

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 6th day of April, 2006.

In the Matter of the Application of Iowa	)	
Telecommunications Services, Inc. d/b/a	)	<b><u>Case No. TE-2006-0337</u></b>
Iowa Telecom for a Waiver of Compliance	)	Tariff Nos. YI-2006-0660
with the Requirement of 4 CSR 240-33.050(4)(B)	)	and YI-2006-0661

**ORDER GRANTING WAIVER AND  
APPROVING TARIFFS**

Issue Date: April 6, 2006

Effective Date: April 11, 2006

**Syllabus:** This order grants Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom a waiver from Commission Rule 4 CSR 240-33.050(4)(B), the Commission's rule regarding interest on customer deposits, and approves the company's tariff filings.

On March 1, 2006, Iowa Telecom applied for a waiver of the Commission's rule regarding interest on customer deposits and guarantees of payment. Commission Rule 33.050(4)(B) requires that customer deposits bear interest at a rate equal to one percent (1%) above the prime lending rate as published in *The Wall Street Journal*. Iowa Telecom seeks a waiver of that rule in order to follow the rule set by the Iowa Utilities Board, which provides that interest on such deposits be computed at 7.5 percent per annum, compounded annually. The Commission set an intervention date of April 3, 2006. There were no intervenors.

Iowa Telecom is an Iowa corporation and local exchange telecommunications company providing services to approximately 240,500 incumbent access lines in 293

exchanges in Iowa. It also provides telecommunications services to approximately 100 customers in the Missouri exchanges of Athens, South Braddyville and South Seymour in the counties of Clark, Nodaway and Putnam.

On March 1, 2006, Iowa Telecom also made tariff filings intended to replace its current Missouri Tariffs No. 3 and No. 7 with new Missouri Tariffs No. 1 and No. 2, effective April 1, 2006. The new tariffs proposed new local rates, new bundled service offerings, and increased directory assistance rates and operator service rates, among other things. The tariff sheets also reflected the rule of the Iowa Utilities Board, designed to provide interest at 7.5% interest on customer deposits instead of that required by Rule 33.050(4)(B). The Commission suspended the effective date of those tariffs until April 11, 2006, in order to allow time to consider Iowa Telecom's Application for Waiver of Rule 33.050(4)(B).

The Staff of the Commission filed a Memorandum on March 17, 2006, recommending that the Commission waive Rule 33.050(4)(B). The Staff noted that Iowa Telecom's application for waiver is subject to rule 4 CSR 240-2.060, which requires that the application contain the reasons for the proposed waiver and a complete justification setting out good cause for the waiver. Staff points out that of the approximately 100 customers that Iowa Telecom serves in Missouri, there are presently only two deposits held. Further, Iowa Telecom requests the waiver because of the administrative burden of establishing a separate system for calculating the interest on only two customer deposits. Iowa Telecom proposes to compute interest on all of its customer deposits, including the Missouri customers, at a rate of 7.5% as prescribed by the Iowa Administrative Code. The Staff finds that good cause exists to grant the waiver.

The Commission finds that Iowa Telecom has set forth the reasons for the proposed waiver and shown good cause for a waiver of Rule 33.050(4)(B).

**IT IS ORDERED THAT:**

1. The Application for Waiver filed by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom is granted. Iowa Telecom is granted a waiver from Commission Rule 4 CSR 240-33.050(4)(B) for two years from the effective date of this order.
2. The proposed Missouri Tariffs No. 1 and No. 2, identified as YI-2006-0660 and YI-2006-0661, are approved to become effective April 11, 2006.
3. This order shall become effective on April 11, 2006.
4. This case may be closed on April 12, 2006.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

Davis, Chm., Murray, Gaw, Clayton and Appling, CC., concur

Reed, Regulatory Law Judge