

Missouri Public
Service Commission

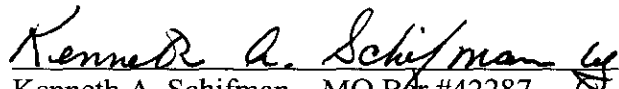
2. OPC makes two primary claims in its September 27, 2002 response. First, OPC claims that Sprint cannot increase its MCA rates above the current rates since these rates were established by the PSC as the cap for all MCA services for all telecommunications companies in case TO-99-483. Second, OPC claims that even if the Commission does not accept its first arguments, then the PSC should still reject the MCA increases because Sprint's attempt to "bank" multiple year increases exceed the authorized increase in Section 392.245.11, RSMO 2000. As Sprint argued in its August 20, 2002 pleading, neither argument has merit.

3. Regarding the OPC's claim that case TO-99-483 established a cap for MCA services for all telecommunication companies, Sprint's August 20, 2002 Supplemental Brief highlighted three essential facts. First, Missouri statutes do not provide authority to set price caps inconsistent with Section 392.245 RSMO 2000. The specific just and reasonable rate requirements of Section 392.245 apply specifically to price cap companies control over the Commission's general authority regarding just and reasonable rates found in Section 392.200.1. The result of Case No. TO-99-483 does nothing to alter the Commission's specific statutory authority for setting just and reasonable rates in the context of the price cap statute. Second, Sprint noted that the Commission recognized in the original MCA case that MCA prices were subject to change.¹ Finally, the primary focus of the TO-99-483 case was the manner under which competitive companies, not incumbent carriers, would be allowed to participate in the MCA offering. In conclusion, where MCA is an optional service, the order in Case No TO-99-483 does not prevent the Commission from approving a rate increase consistent with the Price Cap Statute.

4. In its August 20, 2002 supplemental comments and in its previous pleadings, Sprint addressed the OPC's claim that Section 392.245.11, RSMO 2000 does not allow a price cap company to "bank" multiple year increases. Specifically, Sprint provided a thorough legal analysis that directly countered the OPC's arguments. Sprint will not burden the record further by reiterating its analysis other than to note that if Sprint's "banking" process is rejected by the Commission, the Commission would, in essence, be adopting a "use-it-or-lose-it" policy for price cap companies. As discussed in the on-the-record presentation, Sprint submits that this "use-it-or-lose-it" approach would result in higher overall prices for consumers.

¹ See IN the Matter of the Establishment of a Plan for Expanded Calling Scopes in Metropolitan and Outside Exchanges, Case No. TO-92-306, 2 Mo. PSC 3d 1, 20 (December 23, 1992)

WHEREFORE, Sprint's MCA tariff revision not only meets all statutory requirements but it is also consistent with sound public policy. Sprint, therefore, respectfully requests that the Commission approve its tariff revision without further delay.



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CERTIFICATE OF SERVICE

Copies of the foregoing were served on the following parties by first-class/electronic/facsimile mail, the 1st day of October, 2002..


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