ETC designation order, and it is understandable that the Order failed to specify the service area.¹

11. After the June 15, 2000 Order, Mark Twain made application with the federal Universal Service Fund for USF support. Mark Twain's application for USF support, and the support it received, was for the provision of service in the Missouri exchanges of Ewing, La Belle, and Lewistown.

12. Since June 15, 2000 Mark Twain has provided services only in the Ewing, La Belle, and Lewistown exchanges.

13. Mark Twain received federal high cost loop support for the three exchanges from July of 2002 until July 2003 when USAC discontinued payment. After interrupting these payments, USAC determined that support for the Ewing and Lewistown exchanges was conditioned upon this Commission and the FCC both taking the appropriate action to redefine the service area pursuant to 47 C.F.R. 207. According to USAC, this is required because the owner of the ILEC exchanges at the time, was a rural telephone company. USAC is withholding further payment pending the result of further proceedings before This Commission and the FCC.

14. Mark Twain requests that this Commission enter an Order redefining the Study Area of Spectra to be these three exchanges of Ewing, La Belle, and Lewistown for purposes of designating Mark Twain's ETC service area. Such an Order will not affect

¹ GTE, the purported owner of the exchanges at the time, was then in the process of obtaining regulatory approval to sell these exchanges, and others, to Spectra.

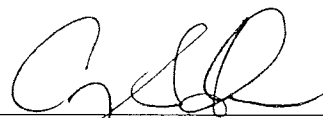
Spectra's study area for purposes of Spectra's federal USF support. Mark Twain's receipt of federal USF support does not affect the level of Spectra's USF support.

15. Mark Twain also requests that such Order grant Mark Twain the authority to file such Order redefining the study area with the FCC for the FCC's consideration in accordance with 47 U.S.C 214(e)(5) and 47 C.F.R. 54.207.

16. Applicant does not have any pending action, or final unsatisfied judgment or decisions against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the application.

17. Applicant does not have any annual reports or assessment fees that are overdue.

WHEREFORE, in consideration of the above, Mark Twain respectfully requests that the Commission revise, nunc pro tunc, its June 15, 2000 ETC Order in TA-2000-591 to specify Mark Twain's service area consisted of these three exchanges, for an Order to redefine Spectra's study area for purposes of Mark Twain's ETC designated service area, and for authorization to file said order with the FCC for its consideration thereof.



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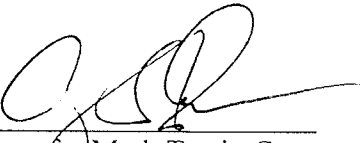
Attorney for Mark Twain
Communications

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was electronically mailed, this 31 day of August, 2005, to the following parties to:

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Lewis Mills
Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102



Attorney for Mark Twain Communications

VERIFICATION

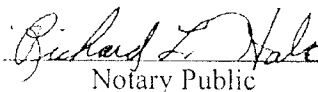
I, William Rohde, having been duly sworn upon my oath, state that I am General Manager and Executive Vice President of Mark Twain Communications Company, the Applicant, and am authorized by the Applicant to execute the foregoing Application and to make this Affidavit on its behalf, and that the matters and things stated in the foregoing Application are true and correct to the best of my knowledge, information and belief.



William Rohde

STATE OF MISSOURI)
)
COUNTY OF)

Subscribed and sworn to me, a Notary Public, on this 31st day of August, 2005.


Notary Public

RICHARD L. HALE
Notary Public - State of Missouri
Adair County

My commission expires _____ My Commission Expires: May 31, 2008