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August 30, 1999

**FILED<sup>2</sup>**

AUG 30 1999

Missouri Public  
Service Commission

TA 2000-200

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

**Re: In the matter of the application of Ellington Telephone Company d/b/a McCormack - Missouri for a certificate of service authority to provide interexchange and local exchange telecommunications services.**

Dear Mr. Roberts:

Enclosed please find the original plus fourteen (14) copies of Application for filing on behalf of Ellington Telephone Company d/b/a McCormack - Missouri in the above referenced matter. Please bring this matter to the attention of the appropriate Commission personnel.

Thank you for your attention to this matter.

Very truly yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Sondra B. Morgan

SBM/k

Enclosures

cc: Office of Public Counsel  
Dee McCormack

0000184

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

AUG 30 1999

Missouri Public  
Service Commission

In the matter of the application of )  
Ellington Telephone Company )  
d/b/a McCormack - Missouri )  
for a certificate of service authority )  
to provide interexchange and local )  
exchange telecommunications )  
services )

Case No. TA 2000-206

APPLICATION

Ellington Telephone Company d/b/a McCormack - Missouri ("Applicant"), a Missouri corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide interexchange and local exchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;
- (b) grants competitive status to Applicant; and
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMO Supp. 1998.

In support of its request, Applicant states:

1. Applicant is a Missouri corporation with its principal office and place of business at 200 College Avenue, Ellington, Missouri 63638. A copy of Applicant's Articles of Incorporation and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri is marked Appendix A and attached hereto as if more fully incorporated herein. A copy of Applicant's Registration of Fictitious Name is attached hereto as Appendix B. A list of Applicant's current officers and directors is attached as Appendix C and is incorporated by reference herein.

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2. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

Dee McCormack  
President  
McCormack - Missouri  
P.O. Box 400  
Ellington, Missouri 63638

W.R. England, III, Esq.  
Sondra B. Morgan, Esq.  
Brydon, Swearngen & England, P.C.  
312 East Capitol Street  
P.O. Box 456  
Jefferson City, Missouri 65102

3. Applicant proposes to resell one plus (1+) interexchange telecommunications services and associated operator and directory assistance services to business and residential customers located throughout the State of Missouri. Initially, Applicant will only provide service to local exchange customers of Ellington Telephone Company in the exchanges of Ellington, Sweetwater, Redford, Clearwater Lake, and Garwood. Applicant will utilize its own facilities, or purchase for resale, the services or facilities of other carriers in order to provide the services sought to be provided.

4. Applicant proposes to charge for its services based upon rates, rules and regulations as proposed in the tariff attached hereto and incorporated by reference as Appendix D.

5. Applicant requests classification as a competitive telecommunications company within the State of Missouri. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will

allow greater price and service options for telephone users.

6. Applicant also requests, pursuant to Section 392.420, RSMO 1994, that the Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

§392.240(1)	Rates-reasonable average return on investment.
§392.270	Property valuation.
§392.280	Depreciation rates.
§392.290	Issuance of stocks and bonds.
§392.310	Issuance of stocks and bonds.
§392.320	Issuance of stocks and bonds.
§392.330	Issuance of stocks and bonds.
§392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-30.040	Uniform System of Accounts.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	In-state record keeping.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

It is Applicant's understanding that the above-referenced rules and statutory provisions have typically been waived for other interexchange carriers in prior cases.

7. The interexchange services provided by Applicant will be performed by the Applicant or by independent contractors, agents or employees of Ellington Telephone Company. For example, billing & collection and billing inquiry services will be performed by the Applicant, or they will be provided under contractual agreements between Applicant and independent contractors, including local exchange carriers. Applicant will compensate its independent

contractors, or local exchange carriers fully for all services provided on Applicant's behalf.

8. Ellington Telephone Company has extensive experience in providing reliable and affordable telecommunications services to the public in the State of Missouri. As a result, Applicant will have available to it the technical expertise to provide interexchange telecommunications services that meet or exceed all service standards established by the Commission.

9. Applicant is financially capable of providing the proposed service. For purposes of illustration, Financial Statements of the Applicant are attached hereto as Appendix E.

10. The Commission has found that the interexchange market which Applicant seeks to enter is sufficiently competitive so as to justify a lesser degree of regulation. In Re Classification of Service Provided by Interexchange Telecommunications Carrier within the State of Missouri, Case No. TO-88-142, Report and Order (effective October 16, 1989) at pp. 19-20. Expedient grant of the instant Application will increase the competition in the provision of interexchange services, consistent with the Commission's policies and increase the variety and number of interexchange telecommunications providers and services available to users. Accordingly, Applicant's proposed operations are in the public interest.

WHEREFORE, Applicant respectfully requests that the Commission grant it a certificate of service authority to provide intrastate interexchange and local exchange telecommunications services to the public in the State of Missouri. If granted local exchange authority, such authority will be limited to the provisioning of dedicated, non-switched local exchange private line services. Applicant also requests classification as a competitive telecommunications company. In addition, Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,

*Sandra B. Morgan*

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W.R. England, III      Mo Bar#23975  
Sondra B. Morgan      Mo Bar #35482  
Brydon, Swearingen & England P.C.  
312 East Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102-0456  
(573) 635-7166

Attorneys for ELLINGTON TELEPHONE  
COMPANY d/b/a MCCORMACK - MISSOURI

**VERIFICATION**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF REYNOLDS )

**Dee McCormack**, having been duly sworn upon his oath, states that he is **President** of **Ellington Telephone Company d/b/a McCormack - Missouri**, Applicant herein, and as such, is duly authorized to execute said Application and to make this affidavit on its behalf, that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of his information, knowledge and belief.

Dee McCormack

Subscribed and sworn to before me, a notary public, on this 27th day of August, 1999.

Norma Jean Roy  
Notary Public      NORMA JEAN ROY

My Commission expires:

NORMA JEAN ROY  
Notary Public - Notary Seal  
State of Missouri  
County of Reynolds  
My Commission Expires 11/13/2002

**Appendix A**  
**Articles of Incorporation**  
**Ellington Telephone Company**



# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

CORPORATION DIVISION  
CERTIFICATE OF CORPORATE RECORDS

ELLINGTON TELEPHONE COMPANY

I, REBECCA McDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI AND KEEPER OF THE GREAT SEAL THEREOF, DO HEREBY CERTIFY THAT THE ANNEXED PAGES CONTAIN A FULL, TRUE AND COMPLETE COPY OF THE ORIGINAL DOCUMENTS ON FILE AND OF RECORD IN THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 23RD DAY OF AUGUST, 1999.

*Rebecca McDowell Cook*  
Secretary of State



KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, desirous of forming a corporation under the laws of the State of Missouri, and more particularly under the provisions of Article VI Chapter 90 Revised Statutes 1919, and amendments thereto, for the purpose of constructing, owning, operating and maintaining lines of telephone and telephone exchanges, have entered into the following agreement:

FIRST: That the name of the corporation shall be ELLINGTON TELEPHONE COMPANY.

SECOND: That the amount of the capital stock is Fifteen Thousand Dollars (\$15,000.00) divided into One Hundred and Fifty (150) Shares of One Hundred Dollars (\$100.00) each. That Five Hundred Dollars (\$500.00) thereof has been duly subscribed.

THIRD: That the Board of Directors shall consist of three members; and those elected for the first year are Burdette W. McCormack, Mabel H. McCormack and Burdette W. McCormack, Jr.

FOURTH: That the names, places of residence of the several shareholders and the number of shares subscribed by each are as follows:

<u>Name</u>	<u>Residence</u>	<u>Number of Shares</u>
Burdette W. McCormack	Ellington, Mo.	One
Mabel H. McCormack	Ellington, Mo.	One
Burdette W. McCormack, Jr.	Ellington, Mo.	One
R. D. Hogan	St. Louis, Mo.	One
P. R. Ridgely	St. Louis, Mo.	One

FIFTH: That the location of the principal office or place of business is at Ellington, in Reynolds County, in the State of Missouri, and Burdette W. McCormack is the authorized agent thereat.

SIXTH: That the corporation shall continue for the period of Fifty (50) Years.

IN TESTIMONY WHEREOF, we have hereunto set our hands this 3<sup>rd</sup> day of October, 1928.

Burdette W McCormack

Mabel H McCormack

Burdette W McCormack Jr

R. D. Hogan

F. T. Ridgely

State of Missouri )  
                          )SS.  
County of Reynolds )

Burdette W. McCormack, Mabel H. McCormack, and Burdette W. McCormack, Jr., being three of the subscribers to the foregoing Articles of Association for the incorporation of the Ellington Telephone Company, being duly sworn, each did say that the matters and things set forth therein are true.

Burdette W McCormack

Mabel H McCormack

Burdette W McCormack Jr

Subscribed and sworn to before me this 3<sup>rd</sup> day of October, 1928.

My commission expires June 9<sup>th</sup> 1930

John A. [Signature]  
Notary Public.



STATE OF MISSOURI

County of *Atchison*

I, *Wm. Thompson*, Recorder of said County, do hereby certify that

the within instrument of writing was, on the *5th* day of *October* A. D. 19 *28*

at *3 o'clock*, *30* minutes *P.M.* duly filed for record in this office, and is recorded in the Records

of this office, in Book *76*, Page *531*

In Witness Whereof, I have hereunto set my hand and affixed my official seal  
*Wm. Thompson* Recorder  
at *Atchison*, Mo. this *5th* day of *October*, A. D. 19 *28*

Filed for record this *5th* day of *October* 19*28*  
C. E. THOMPSON, Recorder  
OCT 10 1928  
FILED  
AND COPY SENT  
*W. Thompson*  
*531*

**Appendix B**

**Registration of Fictitious Name  
Ellington Telephone Company  
d/b/a McCormack - Missouri**



# State of Missouri

No. X 360303

Rebecca McDowell Cook, Secretary of State  
Corporation Division

## Registration of Fictitious Name (Submit in duplicate with a filing fee of \$7)

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another company or corporation from adopting and using the same name. (RSMo 417)

We, the undersigned, are doing business under the following name, and at the following address:

Name to be registered: McCormack-Missouri

Missouri Business Address: 200 College Avenue, P.O. Box 400  
(P.O. Boxes not accepted)

City, State and Zip Code: Ellington, MO 63638

The parties having an interest in the business, and the percentage they own are (if a corporation is owner, indicate corporation name and percentage owned). If all parties are jointly and severally liable, percentage of ownership need not be listed:

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
Ellington Telephone Co.	200 College Ave., P.O. Box 400	Ellington	MO 63638	100

(Must be typed or printed)

Return to: Secretary of State  
Corporation Division  
P.O. Box 778  
Jefferson City, Mo. 65102

**FILED**

AUG 26 1999

(Over)

*Rebecca McDowell Cook*  
SECRETARY OF STATE

The undersigned, being all the parties owning interest in the above company, being duly sworn, upon their oaths each did say that the statements and matters set forth herein are true.

Individual Owners Sign Here { X \_\_\_\_\_ X \_\_\_\_\_  
X \_\_\_\_\_ X \_\_\_\_\_  
X \_\_\_\_\_ X \_\_\_\_\_

The undersigned corporation has caused this application to be executed in its name by its President or Vice-President and its Secretary or Assistant Secretary, this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

If Corporation is Owner, Corporate Officers Execute Here

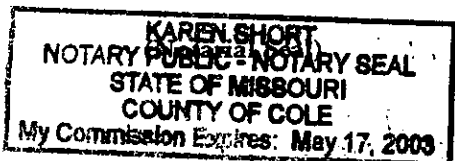
Ellington Telephone Co. (Exact Corporate Title)  
By Dee M. Cormack Its President or Vice-President  
By [Signature] Its Secretary or Assistant Secretary

(Corporate Seal)  
If no seal, state "none".

State of Missouri }  
County of Cole } ss

I, Karen Short, A Notary Public, do hereby certify that on the 18th day of August, 19 99, personally appeared before me Dee McCormack, and being first duly sworn by me, acknowledged that \_\_\_\_\_ he signed as his own free act and deed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.



Karen Short  
Notary Public

My commission expires \_\_\_\_\_  
MY COUNTY OF COMMISSION \_\_\_\_\_

**Appendix C**

**Officers and Directors  
Ellington Telephone Company**



OFFICERS AND DIRECTORS  
ELLINGTON TELEPHONE COMPANY

Officers:

President - Dee M. McCormack

Vice President - Mary M. McCormack

Secretary - Molly E. Heady

Directors:

Dee M. McCormack

Molly E. Heady

John R. McCormack

**Appendix E**

**Financial Statements  
Ellington Telephone Company**

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ELLINGTON TELEPHONE COMPANY, INC.  
ELLINGTON, MISSOURI

FINANCIAL STATEMENTS  
December 31, 1998  
(Unaudited)

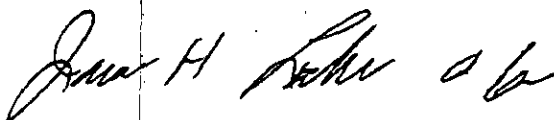
\*\*\*\*\*

James H. Lanham and Company  
2700 West Lawrence Avenue  
Springfield, IL 62704

To the Board of Directors of  
Ellington Telephone Company, Inc.  
Ellington, Missouri

We have compiled the accompanying balance sheets of Ellington Telephone Company, Inc. ( a corporation) as of December 31, 1998 and 1997, and the related statements of income and retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



James H. Lanham and Company

April 3, 1999

Ellington Telephone Company, Inc.  
Comparative Balance Sheets  
(Unaudited)

ASSETS

	December 31,	
	1998	1997
<b>Current Assets:</b>		
Cash and Equivalents	\$494	\$183,236
Temporary Cash Investments	416,000	416,000
Telecomm. Accounts Receivable	113,444	117,281
Other Accounts Receivable	520,449	184,924
Materials and Supplies	20,363	20,363
Total Current Assets	1,070,750	921,804
<b>Non-current Assets:</b>		
Investment in Cellular Company	800	800
Nonregulated Investments	584,836	364,505
Extraordinary Maintenance and Retirements	49,160	49,160
Total Non-current Assets	634,796	414,465
<b>Telephone Plant:</b>		
Telephone Plant in Service	5,269,371	4,561,805
Less: Accumulated Depreciation	1,676,844	1,514,286
Net Telephone Plant in Service	3,592,527	3,047,519
Telephone Plant Under Construction	135,285	135,285
Total Telephone Plant	3,727,812	3,182,804
Total Assets	\$5,433,358	\$4,519,073

See Accompanying Notes and Accountant's Report.

Ellington Telephone Company, Inc.  
Comparative Balance Sheets  
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31,	
	1998	1997
<b>Current Liabilities:</b>		
Accounts Payable	\$430,439	\$239,246
Note Payable	390,000	280,000
Accrued Income Taxes	45,376	124,790
Accrued Other Taxes	1,296	1,084
<b>Total Current Liabilities</b>	867,111	645,120
<b>Deferred Credits:</b>		
Unamortized Investment Tax Credit	25,664	33,914
Deferred Operating Income Tax	401,824	331,081
<b>Total Deferred Credits</b>	427,488	364,995
<b>Stockholders' Equity:</b>		
Common Stock, par value \$100, 150 Shares Authorized and Outstanding	15,000	15,000
Paid in Surplus	17,097	17,097
Retained Earnings	4,106,662	3,476,861
<b>Total Stockholders' Equity</b>	4,138,759	3,508,958
<b>Total Liabilities and Stockholders' Equity</b>	\$5,433,358	\$4,519,073

See Accompanying Notes and Accountant's Report.

Ellington Telephone Company, Inc.  
Comparative Income Statements  
(Unaudited)

	December 31,	
	<u>1998</u>	<u>1997</u>
Operating Revenues:		
Local Network Service	\$171,681	\$177,353
Network Access Service	2,303,492	1,889,512
Miscellaneous	106,652	125,853
Less: Uncollectibles	<u>3,262</u>	<u>3,199</u>
Total Operating Revenues	2,578,563	2,189,519
Operating Expenses:		
Plant Specific Operations	735,637	616,200
Plant Nonspecific Operations		
(Includes Depreciation and Amortization		
of \$226,829 and \$207,424, respectively)	254,768	253,385
Customer Operations	190,818	188,562
Corporate Operations	366,544	352,764
Operating Taxes:		
Income Taxes	338,673	276,173
Other Operating Taxes	<u>54,912</u>	<u>35,830</u>
Total Operating Expenses	<u>1,941,352</u>	<u>1,722,914</u>
Net Operating Income	<u>637,211</u>	<u>466,605</u>
Other Income (Expense):		
Dividend and Interest Income	2,892	3,450
Other Interest (Expense)	(26,995)	(21,715)
Non-Operating Income (Expense) (Net)	(21,846)	38,293
Non-Regulated Income Tax	(59,223)	(52,955)
Non-Regulated Income (Net)	<u>135,262</u>	<u>121,421</u>
Total Other Income (Expense)	<u>30,090</u>	<u>88,494</u>
Net Income	<u>\$667,301</u>	<u>\$555,099</u>

See Accompanying Notes and Accountant's Report.