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ALICIA EMBLEY TURNER

July 25, 2003

FILED³

JUL 25 2003

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

Re: Delta Phones, Inc. v. Southwestern Bell Telephone Company, L.P.,
d/b/a Southwestern Bell Telephone Company SBC Missouri

Dear Judge Roberts:

Enclosed for filing on behalf of Delta Phones, Inc. please find the original and five copies of a Complaint in the above referenced matter. This Complaint has been verified by Richard Tolan, President of Delta Phones Inc. I enclose a faxed copy of the Verification and will forward the original to you as soon as it is available.

Should you have any questions regarding this filing, please contact me.

Sincerely,

NEWMAN, COMLEY & RUTH, P.C.

By:

Cathleen A. Martin

Cathleen A. Martin
martinc@ncrpc.com

CAM:tgg

Enclosures

cc: Office of Public Counsel
General Counsel's Office
Robert Lock

FILED³
JUL 25 2003

Missouri Public
Service Commission

1. Complainant Delta Phones, Inc. (“DPI”) is a Louisiana corporation, with its principal place of business in Delhi, Louisiana. DPI’s address is 1245 East Diehl Road, Napierville, Illinois 60563-4816. DPI is a competitive local exchange carrier (“CLEC”), as that term is defined in the Act, and is operating in Missouri under a certificate of convenience and

necessity issued by this Commission on November 30, 1999, under Case No. TA-2000-272. DPI's certificate of authority to do business in the State of Missouri issued by the Missouri Secretary of State is attached hereto as Exhibit 1. DPI serves approximately 2977 customers in Missouri on a prepaid basis. DPI's customer base is primarily low-income and credit-challenged members of minority communities. Service providers such as DPI provide one of the only avenues available to these consumers for residential telephone service.

2. Respondent, Southwestern Bell Telephone Company, L.P., d/b/a Southwestern Bell Telephone Company ("SWBT"), is a Texas Limited Liability Partnership, with its principal place of business in San Antonio, Texas. SWBT provides local exchange telecommunications services in Missouri pursuant to a certificate of public convenience and necessity issued by the Commission. SWBT is an incumbent local exchange carrier ("ILEC"), as that term is defined in the Act. SWBT's Missouri place of business is One Bell Center, Room 3520, St. Louis, Missouri 63101.

3. All communications and pleadings in this case should be directed to:

Robert Lock
SourceCon, L.L.C.
7144 North Harlem Avenue #323
Chicago, IL 60631
Telephone: 866-824-8328
Facsimile: 866-824-8328
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Telephone: 573-634-2266
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NATURE OF COMPLAINT

4. DPI's complaint against SWBT raises several issues arising out of the Interconnection Agreement that the parties executed and which was approved by this Commission in Case Number 2003-0182 ("Agreement" or "IA"). First, SWBT has knowingly and consistently issued bills to DPI that are inflated and inaccurate, billing DPI for customers that are not DPI's, imposing late charges on sums that were not valid charges, double billing DPI customers, and other billing related errors. Without justification, or the benefit of a comprehensive analysis of DPI's billing disputes, SWBT also has disconnected DPI from the SWBT systems that DPI requires to service its customers, during the pendency of valid, good faith disputes.

5. In violation of both the Agreement, and a separate agreement executed between the Parties, as well as the terms of the Act and the FCC's implementing regulations there under, SWBT has either refused or been unable to provide UNE P service to DPI on a reliable and consistent basis, missing provisioning interval by as much as 86.2% in the state of Missouri.

6. In addition, SWBT has consistently refused to provide DPI with the electronic billing data and systems access necessary to operate its business, thus increasing DPI's costs and hampering its ability to service and bill its customers. SWBT has also used technician repair calls and visits as occasions to attempt to win back DPI customers.

7. To date, SWBT has overcharged or otherwise damaged DPI, in violation of the terms of the Agreement between the Parties, as well as the terms of the Act, the FCC's Local Competition Rules, and Missouri Law, in the amount of approximately \$554,964.34, with damages escalating each month at the rates set forth herein. At the present time, SWBT

disconnected DPI from the electronic operation support systems required to manage and control customer accounts.

8. SWBT knew or should have known that the systems upon which its bills to carriers such as DPI are based are seriously flawed, and incapable of rendering accurate bills for all services that carriers such as DPI use. Further, the processes and requirements that SWBT places upon carriers such as DPI, who present valid, good faith disputes on the inaccurate bills that SWBT produces, exacerbate the damage to DPI and other carriers similarly situated. This conduct on the part of SWBT rises to the level of either actual or constructive fraud. This fraud has been consistent and ongoing, and constitutes a breach of the Agreement executed between the parties, and approved by this Commission.

EXHAUSTION OF DISPUTE RESOLUTION

9. DPI has been unable to resolve these disputes after numerous and repeated good faith efforts to do so over the past several months. The parties have exhausted the informal dispute resolution process as set forth in the IA. DPI has no other choice but to request that the Commission resolve these disputes as to billing and business issues between the parties.

JURISDICTION

10. This Commission has general jurisdiction over both DPI and SWBT as telecommunications companies and their telecommunications facilities, including pursuant to Section 386.250, RSMo, including all powers necessary or proper to enable it to carry out fully and effectually all its regulatory purposes as provided in Section 386.040, RSMo. The Commission has jurisdiction to supervise SWBT and its facilities pursuant to Section 386.320,

RSMo. The Commission has jurisdiction to pursue complaints regarding unlawful conduct by telecommunications companies, such as this one against SWBT, pursuant to Sections 386.330, 386.390, 386.400 and 392.400, RSMo. As described in greater detail herein below, SWBT has violated Section 392.200, RSMo, by attempting to impose charges greater than those allowed by the Agreement and the Commission's orders relating thereto and SWBT has violated Sections 251 and 252 of the Telecommunications Act of 1996 by attempting to impose unapproved prices.

11. It also is appropriate to bring this claim before this Commission, based upon the terms of the parties' Interconnection Agreement. This Agreement was filed with the Commission and approved by Order of the Commission in Case Number 2003-0182. The Commission should take notice of the Agreement which is contained in its files and incorporated herein by reference.

The Interconnection Agreement provides in Section 10.6.1 that:

If the Parties are unable to resolve the dispute through the informal procedure described in Section 10.5, then either Party may invoke the formal Dispute Resolution procedures described in this Section 10.6

In addition, the Agreement provides that claims for more than 1% of the amounts charged, that are initiated to compel compliance with the dispute Resolution process, or that arise under federal or state statutes, need not be resolved by arbitration. §10.6.4 of the current Agreement states, in pertinent part:

If the following claims are not resolved through informal Dispute Resolution, they will not be subject to arbitration and must be resolved through any remedy available to a Party pursuant to law, equity or agency mechanism.

10.6.4.1 Actions seeking a temporary restraining order or an injunction related to the purposes of this Agreement.

10.6.4.2 Actions to compel compliance with the Dispute Resolution process.

10.6.4.3 All claims arising under federal or state statute(s), including antitrust claims.

STATEMENT OF FACTS

12. DPI and SWBT executed an Interconnection Agreement (“IA” or “Agreement”), together with various attachments incorporated therein on December 23, 2002. The Agreement was filed with the Commission, and was approved by Order of the Commission on December 20, 2002, in Docket No. 2003-0182. The Commission should take notice of the Agreement which is contained in its files and incorporated herein by reference.

13. The Agreement, as amended from time to time, provides the terms and conditions pursuant to which SWBT provides services to DPI for resale to its customers. Included in those services is the provision of both resold services and unbundled network elements (“UNEs”), according to various schedules which list the monthly recurring and nonrecurring charges associated therewith. The current Agreement also contains the terms and conditions under which SWBT must apply discounts in addition to those included in the Agreement, based upon the FCC Order approving the merger between SWBT and Ameritech.

14. In December of 2002, management changes at DPI resulted in a preliminary audit of DPI’s historic SWBT carrier billing records. This preliminary audit exposed numerous, potentially significant billing errors associated with DPI’s SWBT bills.

15. Throughout the month of January and the early part of February, 2003, DPI researched and filed billing disputes as required by SWBT dispute procedures, disputing various charges that had been erroneously assessed against it by SWBT. In each and every instance, SWBT denied DPI’s disputes with little or no explanation. When pressed for more detail by DPI personnel, SWBT was either unable or unwilling to provide the level of detail requested by DPI with respect to both the process and the rationale used by SWBT in rejecting DPI’s disputes.

16. On January 14, 2003, DPI notified SWBT in writing that it had established sufficient factual evidence to support disputes for all or various portions of its carrier bills from SWBT. (See Exhibit 2, attached hereto and incorporated herein by reference). That notice served as a further notice of dispute and request for escalation of said disputes under the terms of the Agreement between DPI and SWBT.

17. Between February and June of 2003, through email communications, letters and conference calls, the parties attempted to resolve the matters that DPI had raised in its notice of dispute, and in additional disputes that were raised as DPI's internal audit progressed. During this same time period, DPI engaged the services of nationally recognized revenue assurance and billing reconciliation consultants, in an attempt to calculate as closely as possible the exact amounts due and owing between the parties under their IA.

18. On March 18, 2003, despite its failure to provide DPI the detail requested regarding its disposition of DPI's disputes, SWBT notified DPI that it unilaterally considered its obligations under the informal dispute resolution process fulfilled, and demanded payment of \$763,740.56, or it would disconnect DPI from all SWBT systems. On March 19, 2003, representatives of SWBT and DPI negotiated an agreement outside of the terms of their IA which would allow DPI to maintain its disputes going forward, and committed SWBT to assisting DPI in the migration of its customers from resale to UNE P. In consideration of these commitments, DPI paid SWBT the amount outstanding, despite the existence of valid disputes, and committed to following the terms of the Agreement between them regarding the placing of disputed sums into escrow accounts. On March 21, 2003, the parties executed this extra-interconnection agreement, and began to operate thereunder.

19. Immediately upon transfer of funds, DPI attempted to work with SWBT to migrate resale customers to UNE P. Throughout the next several weeks, DPI attempted to process UNE P orders, and requested electronic copies of all bill related data.

20. On April 14, 2003, after experiencing significant problems with the process by which SWBT processed DPI orders, as well as, the failure of SWBT to provide DPI the detail that it needed regarding its billing disputes, DPI representatives met with SWBT representatives in an attempt to work through the over billing issues that DPI's preliminary bill audits had uncovered, as well as, SWBT's unacceptable performance levels with respect to the provisioning of DPI's UNE P orders. At that meeting, SWBT and DPI representatives outlined all of the issues of dispute between the parties, and SWBT committed to expediting the resolution of DPI's disputes. SWBT also committed to providing DPI with detailed explanations regarding the process by which it evaluated and determined disputes, as well as, more explicit detail on the specific resolution of DPI's disputes. SWBT also committed to providing DPI with electronic billing data to allow DPI to bill for carrier access charges. To date, very little additional detail has been provided regarding either the processes or the resolution of DPI's disputes. In addition, SWBT has been either unable or unwilling to provide DPI with access to the electronic billing data that it requires to bill for such things as inter-exchange access charges for long distance calls to and from DPI's customers.

21. On May 12, 2003, after submitting and escalating multiple disputes worth hundreds of thousands of dollars, SWBT summarily rejected all of DPI's disputes, without sufficient detail regarding the reason or the process for the rejections, and demanded payment in full of all outstanding invoices.

22. On May 15, 2003, SWBT denied DPI access to the electronic interfaces that allow it to serve its customers. As a result, DPI is no longer able to service its customers. This action on the part of SWBT, during the existence of valid disputes, initially exposed DPI to significant liability for both slamming complaints and for charges for customers that DPI has been unable to disconnect for non-payment of their bills. After several calls and emails, SWBT finally was willing to provide DPI with a manual solution to these problems.

23. SWBT's actions have resulted in significant losses associated with lost customers and sales agents, as well as significant sums expended in advertising for Delta Phones' services. In addition, the delays associated with SWBT's provisioning of UNE P service orders have exposed Delta Phones to significant damages associated with the charges that it can assess its customers. For example, in the state of Missouri, SWBT has missed the three day provisioning deadline in 86.2 of all orders submitted by DPI. Further, as many as 66.4% of all orders are not provisioned until after 5 days, as many as 40.7% of all orders not provisioned after 7 days, and some orders not being provisioned for as long as 24 days. SWBT's inability to provision these services for Delta Phones in any semblance of a reliable manner, has resulted in Delta Phones being billed at resale rates for customers that have been charged UNE P rates, based upon the ordering commitments that SWBT has made. This failure on SWBT's part to fulfill its commitments under the March 21, 2003 agreement has exposed Delta Phones to additional significant damage.

24. Between May 12, 2003 and the present, the parties have continued to negotiate regarding the billing disputes, as well as, the UNE P provisioning problems at issue. In addition, the parties have negotiated to remove the blocks on customer's accounts in order to address DPI's concerns regarding slamming complaints, as well as, to address problems caused by DPI's

inability to disconnect customers from DPI's service. At the present time, DPI has valid, bona fide disputes in the amount of \$554,964.34.

25. On June 16, 2003, SWBT again notified DPI and this Commission that it would disconnect all of DPI's customers any time it desired after June 18, 2003, if payment for all outstanding charges was not paid. Negotiations on the disputes raised within this complaint have been ongoing since the transmission of that letter, and DPI has communicated with this Commission by letter regarding the outstanding nature of DPI's disputes. In order to ensure that DPI customers are not negatively impacted, DPI has been forced to file this complaint.

26. Throughout the entire interconnection relationship between SWBT and DPI, DPI has not once been treated as a customer. In every instance, it has been treated as a competitor. In no instance was this more evident than where DPI had the audacity to challenge the accuracy of its SWBT carrier bills. The conduct which SWBT has consistently exhibited would never be tolerated in a truly competitive industry, and has resulted in hundreds of thousands of dollars in damages to DPI, and untold damage to DPI's customer base, and the Missouri communities that it serves.

COUNT I

Billed after Disconnect

27. For Count I, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 26 of this complaint.

28. Based upon DPI's analysis of the SWBT billing records and DPI's own internal ordering and provisioning data, there are a significant number of customers for whom DPI has continued to receive bills from SWBT, after those customers have been ordered disconnected by

DPI personnel. These disputes have been submitted to SWBT, which has rejected them without a complete evaluation of the service and billing records associated with them. DPI has escalated these disputes on multiple occasions for further explanation and resolution. The amount in dispute for this issue at the time of the filing of this complaint is \$172,170.40.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count I, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT II

Billed Not DPI Customer

29. For Count II, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 28 of this complaint.

30. There are significant disputes that DPI has raised with SWBT regarding customers that SWBT has billed DPI for that are not DPI customers. These disputes have been submitted to SWBT, which has rejected them without a complete evaluation of the service and billing records associated with them. DPI has escalated these disputes on multiple occasions for further explanation and resolution. The amount in dispute for this issue at the time of the filing of this complaint is \$617.96.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count II, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT III

Double Billing DPI Customers as Both Resale and UNE-P

31. For Count III, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 30 of this complaint.

32. DPI has encountered numerous instances where SWBT has charged DPI for customers both under the resale and UNE-P rate schedules during the same billing cycle, resulting in a double billing of DPI customers. These disputes have been submitted to SWBT, which has rejected them without a complete evaluation of the service and billing records associated with them. In addition, SWBT has consistently failed to provide any detail regarding either the process or the data that has been used to determine these disputes. DPI has escalated these disputes on multiple occasions for further explanation and resolution. The amount in dispute for this issue at the time of the filing is still being calculated. However, preliminary figures indicate that amount could be substantial.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count III, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT IV

Failure to Apply Merger Discounts

33. For Count IV, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 32 of this complaint.

34. On October 8, 1999 the FCC approved the merger between SWBT, the parent company of SWBT, with Ameritech. The merger was only granted upon the condition that

savings associated with the efficiencies created by the merger be flowed through to ratepayers and carrier customers. For competitive carriers such as DPI, these took the form of discounts on services that competitors resell to their customers, in addition to those already provided for in the parties' Agreement. These discounts were to have been implemented beginning on November 7, 1999, and to have continued for the state of Missouri until approximately January 13, 2002. After that date, SWBT was to have applied a 1.1% discount in addition to the 14.5% discount normally available through the IA. Complainants allege that SWBT failed to properly apply the merger related discounts to Delta Phones' account, resulting in significant losses to the company. The amount in dispute for this issue at the time of the filing of this complaint is \$165,961.86.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count IV, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT V

Unwarranted Demand for Security Deposit & Escrow

35. For Count V, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 34 of this complaint.

36. During the entire period of time that the interconnection relationship between SWBT and DPI has existed, SWBT has consistently over billed DPI for charges related to services that in some cases were not even supplied. As a result of these over billings, DPI began to dispute and withhold payment for certain charges that SWBT had assessed it. In retaliation, SWBT has attempted to impose upon DPI both a security deposit and escrow requirement. SWBT's imposition of said security requirements, while technically in conformity with the terms

of the Agreement executed between the Parties, was wholly unreasonable, given that SWBT knew or should have known that its systems were so unreliable that they would consistently result in over billing for the services that it billed DPI for from the inception of their interconnection relationship. Absent these over billings, there never would have been cause for DPI to withhold payment to SWBT on its accounts, or for SWBT to have requested a deposit or escrow in the first place. DPI has escalated these issues with SWBT on multiple occasions for further explanation and resolution, without success.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count V, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT VI

Failure to Provide Electronic Billing Records

37. For Count VI, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 36 of this complaint.

38. Despite numerous formal requests for electronic billing records with which to bill its customers, SWBT has consistently refused, or been unable to provide said electronic billing records to DPI in violation of the IA between the parties. As a result, DPI has been unable, from a practical perspective, to issue accurate and timely bills to its customers for the services that it provides using SWBT's facilities.

39. Currently, DPI is required to translate thousands of pages of paper billing records each month in order to accurately bill the thousands of customers that it serves. The inability or refusal of SWBT to provide said electronic billing records has resulted in significant damage to

DPI's business, and is a direct violation of federal and state telecommunications regulations. DPI has escalated these issues on multiple occasions for further explanation and resolution, without success.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count VI, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT VII

Failure to Provide Carrier Access Billing Records

40. For Count VII, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 39 of this complaint.

41. DPI began the migration of its customers from a resale to a UNE-P basis beginning in the 1st quarter of 2003. As a result of this conversion, DPI is now technically capable of collecting carrier access charges for long distance calls to and from its customer's telephone lines, if it can access electronic versions of SWBT's Carrier Access Billing System ("CABS") data. This issue was raised by DPI during the parties' April 14, 2003 dispute meeting, where SWBT committed to expediting DPI's access to all electronic versions of the CABS records. However, despite numerous requests by DPI, SWBT has been either unable or unwilling to provide the electronic CABS data that DPI requires in order to bill inter-exchange carriers for these calls.

42. To date, SWBT has only been able to provide DPI paper copies of CABS records, making it impossible for a company with thousands of customers in Missouri, to bill for these charges. DPI is now in a position where it must expend considerable time and resources in an

attempt to recover these charges from interexchange carriers, several months after the fact, raising the likelihood that DPI will not be able to collect the full amount that is due it from these carriers. Further, SWBT recently advised DPI that it has lost as much as three months of historic CABS data, and will be unable to reproduce it. As a result of this violation of the terms of the IA between the parties, DPI has been unable to collect these revenues, resulting in significant and ongoing damage to DPI's business. DPI has escalated these disputes on multiple occasions for further explanation and resolution, without success. The amount in dispute for this issue at the time of the filing of this complaint is \$201,525.00. At the current rate of growth, this issue will increase at a rate of approximately \$40,305 per month.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count VII, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT VIII

Improper Customer Contact

43. For Count VIII, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 42 of this complaint.

44. SWBT personnel have used every opportunity to deter DPI customers from taking service from DPI. On numerous occasions, SWBT technicians have attempted to convince DPI customers to either not take service from DPI, or to leave DPI, by stating that DPI does not have the ability to provide them service. In addition, DPI's SWBT service records indicate numerous circumstances where DPI customers were illegally directed to SWBT, in violation of the signed Letters of Authority that DPI customers had executed, and in violation of the terms of state and

federal telecommunications regulations. It is not currently possible to calculate the financial impact that SWBT's conduct has had on DPI. However, preliminary indications are that the damage could be considerable.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count VIII, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

COUNT IX

Invalid Late Charges

45. For Count IX, Complainant DPI incorporates by reference all of the allegations of paragraphs 1 through 44 of this complaint.

46. Throughout the course of the Parties' interconnection relationship SWBT has consistently over billed DPI for various services and charges that were not warranted. As a result of these over billings, on some occasions DPI withheld payment of its inflated carrier bill in full at the time they were due. SWBT knew or should have know that its billing systems were inaccurate, and likely to result in an over billing situation for a carrier such as DPI. In spite of this, SWBT assessed DPI late charges on its account which were unwarranted, and has consistently refused to credit said late charges to DPI's accounts. DPI has escalated these disputes for further explanation and resolution. The amount in dispute for this issue at the time of the filing of this complaint is \$406.02.

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent it deems necessary, a hearing on the allegations of Count IX, and that it enter an order in its favor and against SWBT as further set forth in this Complaint.

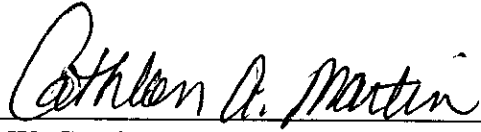
PRAYER FOR RELIEF UNDER ALL COUNTS

WHEREFORE, Complainant Delta Phones, Inc. requests that the Commission conduct, to the extent necessary, a hearing on all the allegations of the Complaint, and make the following rulings:

- 1) Direct SWBT to cease and desist from the disconnection, disruption, migration or other activities associated with the disturbance of Delta Phones' customers' telecommunications services;
- 2) Direct that SWBT restore electronic ordering and account management capabilities to DPI;
- 3) Direct that SWBT remove all RSCP blocks on DPI customer accounts so that customers may be allowed to switch to other carriers;
- 4) Direct that SWBT institute an electronic process for the disconnection of customers;
- 5) Determine that DPI does not have to post a security deposit, or place any funds in escrow accounts as demanded by SWBT, based upon SWBT's history of inaccurate and excessive over billing;
- 6) Declare that SWBT has had and continues to have an obligation to act in accordance with or otherwise abide by the terms of the Interconnection Agreement;
- 7) Determine that SWBT has failed to act in accordance with or otherwise abide by the terms of the Interconnection Agreement;
- 8) Require that DPI pay all undisputed current charges going forward, until such time as the existing billing disputes are resolved by this Commission;

- 9) Require that a total, account by account, USOC by USOC audit of all DPI customer accounts be performed to determine the precise amount that should be credited to DPI and paid to SWBT;
- 10) Require that SWBT be ordered to waive all charges associated with DPI customers that DPI has been restricted from disconnecting, from the time that DPI was unable to disconnect said customers due to SWBT's decision to deny DPI access to either manual or electronic customer account management systems;
- 11) Require that SWBT immediately cease and desist from any and all activities which attempt to solicit or win-back DPI customers to SWBT services;
- 12) Require that SWBT refund all amounts that DPI has overpaid, plus interest at the rate established in the parties' Interconnection Agreement;
- 13) Promptly set a prehearing conference and a deadline to file a procedure schedule, so that this matter may proceed to hearing; and
- 14) Such other relief as the Commission deems just and reasonable.

Respectfully submitted,



Mark W. Comley #28847

Cathleen A. Martin #45682

NEWMAN, COMLEY & RUTH P.C.

601 Monroe Street, Suite 301

P.O. Box 537

Jefferson City, MO 65102-0537

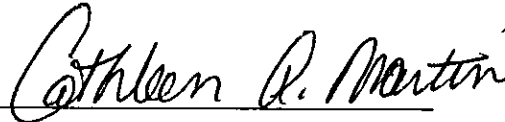
(573) 634-2266

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Attorneys for Delta Phones, Inc.

Certificate of Service

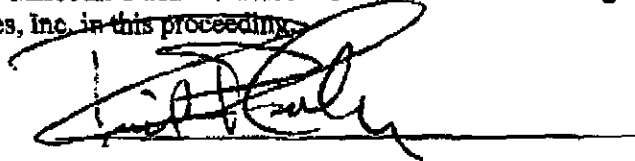
I hereby certify that a true and correct copy of the above and foregoing document was hand delivered or sent via facsimile and by U.S. Mail, postage prepaid on this 25th day of July, 2003, to General Counsel's Office, P.O. Box 360, Jefferson City, MO 65102; Office of Public Counsel, P.O. Box 7800, Jefferson City, MO 65102; and to Legal Department, Southwestern Bell Telephone Company, One Bell Center, Room 3520, St. Louis, Missouri 63101-1976 (facsimile: 314-247-0014).



VERIFICATION

STATE OF Illinois)
) ss.
COUNTY OF Kendall)

I, Richard Tolan, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and the President of Delta Phones, Inc. I am authorized to act on behalf of Delta Phones, Inc. regarding the foregoing document. I have read the Complaint and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Mark W. Comley and Cathleen A. Martin, Newman, Comley & Ruth P.C., Post Office Box 537, 601 Monroe Street, Suite 301, Jefferson City, MO 65102, are authorized to sign all pleadings and documents necessary to obtain the decision of the Missouri Public Service Commission on the foregoing Complaint, and to represent Delta Phones, Inc. in this proceeding.



On this 24th day of July, 2003, before me, a Notary Public, personally appeared Richard Tolan, and being first duly sworn upon his oath stated that he is over twenty-one years, sound of mind and the President of Delta Phones, Inc., he signed the foregoing document on behalf of Delta Phones, Inc., and the facts contained therein are true and correct according to the best of his information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the county and state aforesaid, the day and year above written.


Notary Public

My Commission expires:

10/7/2006



EXHIBIT 1

Missouri Secretary of State Certificate of Good Standing

STATE OF MISSOURI



Matt Blunt
Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, MATT BLUNT, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that


DELTA PHONES, INC.

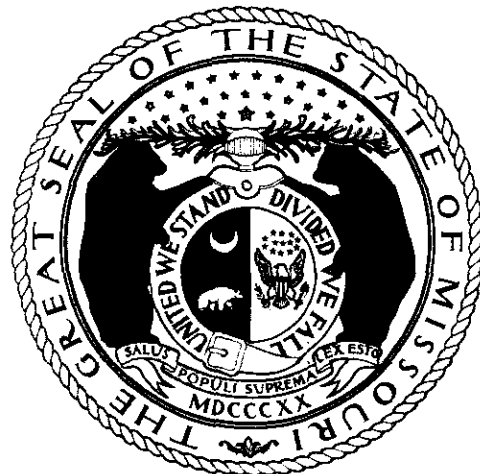
using in Missouri the name

**DELTA PHONES, INC.
F00470213**

a LOUISIANA entity was created under the laws of this State on the 28th day of May, 1999, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 24th day of July, 2003


Secretary of State



Certification Number: 5971283-1 Page 1 of 1 Reference:
Verify this certificate online at <http://www.sos.state.mo.us/businessentity/verification>

EXHIBIT 2

January 14, 2003 Correspondence to SWBT

Delta Phones, Inc.

245 Illinois Street
Delhi, LA 71232

Ms. Tahitha Winters
SBC-Southwestern Bell
722 North Broadway
Floor 11
Milwaukee, WI 53202

VIA FAX: 1800-858-6960

January 8, 2003

Dear Ms. Winters:

We are writing to acknowledge our receipt of your letters of December 30, 2002, related to our Arkansas, Kansas, Missouri, Oklahoma and Texas accounts with Southwestern Bell Telephone Company (SWBT). This letter will address a number of issues that are universal to all of our accounts with SWBT. Additional letters addressing each individual state account situation will follow this letter via overnight mail.

Please regard this letter as a formal notice of dispute and claim pursuant to the terms of §§ XII B. and XVIII C.1. of our Resale Agreement with SWBT. Set forth below is specific information supporting the instant dispute, including initial detailed explanations regarding those portions of the claimed charges that Delta Phones, Inc. disputes.

A review of the account history of Delta Phones, Inc. will reveal that we are committed to maintaining a sound business relationship with SWBT. These disputes are raised in good faith, based upon a recent examination and reconciliation of Delta Phones, Inc.'s current and historical billing records. The disputed charges raised above were discovered only after said reconciliation, which began on December 31, 2002, and concluded on January 13, 2003. A preliminary review of the disputed charges reveals that the amount in dispute currently exceeds the amount claimed due and owing from Delta Phones, Inc. to SWBT in your December 30, 2002 letter.

At the present time, the amount of charges that Delta Phone, Inc. has identified as in dispute or subject to refund under the terms of our resale agreement, totals approximately \$1,754,906.50. This total includes improperly assessed charges across all of our accounts in all 5 states referenced above. These charges include significant charges for access lines that were never Delta Phones, Inc. customers. For example, the following estimated information sets forth the amount of overcharges for non-Delta Phones, Inc. customers, by state:

- Arkansas: \$202,712.14

- Kansas: \$68,628.77
- Missouri: \$85,495.48
- Oklahoma: \$28,379.97
- Texas: \$7,129.27
- Total: \$392,345.63

In addition to charges for non-Delta Phones, inc. customers, our preliminary reconciliation estimates that charges were assessed on numerous customer access lines after the lines were disconnected:

- Arkansas: \$132,484.30
- Kansas: \$31,621.66
- Missouri: \$72,443.97
- Oklahoma: \$11,022.56
- Texas: (\$17,289.31)
- Total: \$230,283.18

Our preliminary reconciliation has also identified numerous incorrect charges for repair services assessed against Delta Phones, Inc. These charges are set forth as follows:

- Arkansas: \$26,139.44
- Kansas: \$8,607.99
- Missouri: \$7,913.83
- Oklahoma: \$2,034.50
- Texas: \$372.00
- Total: \$45,068.00

One very large area of discrepancy in our accounts relates to the assessment of appropriate levels of discounts related to SBC's merger with the local exchange operations of companies such as SNET, Pacific Bell and Ameritech. A preliminary reconciliation of the Delta Phones, Inc. accounts across the five states referenced above reveals the following discrepancies:

- Arkansas: \$625,956.04
- Kansas: \$205,520.30
- Missouri: \$188,507.91
- Oklahoma: \$48,461.86
- Texas: \$5,075.56
- Total: \$1,073,521.66

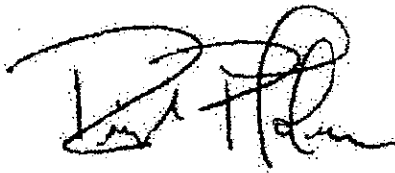
As you can see, the amount of overcharges that were revealed in our preliminary account reconciliation were substantial, and far exceed the amounts due and owing from Delta Phones, Inc. to SWDT for services purchased in the five states referenced above. In addition to the above referenced charges, there are also additional charges that were misassessed related to Directory Assistance and Operator Services. These charges will

be explained in detail, along with additional information on the above charges, in the response letters for each individual state in our SWBT service territory.

Delta Phones, Inc. desires to resolve this dispute pursuant to the informal dispute resolution procedures contained in § XVIII of our Resale Agreement. In fulfillment of the requirements of § XVIII, Delta Phones, Inc. has designated Mr. Jennifer Jandora as a knowledgeable and responsible representative to meet and negotiate in good faith to resolve the above listed disputes.

Delta Phones, Inc. looks forward to the prompt and amicable resolution of this matter, and to the continued enjoyment of a long and mutually beneficial business relationship. Should you have any questions with regard to any aspect of this dispute, please contact Ms. Jennifer Jandora, at 888 220 9183.

Respectfully,

A handwritten signature in black ink, appearing to read "Richard Tolan", with a stylized flourish at the end.

Richard Tolan
President
Delta Phones, Inc.