BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of Southwestern Bell Telephone Company, GTE Midwest Incorporated, and United Telephone Company of Missouri's Tariff Sheets designed to modify primary toll carriers for certain exchanges in Missouri.	)))))	Case No. TT-94-119

APPEARANCES: Katherine C. Swaller, Southwestern Bell Telephone Company, 100 North Tucker Blvd., Room 630, St. Louis, MO 63101-1976 for Southwestern Bell Telephone Company.

Thomas Grimaldi, Senior Attorney, United Telephone Company of Missouri, 5454 West 110th Street, Overland Park, KS 66211 for United Telephone Company.

James C. Stroo, Associate General Counsel, GTE Midwest Inc., P.O. Box 307, Wentzville, MO 63305-0307 for GTE Midwest Inc.

Edward J. Cadieux, Senior Attorney, MCI Telecommunications, 100 South Fourth Str., 2nd Floor, St. Louis, MO 63102 for MCI Telecommunications Corporation.

Martha Hogerty, Public Counsel, Office of the Public Counsel, P.O. Box 7800, Jefferson City, MO 65102 for the Office of Public Counsel and the public.

Colleen M. Dale, Deputy General Counsel, Public Service Commission, P.O. Box 360, Jefferson City, MO 65102 for the Staff of the Missouri Public Service Commission

HEARING EXAMINER: Dale Hardy Roberts

REPORT AND ORDER

On July 29, 1993, Southwestern Bell Telephone Company (SWBT) and General Mid-West Incorporated (GTE) each submitted tariffs with an October 15, 1993, effective date. On July 30, 1993, United Telephone Company (United) submitted a similar tariff which also bore an October 15, 1993 effective date. These three were virtually identical in that they seek to transfer approximately one hundred eleven (111) exchanges served by SWBT, United and GTE from their current primary toll carrier (PTC) assignment to the carrier which is actually providing local exchange service in those exchanges. Under the current arrangements it is possible for SWBT to be the PTC for a GTE exchange and vice-versa. The applicants suggest that this is no longer a logical arrangement and that there no longer exists the need for this arrangement to continue. Furthermore, the applicants have stated that by accomplishing this transfer the local exchange company (LEC) responsible for providing local exchange service to customers in those exchanges will also be responsible for providing LEC transported intraLATA toll services to its own customers.

The Public Service Commission Staff (Staff), by means of a tariff routing slip, recommended that these tariffs be suspended for further examination. On October 12, 1993, the Commission established this docket and received suggestions in opposition to the suspension from each of the three applicants. Also, on October 12, 1993, the Staff filed a Motion for Reconsideration and Protective Order. In an order to allow notice to the parties and the opportunity to respond to that pleading, on October 14, 1993, the Commission issued an Order Suspending Tariffs until October 27, 1993. Subsequent to the issuance of that order, a variety of replies and other responsive pleadings were filed with the Commission by each of the three (3) applicants and by the Office of Public Counsel (OPC). On October 26, 1993, the Commission issued an Order Suspending Tariffs and Granting Request for Accelerated Procedural Schedule which provided for an accelerated procedural schedule concluding with an evidentiary hearing scheduled for December 13 and 14, 1993. On November 30, 1993, an order was issued granting intervention to MCI Telecommunications Corporation (MCI). Also, on November 30, 1993, a Joint Motion to Suspend the Procedural Schedule was filed indicating that the parties in this matter had reached an agreement which would resolve all matters in controversy and thus render unnecessary any further testimony, discovery or a contested hearing. Pursuant to that unanimous request, the procedural schedule was suspended in this case and the parties were ordered to appear for the December 13, 1993 hearing for the purpose of offering their Stipulation and Agreement

(Agreement) to the Commission for its consideration.

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.

Throughout this procedure the applicants have indicated that these tariff sheets were not filed with the purpose of affecting the revenue or expenses of any of the individual applicants. Rather, the Companies seek to gain greater responsibility, control and flexibility in their own exchanges as modernization occurs and the Companies have suggested making these changes concurrent with the issuance of the order in the matter of *Staff of the Missouri Public Service Commission v. Southwestern Bell Telephone Company, Case No. TC-93-224*, (hereafter TC-93-224). Making these changes concurrent with the order in that case would eliminate the potential for confusion as it is anticipated that some rates may be decreased as a result of TC-93-224 only to again increase if and when the primary toll carrier plan is changed in the future.

Under the existing primary toll carrier (PTC) plan, a PTC that cannot carry its own toll traffic due to network constraints utilizes another PTC and bills the customer at the other PTC's toll rates. These tariffs, if approved, would allow the local exchange company (LEC) to bill the customer at its own toll rate irrespective of which company is actually providing the service or carrying the call. Thus, if approved, this arrangement would allow the PTC to bill all of its customers its own toll rates even if another PTC actually carried the call. There have been references throughout this docket to the rehoming concept; however, under the circumstances there will not be any physical changes to the network and, indeed, the proposed changes would be invisible to the customer, but for a possible change in that customer's rates. The Commission finds that one (1) of the results of the change in primary toll carriers will be various revenue shifts due to the changes in primary toll carrier rates. The Agreement of the parties requires that approximately 75 percent of the total additional revenues will be returned to the customers of the applicant(s) through a reduction of

Touchtone" rates, or a reduction of other services.

The Commission finds that the model attached to the Agreement as exhibit A, to that document, constitutes the appropriate form for the basis of computations and calculations under the terms of the order and as used consistent with the Agreement. The Commission further finds that the proposed customer notice(s) as provided for in paragraph 14 of the Agreement is in the public interest and shall be issued as submitted but for necessary changes in the actual amount of decrease or increase in rates and with the effective date of January 1, 1994.

The Commission finds that the tariffs filed in response to this order shall comply with and be consistent with the order issued on this date in case No. TC-93-224. The tariffs filed pursuant to this order may also be filed in accordance with the model incorporated in attachment A so long as the result reached thereby is consistent with the order in TC-93-224.

After reviewing the Agreement the Commission finds that the Agreement is in the public interest. The Commission finds that it is reasonable that the provider of local service also be permitted to act as the Primary Toll Carrier. The Commission further finds that the provision in the Agreement which returns a portion of the revenue, which is raised as a result of this plan, to the public is also in the public interest.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law:

The applicants have met the procedural requirements of the Commission in terms of providing the documentation and pleadings as required by 4 CSR 240-2.010 et seq.

The Commission has jurisdiction over the applicants pursuant to RSMo 386.010 (1986) et seq., and the Applicants are public utilities subject to Commission jurisdiction pursuant to the provisions of Chapters 386 and 392, RSMo 1986.

The Commission concludes the Findings of Fact herein are competent and substantial for the conclusion that the Primary Toll Carrier changes adopted by this order are reasonable and in the public interest.

The Missouri Public Service Commission has legal authority to accept and approve an Agreement disposing of a contested case pursuant to Section 536.060, RSMo 1986.

IT IS THEREFORE ORDERED:

1. That the tariff (9400078) submitted on July 29, 1993, by Southwestern Bell Telephone Company is hereby rejected and the Company is ordered to file tariff(s) to comply with this Report and Order consistent with the Stipulation and Agreement herein. The tariffs shall be for service on and after January 1, 1994.

2. That the tariffs (9400079 through 9400084) submitted on July 29, 1993, by GTE Midwest Incorporated are hereby rejected and the Company is ordered to file tariff(s) to comply with this Report and Order consistent with the Stipulation and Agreement herein. The tariffs shall be for service on and after January 1, 1994.

3. That the tariff (9400087) submitted on July 30, 1993, by United Telephone Company is hereby rejected and the Company is ordered to file tariff(s) to comply with this Report and Order consistent with the Stipulation and Agreement herein. The tariffs shall be for service on and after January 1, 1994.

4. That the Stipulation and Agreement of the parties, as attached hereto and incorporated herein as Attachment A, is hereby adopted by the Commission.

5. That the tariffs filed pursuant to this order shall be consistent with the decision in TC-93-224.

6. That public notice shall issue from the applicants to their respective customers, as discussed herein and as set out in the Stipulation and Agreement but for changes to reflect the actual and final rate changes and indicating an effective date of January 1, 1994.

7. That this order shall become effective on January 1, 1994.

BY THE COMMISSION

David L. Rauch

David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.

Dated at Jefferson City, Missouri,
on this 17th day of December, 1993.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Southwestern Bell Telephone Company, GTE Midwest Incorporated, and United Telephone Company of Missouri's Tariff Sheets Designed to Modify Primary Toll Carriers for Certain Exchanges in Missouri.	)))Case No. TT-94-119))

STIPULATION AND AGREEMENT

Pursuant to negotiations among the parties, United Telephone Company of Missouri ("United"), GTE Midwest Incorporated ("GTE"), Southwestern Bell Telephone Company ("SWBT"), (collectively "the companies"), the Office of the Public Counsel ("OPC"), the Staff of the Missouri Public Service Commission ("the Staff") and MCI Telecommunications Corporation agree and stipulate as follows:

1. The reconfiguration of primary toll carriers as proposed in the tariff sheets filed by the companies in this matter may be approved subject to the terms of this Stipulation and Agreement. These tariffs, the inter-company payments described herein and the additional tariffs required to effectuate this Stipulation and Agreement shall become effective at the same time any access and message toll service (MTS) rate changes ordered as a result of The Staff of the Missouri Public Service Commission v. Southwestern Bell Telephone Company, Case No. TC-93-224 are effective. If SWBT is granted a stay from implementing the rate reductions ordered in TC-93-224, then the companies will extend the effective date of the tariffs in this matter so that they will become effective coincident with the TC-93-224 rate reductions, without being

49.

subject to suspension. If, for some reason, the tariffs described herein inadvertently become effective prior to the rate reductions ordered in TC-93-224, the companies agree to immediately cancel the tariffs and to re-file the tariffs at a later date to be effective coincident with the rate reductions from TC-93-224.

2. The "model" attached hereto as "Exhibit A" shall form the basis for all computations and calculations under this settlement. Any rate reduction resulting from TC-93-224 will be incorporated into the model, which will provide the dollar amounts to be distributed under the terms of this agreement. For example, Exhibit A illustrates an $84,617,000 revenue reduction to be consistent with the revenue requirement scenario figure submitted in TC-93-224.

3. If the model indicates that GTE would suffer a net loss as a result of the reconfiguration between GTE and SWBT, SWBT will make interim support payments (located under the "Initial RN Payment" column of Exhibit A) to GTE for one year in an amount equal to the lesser of GTE's loss or SWBT's gain. For example, Exhibit A indicates a payment to GTE of $55,344 is required by this paragraph. SWBT will make no such payment to GTE if, under the model, GTE monetarily gains from the reconfiguration.

4. If the model indicates that United would suffer a net loss as a result of the reconfiguration between United and SWBT, SWBT will make interim support payments (located under the "Initial RN Payment" column of Exhibit A) to United in a base amount equal to the lesser of United's loss or SWBT's gain. Such payment would be

made at 100% of the base amount in 1994 and 1995, 80% of the base amount in 1996, 60% of the base amount in 1997, 40% of the base amount in 1998, 20% of the base amount in 1999 with no payments beyond 1999. For example, Exhibit A indicates a payment to United of $8,602 is required by this paragraph for 1994 and 1995. SWBT will make no such payment to United if, under the model, United monetarily gains from the reconfiguration.

5. After the payments, if any, referred to in Paragraphs 3 and 4 above, the remaining initial net gain to SWBT due to the reconfiguration shall be distributed as follows. One fourth of said net gain will be retained by SWBT. For example, Exhibit A reflects a net gain to SWBT of $3,623,248. SWBT will be allowed to retain $905,812 (or 25%) under this paragraph.

The remaining three-fourths will be returned to customers of the companies in the following way: SWBT will make transfer payments to GTE in the amount indicated on the model and transfer payments to United in the amount of $362,055 less 75% of any United gain due to reconfiguration, and any dollars remaining will be used by SWBT to further reduce the touch-tone rate for SWBT customers (provided that, if there is sufficient reduction, through this matter or TC-93-224, to bring this rate to zero, then any additional reductions will be applied to SWBT's custom calling rates). For example, Exhibit A indicates that GTE would receive a transfer payment in the amount of $1,259,118 (in addition to the $55,344 interim support payment previously described) and United would receive a transfer payment in the amount of $362,055 (in addition to the $8,602 interim support payment previously described). The transfer payments to United and GTE contemplated in this paragraph shall continue for 60 months, after which these amounts will be retained by SWBT.

6. United and GTE will file tariffs, to be effective coincident with the effective date of the rate reductions from TC-93-224 and the reconfiguration tariffs described herein, to reduce their MTS rates to reflect the gain received from the transfer payments described in Paragraph 5 and the process described in Paragraph 7. For example, Exhibit A indicates that GTE must file tariffs to reduce its MTS rates by $1,259,118 and United must file tariffs to reduce its MTS rates by $362,055. To the extent possible, the rate reductions for GTE required herein will be used to close the rate difference that currently exists between the former GTE North PTC toll rate schedules and the former Contel of Missouri PTC toll rate schedules. In no event will these moneys be used to widen the rate differentials between these rate schedules.

7. If GTE or United gains due to the reconfiguration without regard to the transfer payments contemplated above, then the gaining company shall retain one-fourth of that gain and shall return the remainder to its customers through tariff changes reducing message toll service rates. In the case of United, this reduction in MTS rates shall not exceed the greater of $362,055 or 75% of United's gain due to the reconfiguration. No such rate

changes will be required if the gain amount is so small that it will not permit any rate to be reduced by at least one cent.

8. Excluded from the gain/loss calculation are nine exchanges that may be sold by GTE. If any of these exchanges are sold by GTE within two years, United has agreed to resume PTC status for those sold exchanges. If any of those exchanges are not sold within two years from the effective date of these tariffs, United's agreement to resume PTC status for them will expire, and United will make a second reduction to message toll service rates in the amount of the gain associated with the specific unsold GTE exchanges previously excluded from the gain/loss calculation, to be effective coincident with the expiration of the agreement. The gain amounts associated with each of the nine exchanges are attached as Exhibit "B".

9. Nothing in this agreement shall have any effect on existing Commission imputation requirements for primary toll carriers.

10. If the Commission approves this Stipulation and Agreement, any calculations intended to revise SWBT's access or toll rates resulting from the Commission's decision in TC-93-224 will reflect the reconfiguration of primary toll carriers as proposed in the tariff sheets filed in Case No. TT-94-119 using the most recent available annual MTS and access quantities.

11. If, in the context of TC-93-224, SWBT submits an MTS cost study in order to demonstrate that the rates for any of the first four mileage bands are "below-cost", the MTS cost study shall

reflect the reconfiguration of primary toll carriers as proposed in the tariff sheets filed in Case No. TT-94-119.

12. SWBT agrees to revise its estimated $6.1 million net revenue impact due to the new expanded calling plans as identified in the Rate Design Stipulation and Agreement in TC-93-224. The revised calculation will reflect the reconfiguration of primary toll carriers as proposed in the tariff sheets filed in Case No. TT-94-119 as well as any switched access and MTS reductions resulting from the anticipated Commission decision in TC-93-224. The parties agree that the revised amount is $3,180,711, based on the revenue requirement scenario in TC-93-224. If the final Commission order in TC-93-224 results in a different number, the net revenue impact may need to be further revised.

13. SWBT, GTE and United agree that any data that may be filed with Staff and OPC concerning the actual revenue impacts of the new expanded calling plans will be adjusted to reflect the reconfiguration of primary toll carriers from the effective date of the reconfiguration as proposed in the tariff sheets of this case.

14. The companies will send out a second customer notice concerning the reconfiguration and its impact on customers, as an insert in the customer bills sent in the bill mailed closest to the date the tariffs resulting from this Stipulation and Agreement will be implemented. The customer notices are attached as Exhibits "C", "D" and "E".

15. The companies will provide to the Staff and OPC a list of interexchange carriers operating in the exchanges affected by these

changes known to the companies, and the methods by which customers may use such interexchange carriers in each exchange, if known to the companies.

16. This Stipulation and Agreement represents a negotiated settlement. Except as specified herein, the parties to this Stipulation and Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation and Agreement in any future proceeding, any proceeding currently pending under a separate docket, or this proceeding, nor shall the parties in any way condition the approval of this Stipulation and Agreement.

17. None of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking position underlying this Stipulation and Agreement or any question of Commission authority that may underlie this Stipulation and Agreement, or for which provision is made in this Stipulation and Agreement.

18. The provisions of this Stipulation and Agreement have resulted from negotiations among the signatories and are interdependent. In the event the Commission does not approve the terms of this Stipulation and Agreement in total, it shall be void and no party shall be bound, prejudiced or in any way affected by any of the agreements or provisions hereof.

WHEREFORE, the signatories respectfully request that the Commission issue an order that approves this Stipulation and Agreement and directs the companies to make further filings and take other action necessary to comply with the terms hereof.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as listed below this 10th day of December, 1993.

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File: Test

Impact of Bell Case on Rehoming

Assumes: Commission orders an overall revenue reduction in the Bell case of:	$84,617,000

Impact on Toll:

1. Bell's current toll revenues:	$177,474,000
2. Order reduces toll revenues by:	$22,535,000
3. (Line 1 - Line 2)/Line 1	0.873023654

Impact on Access:

1. Bell's current access revenues (CCL, LS, & LT):	$54,077,506
2. These access revenues would be reduced by:	$13,041,817
3. (Line 1 - Line 2)/Line 1	0.758831019

Light shaded areas represent specific figures impacted by the Bell Case.
Boxed numbers are figures impacted by the access reduction in United case.

Pre - Rehoming with Bell Case Impacts

Toll Revenue	United	Contel	GTE	SWB
United Exchanges	$0	$0	$0	$5,028,335
Contel Exchanges	$0	$0	$0	$7,047,188
GTE Exchanges	$0	$0	$0	$2,785,676
SWB Exchanges	$764,195	$0	$0	$0
Contel (United: PTC)	$0	$0	$0	$0
Total Toll Revenue	$764,195	$0	$0	$14,861,200

Access Revenue	United	Contel	GTE	SWB
United Exchanges	$3,767,528	$285,324	$129,907	$0
Contel Exchanges	$354,708	$5,562,956	$97,176	$0
GTE Exchanges	$65,458	$532,291	$2,155,474	$0
SWB Exchanges	$0	$34,310	$28,008	$212,587
Contel (United: PTC)	$0	$0	$0	$0
Total Access Revenue	$4,187,694	$6,414,881	$2,410,565	$212,587

Access Expense	United	Contel	GTE	SWB
United Exchanges	$0	$0	$0	($4,730,188)
Contel Exchanges	$0	$0	$0	($6,702,695)
GTE Exchanges	$0	$0	$0	($3,142,394)
SWB Exchanges	($286,502)	$0	$0	$0
Contel (United: PTC)	$0	$0	$0	$0
Total Access Expense	($286,502)	$0	$0	($14,575,277)

	United	Contel	GTE	SWB
Total	$4,665,387	$6,414,881	$2,410,565	$498,510

After Rehoming with Bell Case Impacts

Toll Revenue	United	Contel	GTE	SWB
United Exchanges	$6,121,733	$0	$0	$0
Contel Exchanges	$0	$8,960,528	$0	$0
GTE Exchanges	$0	$0	$3,364,106	$0
SWB Exchanges	$0	$0	$0	$628,332
Contel (United: PTC)	$0	$0	$0	$0
Total Toll Revenue	$6,121,733	$8,960,528	$3,364,106	$628,332

Access Revenue	United	Contel	GTE	SWB
United Exchanges	$0	$285,324	$129,907	$1,360,983
Contel Exchanges	$354,708	$0	$97,176	$1,934,414
GTE Exchanges	$65,458	$532,291	$0	$679,815
SWB Exchanges	$342,802	$34,310	$28,008	$0
Contel (United: PTC)	$0	$0	$0	$0
Total Access Revenue	$762,968	$851,925	$255,091	$3,975,212

Access Expense	United	Contel	GTE	SWB
United Exchanges	($2,227,916)	$0	$0	$0
Contel Exchanges	$0	($3,026,956)	$0	$0
GTE Exchanges	$0	$0	($1,634,592)	$0
SWB Exchanges	$0	$0	$0	($417,840)
Contel (United: PTC)	$0	$0	$0	$0
Total Access Expense	($2,227,916)	($3,026,956)	($1,634,592)	($417,840)

	United	Contel	GTE	SWB
Total	$4,656,785	$6,785,497	$1,984,605	$4,185,704

Calculation: [After Total - Pre Total]	After	- Pre	Difference
United	$4,656,785	$4,665,387	($8,602)
Contel	$6,785,497	$6,414,881	$370,616
GTE	$1,984,605	$2,410,565	($425,960)
SWB	$4,185,704	$498,510	$3,687,194

File: Test

Assume: SWB case results in overall reduction of: $84,617,000

Does not include financial info. of 9 Contel exchanges for sale.

Such a decision would produce the following results:

	Initial Impact
GTE	($55,344)(*)
United	($8,602)(*)
SWB	$3,687,194

To Determine Initial Transfer Amount and Initial Company Retainage

Initial transfer payment to GTE & United to ensure revenue nuetrality.

(*) United/GTE can keep 25% if initial impact is a positive number.
(**) SWB can keep 25% of initial net figure after initial RN payments.

	Initial Impact(*)	Initial RN Payment	Initial Net (**)	Amount for Rate Reductions	Company Retains	Amount Available Distrib.
GTE	($55,344)	$55,344	($0)	($0)	($0)	$0
United	($8,602)	$8,602	$0	$0	$0	$0
SWB	$3,687,194	($63,946)	$3,623,248	$905,812	$905,812	$1,811,624

To Determine a Second Transfer Payment Amount:

According to the proposed settlement SWB will use its gain as follows:
$905,812 Keep 25%
$905,812 Reduce rates
$1,811,624 Distribute remainder, up to toll charge increase of other companies.

Toll Charges Paid by a Company's Customers:

	Pre	Post	Difference	Percent
GTE	$9,832,865	$12,324,634	$2,491,769	70%
United	$5,028,335	$6,121,733	$1,093,398	30%
Total	$14,861,200	$18,446,367	$3,585,167	100%

SWB will distribute to United & GTE a total of: $1,811,624

GTE gets 70% $1,259,118 Goes to MTS reduction

United gets 30% $552,506 (United's MTS reduction capped at $362,055)
Thus United will receive $362,055 Goes to MTS reduction

If United's cap is reached, SWB will distribute remaining $190,451 to touch tone

Summary

	GTE		United		SWB	
	Rates	Retain	Rates	Retain	Rate	Retain
Initial	($0)	($0)	$0	$0	$905,812	$905,812
After 2 Pay.	$1,259,118	$0	$362,055	$0	$190,451	$0
Totals	**$1,259,118**	**($0)**	**$362,055**	**$0**	**$1,096,263**	**$905,812**

1.	Garden City	$25,043
2.	East Lynne	$79,274
3.	Creighton	$44,860
4.	Belle	$62,413
5.	Chamois	$27,490
6.	Morrison	$10,612
7.	Mount Sterling	$11,431
8.	Rockville	($16,269)
9.	Vichy	$24,376

DRAFT -- REVISED BILL MESSAGE/INSERT (TT-94-119)

During August or September 1993, you were notified of a filing made by Southwestern Bell Telephone Company (SWBT) with the Missouri Public Service Commission (MPSC). The MPSC recently approved this filing in which SWBT requested a change in the local telephone company that carries your intraLATA long distance calls. These are calls you make by dialing "1" plus the seven digit telephone number within your Local Access and Transport Area, or LATA, which is roughly the Jefferson City, Columbia and nearby portions of the 314 area code.

Effective ____________________, the carrier has been changed from United Telephone Company to SWBT. This change will result in a decrease of approximately ______ % in the rates you pay for such calls. The price reduction of a specific call will vary, depending upon the distance of the call, the time of day it is placed and its duration.

NOTE: This change will not affect your telephone number, the rate you pay for local service, the rates for optional calling plans such as the Optional Calling Area Plan (OCA) or Community Optional Service (COS), or rates charged by other long distance companies.

For more information regarding SWBT services, contact SWBT at _____. You may also obtain additional information regarding any aspect of this matter from the Missouri Office of the Public Counsel at 1-314-751-4857.

UNITED TELEPHONE BILL INSERT

The Missouri Public Service Commission has recently approved a change in the company that carries the long-distance calls that you make by dialing "1" plus the seven digit telephone number. You were notified of this pending filing in September. These are calls you make within your Local Access Transport Area, or LATA, which is roughly equivalent to an area code. (1) This change will not affect calls made outside this area.

The carrier has been changed from Southwestern Bell Telephone to United Telephone. This change will result in an increase of approximately 5% in the average rate for such calls. The cost of a specific call may change by more or less than that percentage, depending on the distance of the call, the time of day it is placed, and its duration. The rates for optional calling plans such as the Outstate Calling Area (OCA), Metropolitan Calling Area (MCA), and Community Optional Service (COS) plans as well as local services will be unchanged. For more information regarding United Telephone services, contact United Telephone at ________.

Additional information regarding this matter or regarding alternative competitive providers can be obtained from the Office of the Public Counsel at _______.

(1) For Westphalia LATA customers this should be changed to "roughly equivalent to the Jefferson City/Columbia regional area."

FINAL DRAFT - REVISED BILL MESSAGE/INSERT (TT-94-119)

During the third quarter, 1993, you were notified of a filing made by GTE with the Missouri Public Service Commission (MPSC). The MPSC recently approved this filing in which GTE requested a change in the local telephone company that carries intraLATA long distance calls. These are calls that are made by dialing "1" plus the seven-digit telephone number within the Local Access and Transport Area, or LATA, which is roughly equivalent to an area code.

Effective __________, the carrier has been changed from Southwestern Bell Telephone to GTE. This change will result in a __% increase in the average rate for such calls. The change in the rate of a specific call will vary, depending upon the distance of the call, the time of day it is placed and its duration.

The rates for optional calling plans such as the Optional Calling Area (OCA) or Community Optional Service plans as well as local services will not be changed. For more information regarding GTE Telephone services contact GTE at ______________.

Additional information regarding this matter or regarding alternative providers can be obtained from the Missouri Office of the Public Counsel at 1-314-751-4857.