

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

In the Matter of a Request for Expansion)	
of the St. Louis Metropolitan Calling Area)	
Plan to Include the Exchanges of)	
Washington, Union, Wright City, St.)	Case No. TO-2005-0141
Clair, Marthasville, Beaufort, Foley and)	
Warrenton.)	

**STAFF SUGGESTIONS IN SUPPORT
OF THE STIPULATION AND AGREEMENT**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Staff Suggestions in Support of the Stipulation and Agreement states:

1. On December 2, 2005, the Staff, the Office of the Public Counsel (OPC), and Southwestern Bell Telephone, L.P. d/b/a SBC Missouri (SBC) (collectively "Signatories") jointly filed a Stipulation and Agreement to resolve this case with respect to SBC's exchanges. The Stipulation and Agreement proposes to add the SBC exchanges of Beaufort, St. Clair, Union and Washington to SBC's MCA-5 rate classification. The Staff offers the following suggestion in support of the Stipulation and Agreement.

2. The OPC initiated this case on November 22, 2004, when it filed a request for expansion of the St. Louis Metropolitan Calling Area Plan ("MCA"). The OPC asked the Commission to expand the St. Louis MCA to include the exchanges of Beaufort, Foley, Marthasville, St. Clair, Union, Washington, Warrenton, and Wright City as an additional tier of the MCA. The OPC stated that there is a significant public demand for expanded local calling to avoid toll charges when residents of these exchanges call into nearby metropolitan areas.

3. Public requests for expanded calling in the Beaufort, St. Clair, Union and Washington exchanges were the subject of an earlier case, opened by the Commission when the OPC filed a motion to establish an investigation into the adequacy of the local calling scopes in these four exchanges. In Case No. TO-2003-0298, *In the Matter of an Investigation into the Adequacy of the Local Calling Scopes of SBC Local Exchanges of Washington, Union, St. Clair, and Beaufort in and Around Franklin County*, the OPC stated that it received over one-hundred thirty “complaints and concerns” from SBC customers regarding their local calling scope.¹ On March 3, 2005, the Commission consolidated Case No. TO-2003-0298 with the present case, finding that the issues were closely related.

4. Two incumbent local exchange carriers (ILECs) serve the eight exchanges at issue in this case: SBC serves the Beaufort, St. Clair, Union and Washington exchanges; and CenturyTel of Missouri, LLC serves the Foley, Marthasville, Warrenton and Wright City exchanges.

5. The OPC filed its Final Recommendation on April 29, 2005, reaffirming its request for an expansion of the St. Louis MCA into the listed exchanges at a rate no higher than the applicable rates for the MCA-5 rate classification (\$32.50 residential and \$70.70 business). The Final Recommendation also requested that participation in the expanded MCA be optional and in addition to charges for basic local service and any other existing expanded area service (“EAS”) charges. Lastly, the OPC stated that inter-company compensation should be on a bill-and-keep basis to reflect the compensation arrangement for the existing MCA Plan.

6. On December 2, 2005, the Staff, the OPC and SBC jointly filed a Stipulation and Agreement to resolve this case with regard to the SBC exchanges of Beaufort, St. Clair, Union

¹ Office of the Public Counsel’s Motion to Establish an Investigation into the Adequacy of the Local Calling Scopes in Certain SBC Local Exchanges, Case No. TO-2003-0298, filed February 25, 2003, p. 13.

and Washington by expanding the St. Louis MCA Plan to include these exchanges.² The Stipulation and Agreement essentially adopts the OPC's final recommendation, except that the new MCA exchanges would be added to the current MCA-5 rate classification, rather than making the exchanges a part of a new outer tier as originally requested by the OPC. Under the Stipulation and Agreement, all of the existing terms and conditions regarding MCA service will apply to the new MCA exchanges. Subscription to MCA service will be optional and in addition to charges for local service and any other existing EAS charges not encompassed by the calling scope for MCA service. The Stipulation and Agreement states that SBC will initially offer MCA service in these exchanges at a \$32.50 rate for residential customers, and a \$70.70 rate for business customers, although SBC may change such rates as allowed under law. Intercarrier compensation under the Stipulation and Agreement will be bill-and-keep.

7. The other parties in this did not sign the Stipulation and Agreement. The Commission granted intervention to the non-signatory parties Fidelity Telephone Company, Orchard Farm Telephone Company, CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel. As stated in the Stipulation and Agreement, these parties have expressed to the Signatories that they do not oppose the Stipulation and Agreement.

8. The MCA Plan was ordered by the Commission in 1992, and was designed to address the calling patterns of local exchange customers in Missouri's growing metropolitan areas of Kansas City, St. Louis, and Springfield. The St. Louis MCA was designed with six tiers, the MCA-Central being the most inner tier in downtown St. Louis, and MCA-5 being the most outer tier encompassing sixteen exchanges on the outskirts of the St. Louis area. When the Commission implemented the MCA Plan, it stated in its December 23, 1992 *Report and Order*:

² The December 2, 2005 Stipulation and Agreement does not attempt to address the OPC request to implement expanded calling in the CenturyTel of Missouri, LLC exchanges of Foley, Marthasville, Warrenton, and Wright City.

The primary focus of an expanded calling scope plan for the three metropolitan areas is to recognize the growth that has occurred and to reflect the expanded community of interest of the exchanges bordering the current metropolitan areas with those exchanges within the current metropolitan areas.³

The Stipulation and Agreement recognizes the growth that has occurred since the MCA Plan was implemented in 1992, and also recognizes the expanded communities of interest between the St. Louis metropolitan area and the Beaufort, St. Clair, Union and Washington exchanges.

9. In the Commission's *Report and Order* implementing the MCA, the Commission established bill-and-keep as the intercarrier compensation method. The Commission reaffirmed this method in its 2000 *Report and Order* in Case No. TO-99-483.⁴ Intercarrier compensation for the exchange of traffic under the Stipulation and Agreement will also be on a bill-and-keep basis.

10. If the terms of the Stipulation and Agreement are approved, an SBC customer wishing to subscribe to SBC's MCA service will need to change their telephone number to a number that has been designated as an MCA number. This is due to the current MCA Plan, which recognizes MCA subscribers from non-MCA subscribers by designating central office codes, or NXX codes, as either an MCA NXX or a non-MCA NXX.⁵ Requiring a subscriber to use a designated NXX code is not new, and is required of current MCA subscribers in all optional tiers.

11. Designating NXX codes as either MCA or non-MCA also requires carriers to possess twice the amount of numbers that are needed in exchanges outside of the metropolitan

³ *In the Matter of the Establishment of a Plan for Expanded Calling Scopes in Metropolitan and Outstate Exchanges*, Case No. TO-92-306, *Report and Order*, December 23, 1992, p. 9.

⁴ The Commission concluded that abandoning the bill-and-keep method could introduce an upward pressure on rates and otherwise threaten the viability of the MCA service. *In the Matter of an Investigation for the Purpose of Clarifying and Determining Certain Aspects Surrounding the Provisioning of Metropolitan Calling Area Service After the Passage and Implementation of the Telecommunications Act of 1996*, Case No. TO-99-483, *Report and Order*, September 7, 2000, p. 20.

⁵ An NXX code is the first three digits of a seven digit local telephone number.

areas, because a carrier providing MCA service must provide new telephone numbers to both subscribers and non-subscribers. Due to the additional numbering resources an expanded MCA will require, the Signatories to the Stipulation and Agreement also agreed to work cooperatively with the North American Numbering Plan Administrator, NeuStar (“NANPA”), in order to have new NXX codes issued for the provision of MCA service. The Commission has previously overturned NANPA decisions that denied additional numbers to an ILEC, where the ILEC claimed a need for additional numbers to satisfy the segregated NXX code requirement of the MCA Plan.⁶

12. In summary, the Staff supports the Stipulation and Agreement because it: 1) Is consistent with the 1992 Order implementing MCA service; 2) Satisfies the OPC’s final recommendation for expanded calling; 3) Is acceptable to SBC, the ILEC serving the Beaufort, St. Clair, Union and Washington exchanges; 4) Appears to meet the public’s request for expanded calling; and 5) Is not opposed by the non-signatory parties. Feedback from the public during public hearings may help the Commission determine whether the Stipulation and Agreement truly satisfies the public’s demand for expanded calling in the Beaufort, St. Clair, Union and Washington exchanges.

WHEREFORE, the Staff offers these suggestions in support of the Stipulation and Agreement, and respectfully recommends that the Commission approve the terms of the Stipulation and Agreement.

⁶ See *In the Matter of the Application of CenturyTel of Missouri, LLC for Review and Reversal of the North American Numbering Plan Administrator's Decision to Withhold Numbering Resources for the Wentzville, Missouri Rate Center*, Case No. IO-2005-0179, *Order Granting Additional Numbering Resources*, January 27, 2005; and *In the Matter of the Application of Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, for Review and Reversal of North American Numbering Plan Administrator's Decision to Withhold Numbering Resources*, Case No. TO-2005-0406, *Order Reversing Decision of the North American Numbering Plan Administrator and Closing Case*, June 5, 2005.

Respectfully submitted,

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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 9th day of December 2005.

/s/ Marc Poston
