

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 3rd
day of February, 1995.

In the matter of GTE Midwest Incorporated's tariff)
revisions designed to provide its Branson West exchange)
with a Community Optional Service route to Southwestern) Case No. TT-95-157
Bell Telephone Company's Springfield exchange.)
)

ORDER APPROVING TARIFF

On November 7, 1994, GTE Midwest Incorporated (GTE) submitted a proposed tariff sheet which would implement Community Optional Service (COS) from the Branson West exchange to Southwestern Bell Telephone Company's (SWB's) Springfield exchange. This docket was created to consider GTE's request for approval of the tariff sheet in less than thirty days. After review, the Commission requested additional information from GTE and Commission Staff. GTE extended the effective date of the tariff sheet to February 4, 1995, to allow further consideration. On February 2, 1995, Staff filed a memorandum responding to the Commission's inquiry and recommending approval of the tariff sheet.

Two issues were raised by the Commission and addressed by Staff in its memorandum. The first issue is whether Branson West should receive COS even though it had not passed calling study criteria, and the second is whether the Branson West exchange should be consolidated with the Branson exchange.

In addressing the first issue, Staff points out that the Commission has approved COS routes under similar circumstances and that company-initiated COS routes were authorized by the Commission in Case No. TO-87-131. *Re: EMS, 30 Mo. P.S.C. (N.S.) 45, 59 (1989).* Staff points out that the Branson West situation is very similar to the circumstances involved in the approval of COS for the Seymour exchange.

Staff indicates that its investigation into possible exchange consolidation found that there would be a substantial loss of revenue to GTE from the consolidation, and a capital expenditure of at least \$90,000 would be required. Staff indicates that Branson West, although having the same calling scope as Branson, has a remote switch connected to the Kimberling City host central office. Staff points out there are situations which might lend themselves to consolidation before the circumstances surrounding the Branson West/Branson question.

The Staff analysis of the situation involved is found to be persuasive. The Commission in its order in TO-87-131 did authorize COS to be originated based upon petitions from municipalities, the company or twenty-five customers. The Commission is also persuaded by the loss of revenue and capital costs that consolidation of the Branson West and Branson exchanges is not a realistic option at this point in time. The Commission, though, still believes that exchange consolidation is a reasonable alternative in resolving some expanded calling scope problems and encourages GTE to consider exchange consolidation as an option when planning capital expenditures and upgrading of facilities.

Based upon the foregoing analysis, the Commission will approve the tariff sheet implementing COS for the Branson West exchange.

IT IS THEREFORE ORDERED:

1. That the tariff sheet submitted by GTE Midwest Incorporated to implement Community Optional Service from the Branson West exchange to Southwestern Bell Telephone Company's Springfield exchange is hereby approved for service on and after February 4, 1995. The tariff sheet approved is:

GTE Midwest Incorporated P.S.C. MO. NO. 3
3rd Revised Sheet 37, Cancels 2nd Revised Sheet 37

2. That this order shall become effective on the 4th day of February, 1995.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

McClure, Perkins and Kincheloe,
CC., concur.
Mueller, Chm., and Crumpton, C.,
dissent, with opinion to follow.