

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Determination of the Weighted,)	
Statewide Average Rate of Nonwireless Basic)	Case No. TO-2006-0084
Local Telecommunications Services)	

STAFF REPORT

COMES NOW the Staff of the Missouri Public Service Commission and for its report states:

1. Senate Bill No. 237 added a new subsection 13 to Section 392.245 RSMo. Subsection 13 directs, in part, that prior to January 1, 2006, the Commission shall determine the weighted, statewide average rate of nonwireless basic local telecommunications services as of the effective date of this section. Subsection 13 took effect on August 28, 2005.

2. The Commission opened this matter to allow Staff to gather information to allow it to ascertain the statewide average rate for nonwireless basic local telecommunications in Missouri.

3. The attached spreadsheet, titled Statewide Weighted-Average Basic Local Rate Summary, sets forth line count and rate information submitted by the local exchange companies, and the resulting calculation of statewide average rates of \$11.62 for residential customers, \$27.91 for business customers, and \$13.77 overall. The Summary is provided in Highly Confidential and Non-Proprietary versions because local exchange companies consider line counts to be confidential. The Summary was prepared by Staff member Walter Cecil.

WHEREFORE, the Staff requests the Commission to accept the Summary.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ William K. Haas

William K. Haas
Deputy General Counsel
Missouri Bar No. 28701

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19th day of December 2005.

/s/ William K. Haas

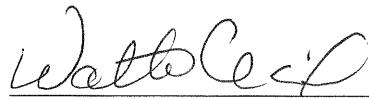
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Determination of the	)	
Weighted, Statewide Average Rate of	)	
Nonwireless Basic Local Telecommunications	)	<u>Case No. TO-2006-0084</u>
Services	)	

AFFIDAVIT OF WALTER CECIL

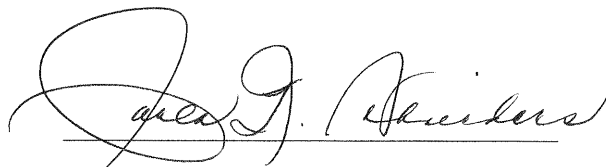
STATE OF MISSOURI)
)ss.
COUNTY OF COLE)

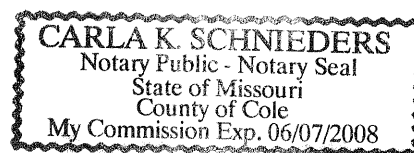
Walter Cecil, being of lawful age and after being duly sworn, states that he is employed by the Missouri Public Service Commission as a Regulatory Economist II in the Telecommunications Department. Mr. Cecil states he participated in the preparation of the foregoing spreadsheet and calculations based on information provided by the telecommunications companies through December 7, 2005. Mr. Cecil further states the aforementioned spreadsheet and underlying calculations comply with those proposed in Paragraph 5 of the Staff's Motion to Open Case and Motion for Protective Order and that such matters are true to the best of his knowledge and belief.



Walter Cecil

Subscribed and sworn to before me this 19th day of December 2005.





Statewide Weighted-Average Basic Local Rate Summary
Case No. 10-2006-0084

Type of Company	Number of Companies	Residential		Business		Statewide Residential and Business Average Rate
		Lines	Average Rate	Lines	Average Rate	
Incumbent Local Exchange Carriers	42	2,019,185	\$10.56	269,270	\$26.63	\$12.45
Competitive Local Exchange Carriers	56	199,358	\$22.37	67,180	\$33.00	\$25.05
Incumbent and Competitive Local Exchange Carriers Combined	98	2,218,543	\$11.62	336,450	\$27.91	\$13.77
Company	Residential Single-Lines Reported ¹	Residential		Business		Statewide
		Residential Monthly Basic Local Telecommunications Revenue ²	Company-Specific Residential Weighted-Average Basic Local Rate ³	Business Single-Lines Reported ¹	Business Monthly Basic Local Telecommunications Revenue ²	
	(a)	(b)	(b)/(a)	(c)	(d)	(d)/(c)
Incumbent Local Exchange Carriers						
Alltel Missouri, Inc.	**HC**	**HC**	\$ 8.23	**HC**	**HC**	\$ 14.77
Alma Telephone Company	**HC**	**HC**	\$ 6.50	**HC**	**HC**	\$ 10.25
BPS Telephone Company	**HC**	**HC**	\$ 6.94	**HC**	**HC**	\$ 13.91
Cass County Telephone	**HC**	**HC**	\$ 6.84	**HC**	**HC**	\$ 13.72
CenturyTel of Missouri, LLC	**HC**	**HC**	\$ 11.38	**HC**	**HC**	\$ 19.24
Chariton Valley Telephone Corporation	**HC**	**HC**	\$ 12.00	**HC**	**HC**	\$ 12.00
Choctaw Telephone Company	**HC**	**HC**	\$ 9.90	**HC**	**HC**	\$ 12.40
Citizens Telephone Company	**HC**	**HC**	\$ 8.25	**HC**	**HC**	\$ 14.00
Craw-Kan Telephone Cooperative, Inc.	**HC**	**HC**	\$ 5.24	**HC**	**HC**	\$ 8.07
Ellington Telephone Company	**HC**	**HC**	\$ 5.70	**HC**	**HC**	\$ 9.50
Farber Telephone Company	**HC**	**HC**	\$ 6.50	**HC**	**HC**	\$ 11.00
Fidelity Telephone Company	**HC**	**HC**	\$ 10.25	**HC**	**HC**	\$ 19.95
Goodman Telephone Company	**HC**	**HC**	\$ 7.60	**HC**	**HC**	\$ 12.65
Granby Telephone Company	**HC**	**HC**	\$ 6.60	**HC**	**HC**	\$ 8.85
Grand River Mutual Telephone Corporation	**HC**	**HC**	\$ 8.24	**HC**	**HC**	\$ 14.18
Green Hills Telephone Corporation	**HC**	**HC**	\$ 13.00	**HC**	**HC**	\$ 16.00
Holway Telephone Company	**HC**	**HC**	\$ 13.00	**HC**	**HC**	\$ 25.00
IAMO Telephone Company	**HC**	**HC**	\$ 8.00	**HC**	**HC**	\$ 10.00
Iowa Telecommunications Services, Inc.	**HC**	**HC**	\$ 16.73	**HC**	**HC**	\$ 32.60
Kingdom Telephone Company	**HC**	**HC**	\$ 10.32	**HC**	**HC**	\$ 12.31
KLM Telephone Company	**HC**	**HC**	\$ 7.25	**HC**	**HC**	\$ 12.75
Lathrop Telephone Company	**HC**	**HC**	\$ 7.15	**HC**	**HC**	\$ 10.15
Le-Ru Telephone Company	**HC**	**HC**	\$ 10.50	**HC**	**HC**	\$ 17.00
Mark Twain Rural Telephone Company	**HC**	**HC**	\$ 9.00	**HC**	**HC**	\$ 10.25
McDonald County Telephone Company	**HC**	**HC**	\$ 5.75	**HC**	**HC**	\$ 8.75
Mid-Missouri Telephone Company	**HC**	**HC**	\$ 8.00	**HC**	**HC**	\$ 12.85
Miller Telephone Company	**HC**	**HC**	\$ 9.00	**HC**	**HC**	\$ 14.00

Statewide Weighted-Average Basic Local Rate Summary
Case No. TO-2006-0084

Company	Residential Single-Lines Reported ¹	Residential Monthly Basic Local Telecommunications Revenue ²	Company-Specific Statewide Residential Weighted-Average Basic Local Rate ³	Business Single-Lines Reported ¹	Business Monthly Basic Local Telecommunications Revenue ²	Company-Specific Statewide Business Weighted-Average Basic Local Rate ³	Company Specific Statewide Overall Weighted-Average Basic Local Rate ³
	(a)	(b)	(b)/(a)	(c)	(d)	(d)/(c)	[(b)+(d)]/[(a)+(c)]
McKean Dial Telephone Company	**HC**	**HC**	\$ 5.90	**HC**	**HC**	\$ 9.15	\$ 6.29
New Florence Telephone Company	**HC**	**HC**	\$ 4.50	**HC**	**HC**	\$ 6.00	\$ 5.00
New London Telephone Company	**HC**	**HC**	\$ 12.30	**HC**	**HC**	\$ 22.10	\$ 14.64
Northeast Missouri Rural Telephone Company	**HC**	**HC**	\$ 10.04	**HC**	**HC**	\$ 15.04	\$ 11.20
Orchard Farm Telephone company	**HC**	**HC**	\$ 12.25	**HC**	**HC**	\$ 24.40	\$ 15.94
Oregon Farmers Mutual Telephone Co	**HC**	**HC**	\$ 8.00	**HC**	**HC**	\$ 12.00	\$ 8.65
Ozark Telephone Company	**HC**	**HC**	\$ 6.50	**HC**	**HC**	\$ 13.00	\$ 7.85
Peace Valley Telephone Company	**HC**	**HC**	\$ 4.50	**HC**	**HC**	\$ 5.50	\$ 4.61
Rock Port Telephone Company	**HC**	**HC**	\$ 5.40	**HC**	**HC**	\$ 7.90	\$ 6.23
Seneca Telephone Company	**HC**	**HC**	\$ 8.10	**HC**	**HC**	\$ 11.80	\$ 8.74
SBC Missouri	**HC**	**HC**	\$ 10.34	**HC**	**HC**	\$ 29.99	\$ 12.69
Spectra d/ba CenturyTel	**HC**	**HC**	\$ 8.99	**HC**	**HC**	\$ 16.00	\$ 9.37
Sprint Missouri, Inc.	**HC**	**HC**	\$ 14.52	**HC**	**HC**	\$ 22.25	\$ 15.99
Steeleville Telephone Exchanges, Inc.	**HC**	**HC**	\$ 8.95	**HC**	**HC**	\$ 14.45	\$ 10.37
Stoutland Telephone Company	**HC**	**HC**	\$ 8.75	**HC**	**HC**	\$ 13.25	\$ 9.34
Incumbent Local Exchange Carriers Totals	2,019,185	\$ 21,321,230.79	\$ 10.56	269,270	\$ 7,171,917.93	\$ 26.63	\$ 12.45
Combined Competitive Local Exchange Carrier Rates: (b) Total/(a) Total or (d) Total/(c) Total, respectively							
Combined Incumbent Local Exchange Carrier Rates: (b) Total - a) Total / (d) Total + c) Total							
Competitive Local Exchange Carriers							
1-800-RECONEX, Inc.	**HC**	**HC**	\$ 49.06	**HC**	**HC**	\$ -	\$ 49.06
Acnetel of Texas, L.P.	**HC**	**HC**	\$ 39.99	**HC**	**HC**	\$ -	\$ 39.99
ACN Communication Services, Inc.	**HC**	**HC**	\$ 23.99	**HC**	**HC**	\$ -	\$ 23.99
American Fiber Network, Inc.	**HC**	**HC**	\$ 10.74	**HC**	**HC**	\$ 24.62	\$ 19.64
AT&T	**HC**	**HC**	\$ 23.55	**HC**	**HC**	\$ 37.95	\$ 24.56
Big River Telephone Company, LLC	**HC**	**HC**	\$ 32.15	**HC**	**HC**	\$ 39.89	\$ 37.41
Birch Telecom of Missouri Inc	**HC**	**HC**	\$ 14.03	**HC**	**HC**	\$ 32.68	\$ 28.81
Budget Phone, Inc.	**HC**	**HC**	\$ 31.90	**HC**	**HC**	\$ -	\$ 31.90
BullsEye Telecom, Inc.	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 32.14	\$ 32.14
Buy-Tel Communications, Inc.	**HC**	**HC**	\$ 49.95	**HC**	**HC**	\$ -	\$ 49.95
Camarcito Dist., Inc. dba NexPhone	**HC**	**HC**	\$ 47.00	**HC**	**HC**	\$ -	\$ 47.00
CAT Communications International, Inc	**HC**	**HC**	\$ 39.99	**HC**	**HC**	\$ -	\$ 39.99
CD Telecommunications, LLC.	**HC**	**HC**	\$ 8.98	**HC**	**HC**	\$ -	\$ 8.98
Charlton Valley (CLEC)	**HC**	**HC**	\$ 7.50	**HC**	**HC**	\$ 15.00	\$ 9.69
Charter Fiberlink-Missouri, LLC	**HC**	**HC**	\$ 9.00	**HC**	**HC**	\$ -	\$ 9.00
Davidson Telecom, LLC	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 36.92	\$ 36.92
dbr Telecom, LLC	**HC**	**HC**	\$ 30.31	**HC**	**HC**	\$ -	\$ 30.31

Statewide Weighted-Average Basic Local Rate Summary
Case No. TO-2006-0084

Company	Residential Single-Lines Reported ¹	Residential Monthly Basic Local Telecommunications Revenue ²	Company-Specific Statewide Residential Weighted-Average Basic Local Rate ³	Business Single-Lines Reported ¹	Business Monthly Basic Local Telecommunications Revenue ²	Company-Specific Business Weighted-Average Basic Local Rate ³	Company Specific Statewide Overall Weighted-Average Basic Local Rate ³
	(a)	(b)	(b)/(a)	(c)	(d)	(d)/(c)	[(b)+(d)]/[(a)+(c)]
Ernest Communications, Inc.	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 31.15	\$ 31.15
Everest Midwest License, LLC	**HC**	**HC**	\$ 12.75	**HC**	**HC**	\$ 31.95	\$ 14.36
Excel Telecommunications, Inc.	**HC**	**HC**	\$ 30.00	**HC**	**HC**	\$ -	\$ 30.00
ExOp of Missouri Inc. dba Unite	**HC**	**HC**	\$ 23.95	**HC**	**HC**	\$ 49.60	\$ 31.01
FamilyTel of Missouri, LLC	**HC**	**HC**	\$ 34.95	**HC**	**HC**	\$ -	\$ 34.95
Fidelity Communication Services I, Inc.	**HC**	**HC**	\$ 16.50	**HC**	**HC**	\$ 26.00	\$ 19.67
Fidelity Communication Services II, Inc.	**HC**	**HC**	\$ 14.00	**HC**	**HC**	\$ 20.00	\$ 19.98
Global Crossing Telemanagement, Inc.	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 35.08	\$ 35.08
Green Hills (CLEC)	**HC**	**HC**	\$ 6.50	**HC**	**HC**	\$ 13.00	\$ 7.72
Ionex Communications Inc	**HC**	**HC**	\$ 11.99	**HC**	**HC**	\$ 33.58	\$ 33.46
Mark Twain (CLEC)	**HC**	**HC**	\$ 6.25	**HC**	**HC**	\$ 12.75	\$ 6.73
McInerney Access Transmission Services, LLC	**HC**	**HC**	\$ 20.61	**HC**	**HC**	\$ 20.31	\$ 20.55
McLeodUSA Telecommunications Services, Inc.	**HC**	**HC**	\$ 24.91	**HC**	**HC**	\$ 33.21	\$ 32.36
Metro Teleconnect Companies, Inc.	**HC**	**HC**	\$ 44.95	**HC**	**HC**	\$ -	\$ 44.95
Missouri Comm South, Inc	**HC**	**HC**	\$ 34.97	**HC**	**HC**	\$ 25.39	\$ 27.20
Missouri State Discount Telephone	**HC**	**HC**	\$ 50.00	**HC**	**HC**	\$ -	\$ 50.00
Missouri Telecom, Inc.	**HC**	**HC**	\$ 17.95	**HC**	**HC**	\$ 19.95	\$ 18.37
Navigator Telecommunications, LLC.	**HC**	**HC**	\$ 10.03	**HC**	**HC**	\$ 26.94	\$ 21.28
Nexus Communications, Inc. dba TSI	**HC**	**HC**	\$ 34.95	**HC**	**HC**	\$ -	\$ 34.95
Now Acquisition Corp.	**HC**	**HC**	\$ 39.99	**HC**	**HC**	\$ -	\$ 39.99
NuVox Communications of Missouri, Inc.	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 30.74	\$ 30.74
Phone Connection db/a Affordable Phone	**HC**	**HC**	\$ 39.95	**HC**	**HC**	\$ -	\$ 39.95
Preferred Carrier Services, Inc. dbaPhones for All	**HC**	**HC**	\$ 49.99	**HC**	**HC**	\$ -	\$ 49.99
VCOM Solutions	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 13.65	\$ 13.65
Ren-Tel Communications, Inc. dba Dial Tone & More	**HC**	**HC**	\$ 29.99	**HC**	**HC**	\$ 39.99	\$ 30.01
Sage Telecom, Inc.	**HC**	**HC**	\$ 26.93	**HC**	**HC**	\$ 31.15	\$ 27.02
Sprint Communications Company, L.P. (CLEC)	**HC**	**HC**	\$ 48.99	**HC**	**HC**	\$ 87.95	\$ 61.19
Talk America Inc.	**HC**	**HC**	\$ 9.90	**HC**	**HC**	\$ -	\$ 9.90
TCG Kansas City, Inc.	**HC**	**HC**	\$ -	**HC**	**HC**	\$ 38.65	\$ 38.65
TCG St. Louis, Inc.	**HC**	**HC**	\$ 19.95	**HC**	**HC**	\$ -	\$ 19.95
Teleove Operations, Inc.	**HC**	**HC**	\$ 39.99	**HC**	**HC**	\$ -	\$ 39.99
Tele-Reconnect, Inc.	**HC**	**HC**	\$ 34.95	**HC**	**HC**	\$ -	\$ 34.95
Texas HomeTel, Inc dba 877-RingAgain	**HC**	**HC**	\$ 29.95	**HC**	**HC**	\$ -	\$ 29.95
The Pager Company db/a The Pager & Phone Company	**HC**	**HC**	\$ 39.95	**HC**	**HC**	\$ -	\$ 39.95
Time Warner Cable Information Services (Missouri), LLC	**HC**	**HC**	\$ 32.49	**HC**	**HC**	\$ 29.00	\$ 30.08
Trinsic Communications, Inc.	**HC**	**HC**	\$ -	**HC**	**HC**	\$ -	\$ -

Statewide Weighted-Average Basic Local Rate Summary
Case No. IO-2006-0084

Company	Residential Single-Lines Reported ¹	Residential Monthly Basic Local Telecommunications Revenue ²	Company-Specific Statewide Residential Weighted-Average Basic Local Rate ³	Business Single Lines Reported ¹	Business Monthly Basic Local Telecommunications Revenue ²	Company-Specific Statewide Business Weighted-Average Basic Local Rate ³	Company Specific Statewide Overall Weighted-Average Basic Local Rate ³
Universal Telecom Inc	(a)	(b)	(b)/(a)	(c)	(d)	(d)/(c)	[(b)+(d)]/[(a)+(c)]
Vartec Telecom, Inc.	**HC**	**HC**	\$ 49.00	**HC**	**HC**	\$ -	\$ 49.00
XO Communications Services, Inc.	**HC**	**HC**	\$ 34.95	**HC**	**HC**	\$ -	\$ 34.95
Competitive Local Exchange Carriers Totals	199,358	\$ 4,459,818.41	\$ -	67,180	\$ 2,216,725.94	\$ 31.25	\$ 31.25
Combined Competitive Local Exchange Carrier Rates: (b Total)/(a Total) or (d Total)/(c Total), respectively			\$ 22.37			\$ 33.00	
Combined Competitive Local Exchange Carrier Rates: (b Total + a Total) / (d Total + c Total)							\$ 25.05

Notes

1. **Explanation of Single-Lines:** The quantity of a company's residential or business single-lines reflects the company's response to the Commission's order to provide data in this case and were provided on an exchange specific basis. The quantity adds the number of lines whereby, basic local telecommunications service is provided on a stand-alone basis and the number of lines provided as a part of a bundle of services. The quantity of a company's business single lines excludes services that are excluded from the definition of basic local service such as multi-line and Centrex arrangements.

2. **Explanation of Monthly Basic Local Telecommunications Revenue:** The revenue figure for a company was calculated by multiplying a company's respective residential or business exchange-specific single-line quantity (as described above) by the sum of the company's applicable exchange-specific local rate and applicable mandatory Extended Area Service rates for the exchange. The residential and business local rates and any mandatory EAS rates were supplied by the company on an exchange-specific basis in response to the Commission's order to provide data in this case. Exchange-specific basic local telecommunications revenues were then summed for all of a company's exchanges to arrive at the monthly basic local telecommunications revenue for the company.

3. **Explanation of Company-Specific Residential and Business Weighted-Average Basic Local Rates:** These rates were calculated by dividing the company's residential and business company-specific basic local telecommunications revenues by the corresponding single-line quantity. The company-specific statewide overall weighted average basic local rate is determined by summing the business and residential company-specific basic local telecommunications revenues and dividing that number by the sum of single-line business and residential basic local lines.

The following companies indicated they do not provide basic local telecommunications, do not have single-line customers or are not active in Missouri.

360networks (USA), Inc.	Metropolitan Telecommunications of MO, Inc.
Cbeeyond Communications, LLC	Missouri Network Alliance, L.L.C.
Central Missouri Telecommunications, Inc.	North County Communications Corporation
Cinergy Communications Company	Qwest Communications Corporation
Comcast Phone of Missouri, LLC	Reliant Communications, Inc.
DIECA Communications, Inc. dba Covad Communications Company	Socket Telecom, LLC
DST.net Communications, LLC	Syniverse Networks, Inc.
Global Connection Inc. of America	TruComm Corporation
Global Crossing Local Services, Inc.	Upl.yne Telecommunications, Inc.
Granite Telecommunications, LLC	WITel Local Network, LLC
Image Access, Inc. d/b/a NewPhone	Winstar Communications, LLC
KMC V Telecom, Inc.	Xpeditus Communications, LLC
Level 3 Communications, LLC	

Disclaimer: Several companies provided data one or more months late and failed to indicate the date for which the data was drawn. The Statewide Weighted Average Basic Local rates were calculated based on information provided to Staff in response to the Commission's *Order Establishing Intervention Deadline and Requiring Filing*. Some data was provided in a manner requiring interpretation by Staff (for instance, some companies reported access lines in a manner other than on an exchange specific basis).