1 2	STATE OF MISSOURI
3	PUBLIC SERVICE COMMISSION
5	TRANSCRIPT OF PROCEEDINGS
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5	Prehearing
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7	December 12, 2005
8	Jefferson City, Missouri Volume 3
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10	<pre>In the Matter of a Request for the) Modification of the Kansas City) Metropolitan Calling Area Plan to)Case No. TO-2005-0144 Make the Greenwood Exchange Part) Of the Mandatory MCA Tier 2)</pre>
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14	NANCY DIPPELL, Presiding
15	SENIOR REGULATORY LAW JUDGE
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1 A P P E A R A N C E S For Staff of the Missouri Public Service Commission: 2 3 Mr. David Meyer Public Service Commission 200 Madison Street 4 P.O. Box 360 5 Jefferson City, MO 65102 (573) 751-8906 6 For Cass County Telephony Company, Lathrop Telephone Company: 7 Mr. Brian T. McCartney 8 Brydon, Swearengen & England 312 E. Capitol Avenue 9 P.O. Box 456 Jefferson City, MO 65102-0456 10 (573) 635-7166 11 For Office of Public Counsel and the Public: 12 Mr. Michael Dandino Office of Public Counsel 13 P.O. Box 7800 14 200 Madison Street Jefferson City, MO 65102 (573) 751-5559 15 16 For Mo-Kan Dial: 17 Mr. Craig S. Johnson Attorney at Law 18 1648-A East Elm Street 19 Jefferson City, MO 65101 (573) 632-1900 20 21 For CenturyTel of Missouri, LLC, Spectra Communications Group, LLC, d/b/a CenturyTel: 22 Mr. Larry W. Dority 23 Fischer & Dority, PC 101 Madison, Suite 400 24 Jefferson City, MO 65101 (573) 636-6758 25

1 PROCEEDINGS 2 JUDGE DIPPELL: All right. Let's go 3 ahead and go on the record. This is Case No. TO-2005-0144 in the Matter of the Request for 4 5 the Modification of the Kansas City 6 Metropolitan Calling Area Plan to make the 7 Greenwood Exchange Part of the Mandatory MCA Tier 2. 8 9 My name is Nancy Dippell. I'm the 10 regulatory judge assigned to this matter. And we've come here today for a prehearing 11 conference. 12 I'll begin by having entries of 13 14 appearance. And let's just start with you, Ms. 15 McDonald, since you're on the telephone. MS. MCDONALD: Okay. This is my Mimi 16 McDonald, and I'm appearing on behalf of 17 Southwestern Bell Telephone, LP, doing business 18 19 as AT&T Missouri. My address is One SBC Center, Room 3510, St. Louis Missouri, 63101. 20 JUDGE DIPPELL: Thank you. 21 22 Mr. Dority? 23 MR. DORITY: Yes. Thank you, Judge. Appearing on behalf of CenturyTel of Missouri, 24 25 LLC, and Spectra Communications Group, LLC,

doing business as CenturyTel, Larry Dority, 1 Fischer & Dority, PC. Our address is 101 2 Madison, Suite 400, Jefferson City, Missouri, 3 65101. 4 5 JUDGE DIPPELL: Just continue on 6 around the table. 7 MR. MEYER: Good morning. David 8 Meyer on behalf of the Staff of the Missouri 9 Public Service Commission. Our address is P.O. Box 360, Jefferson City, Missouri, 65102. 10 MR. DANDINO: Michael Dandino, Office 11 of the Public Counsel, Post Office Box 2230, 12 Jefferson City, Missouri, 65102, representing 13 14 the Office of Public Counsel and the public. 15 MR. MCCARTNEY: Good morning. On behalf of Cass County Telephone Company and 16 Lathrop Telephone Company, Brian McCartney, law 17 firm of Brydon, Swearengen & England, PC. Our 18 address is 312 East Capitol Avenue, Jefferson 19 20 City, Missouri, 65102. 21 MR. JOHNSON: My name is Craig 22 Johnson. My address is 1648-A East Elm, 23 Jefferson City, Missouri, 65101. I'm appearing 24 today on behalf of Mo-Kan Dial, Inc. 25 JUDGE DIPPELL: Thank you. All

1 right. First of all, I wanted to ask the 2 Office of the Public Counsel, it -- it appears 3 from Ms. Meisenheimer's (ph.) testimony that there's actually a new proposal on the table 4 5 from Office of the Public Counsel eliminating 6 the proposed surcharge that Public Counsel had 7 put forth in their final recommendation. Is 8 that --9 MR. DANDINO: Right. Based on the

10public hearing that we had, I guess it was,11October 18th in -- in Greenwood, there was12quite a bit of opposition from the residents to13a -- an additional charge on top of the Tier 214MCA rates. So we -- in the testimony, Ms.15Meisenheimer eliminated that as our16recommendation.

JUDGE DIPPELL: And was Public 17 Counsel going to maybe make a motion to amend 18 19 their final recommendation since we went 20 through months and months and had something 21 titled a Final Recommendation, and then sort of 22 in the testimony we have a new final 23 recommendation? MR. DANDINO: Well, I guess -- I 24 25 guess we could. We will if it -- if that will

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help things out, yes.

2 JUDGE DIPPELL: I think that would 3 make the -- certainly, the record more clear, would make it clear as to what we were going 4 5 forward with the hearing. 6 MR. DANDINO: Sure. Sure. We'll be 7 glad to conform the -- the pleadings -- the 8 recommendations to our evidence. 9 JUDGE DIPPELL: Are there still -- I 10 saw in the testimony that was filed on Friday that SBC or -- I'm going to call them SBC for 11 12 the time being, -- made some proposals of their own, some voluntary proposals. Are there any 13 14 discussions still going on about that proposal 15 as a possible settlement, or are you all 16 planning to talk about that today? MR. DANDINO: I had not seen their 17 18 testimony filed on Friday. 19 JUDGE DIPPELL: Okay. Well, maybe it's something you've seen before. 20 MR. DANDINO: I -- I would think it 21 22 probably was. JUDGE DIPPELL: Okay. Ms. McDonald? 23 MS. MCDONALD: Uh-huh. 24 25 JUDGE DIPPELL: Does SBC intend to

offer any testimony at all about what would 1 2 make them revenue neutral? The testimony 3 claims that --MR. DORITY: Your Honor, if I may 4 5 interrupt, we have someone in the room that is 6 probably not -- if we're going to get into HC 7 information, we -- I just wanted to let you 8 know that. 9 JUDGE DIPPELL: I don't want the specific figure or -- I mean, I just want to 10 know in generalities. But I appreciate that. 11 12 MR. DORITY: Sure. MS. MCDONALD: Well, I do think in 13 14 our testimony we did say that we would -- in 15 order to make us revenue neutral, we would have to obtain a certain dollar figure. And -- and 16 -- I mean, the reality of the situation is 17 that's one of the reasons why OPC's proposal is 18 defective, because it doesn't explain how --19 20 how we would maintain a revenue neutrality. 21 And that was one of our reasons for rejection. 22 And then we proposed a different proposal. 23 And as part of that proposal, we were willing 24 to waive our revenue neutrality proposal so 25 long -- revenue neutrality argument so long as

1 our proposal is adopted in its entirety. JUDGE DIPPELL: Okay. 2 3 MS. MCDONALD: I mean, there's obviously a lot of different ways that we could 4 become revenue neutral. And I think in our 5 6 testimony, we said that if -- if we're going 7 down the road new neutrality path, then it 8 seems reasonable not only that you would place 9 some of the -- some of the costs for revenue neutrality on the citizens of Greenwood, but 10 also some on the -- some of the costs on the 11 12 mandatory -- the principles on Tier 1 and Tier 2 because those people would also benefit by 13 14 having an increased calling scope. 15 JUDGE DIPPELL: I guess I'm just

16 wondering how the Commission will -- you know, 17 right now it's kind of a he said/she said. You 18 say it's not revenue neutral. You don't really 19 have any -- a great amount of evidence about 20 what -- what that would be.

But I -- and I just -- I bring that up just because if we do go to hearing, I do want to be able to -- I want the Commission to be able to make some decisions based on some solid evidence and not just get to hearing and

1 discover that we don't have any information. But --2 3 MS. MCDONALD: Well, I -- I mean, I 4 think that we have presented the revenue 5 neutrality number in our testimony that we 6 would have to recover, and we have discussed 7 with some of the parties ways in order to 8 achieve that revenue neutrality. And we've 9 also discussed, obviously, in our testimony one way around the whole thing, which is waiving 10 it. 11 JUDGE DIPPELL: Okay. Mr. Dandino, 12 you filed some objections to some data requests 13 14 in your discovery --15 MR. DANDINO: We answered those. 16 Yes. We answered those. JUDGE DIPPELL: All right. I'm not 17 used to seeing those objections, so I just want 18 to make sure that -- procedurally that was all 19 20 on track. MR. DANDINO: Yeah. We made that 21 22 just to preserve any -- any problems we had --23 or objection we had. But I -- I -- we answered what we -- to the extent we could. 24 25 JUDGE DIPPELL: Okay.

1 MR. DANDINO: And, your Honor, also 2 just to address one point on the revenue 3 neutrality, it's Public Counsel's position is that revenue neutrality because Southwestern 4 Bell -- because of those exchanges are 5 6 competitively classified exchanges, there is no 7 lawful requirement for a revenue neutrality. 8 JUDGE DIPPELL: Well, I realize that 9 there's a legal argument there as to what --10 what is required and what is not required. And if the Commission should decide that that was 11 12 required, then I'm going to make sure we have all the evidence we need to make a decision. 13 14 They need. I'm just trying to pick out things 15 that I know are going to be issues and -- and 16 raise them. I guess that's the only -- only things I had I wanted to discuss. 17 18 Is there anything from any of the other parties? I'm not seeing anything here. Ms. 19 20 McDonald, did you have anything? MS. MCDONALD: No, I do not. Thank 21 22 you. 23 JUDGE DIPPELL: Ms. McDonald, has --24 has SBC Missouri changed their name with the 25 Commission?

MS. MCDONALD: Well, we changed it 1 2 with Missouri Secretary of State. And I think -- I mean, I know we've filed in at least one 3 or more cases our change of the d/b/a with the 4 5 Commission. We also have pending tariff 6 proposals. 7 JUDGE DIPPELL: That's good. 8 MS. MCDONALD: We changed the name effective December 29th. 9 10 JUDGE DIPPELL: That's what I was --11 okay. 12 MS. MCDONALD: Because we're not 13 changing our name. We're changing our d/b/a. JUDGE DIPPELL: Right. Okay. Okay. 14 15 Well, seeing nothing further, then, that 16 concludes the on-the-record part of the 17 prehearing conference. We can go off the record. Thank you. 18 19 20 21 22 23 24 25