

**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)

REVISION TO STAFF REPORT FOR 2007

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

1. On December 19, 2007, the Staff submitted its Report and Memorandum calculating the weighted, statewide average rate of nonwireless basic local telecommunications services as of August 28, 2007.

2. As explained in the attached Memorandum, the Staff has prepared a Revised Appendix D (Changes in ILEC Rates) because it has been discovered that rate data supplied by two companies was incorrect. The statewide ILEC, CLEC and combined ILEC and CLEC values reported in the previous Memorandum are not affected by the changes in these companies' data.

WHEREFORE, the Staff requests the Commission to adopt the Staff's calculations, as revised, in the Commission's determination of the statewide average rates as of August 28, 2007.

Respectfully submitted,

/s/ William K. Haas

William K. Haas

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Missouri Bar No. 28701

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Missouri Public Service Commission

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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 18th day of January 2008.

/s/ William K. Haas

Memorandum

To: Official Case File
Case No. TO-2006-0084

From: Walt Cecil
Telecommunications Department

Date: January 17, 2008

Subject: Revision to 2007 statewide rate report, Appendix D

On January 16, 2008, counsel for New Florence Telephone Company and Orchard Farm Telephone Company (Counsel) contacted the Telecommunications Department Staff (Staff) and sought an explanation for the average rates identified in Appendix D of the Staff's report for the above mentioned companies. During the conversation, it was discovered that rate data supplied by the companies to Staff was incorrect. Counsel requested Staff revise the erroneous data, and recalculate the companies' weighted average basic local rates and the overall statewide weighed average rates.

Staff complied with Counsel's request and found, after recalculating, that there was no change in the respective weighted average residential and business rates for New Florence Telephone Company and Orchard Farm Telephone Company. However, as noted in the memorandum submitted on December 18, 2007, due to reductions in lines served by both companies and the changes in the underlying business and residential weights, the companies' combined statewide weighted average rates did change. The changes in the calculated weighted average rates due to corrected data are identified in the following table.

	Revised Percentage Change Weighted Average Residential Rates	Revised Percentage Change Weighted Average Business Rates	Revised Percentage Change Statewide Combined Weighted Average Rates	Percentage Change As Reported on December 18, 2007
New Florence Telephone Company	0.00%	0.00%	0.60%	29.14%
Orchard Farm Telephone Company	0.00%	0.00%	-10.98%	-4.71%

The information in the table is contained in Revised Schedule D, which follows.

The statewide ILEC, CLEC and combined ILEC and CLEC values reported in the memorandum dated December 18, 2007 are not affected by the changes in data offered by the companies. The changes in data represent a minute fraction of the total number of lines served by the telecommunications industry in Missouri and have had no material impact on the statewide rates as previously reported. The changes in data are so small that they affect only the reported values for New Florence Telephone Company and Orchard Farm Telephone Company.

**Calculation of 2007 and Comparison with 2005 Statewide Weighted Average
Basic Local Telephone Services Rate:
Changes in ILEC Rates**

Revised Appendix D

Incumbent Local Exchange Carrier Company Name	Company Statewide Residential Weighted Average Rate		Percentage Change in Statewide Residential Weighted Average Rate	Company Statewide Business Weighted Average Rate		Percentage Change in Statewide Business Weighted Average Rate	Statewide Overall Weighted Average Rate		Percentage Change in Statewide Combined Weighted Average Rate
	2005	2007		2005	2007		2005	2007	
Alma Telephone Company	\$ 6.50	\$ 6.50	0.00%	\$ 10.25	\$ 10.25	0.00%	\$ 6.81	\$ 7.17	5.18%
BPS Telephone Company	\$ 6.94	\$ 6.94	0.00%	\$ 13.91	\$ 13.96	0.32%	\$ 7.35	\$ 7.35	0.03%
CenturyTel of Missouri, LLC & CenturyTel of NW Ark.	\$ 11.38	\$ 11.11	-2.41%	\$ 19.24	\$ 18.82	-2.19%	\$ 11.80	\$ 11.53	-2.34%
Chariton Valley Telephone Corporation	\$ 12.00	\$ 12.00	0.00%	\$ 12.00	\$ 12.00	0.00%	\$ 12.00	\$ 12.00	0.00%
Choctaw Telephone Company	\$ 9.90	\$ 9.90	0.00%	\$ 12.40	\$ 12.40	0.00%	\$ 10.19	\$ 10.15	-0.40%
Citizens Telephone Company of Higginsville, Missouri	\$ 8.25	\$ 8.25	0.00%	\$ 14.00	\$ 14.00	0.00%	\$ 9.94	\$ 9.95	0.15%
Craw-Kan Telephone Cooperative, Inc.	\$ 5.24	\$ 5.24	-0.10%	\$ 8.07	\$ 8.03	-0.53%	\$ 5.56	\$ 5.55	-0.13%
Ellington Telephone Company	\$ 5.70	\$ 5.70	0.00%	\$ 9.50	\$ 9.50	0.00%	\$ 6.38	\$ 6.42	0.59%
Embarq Missouri, Inc.	\$ 14.52	\$ 14.18	-2.29%	\$ 22.25	\$ 21.90	-1.56%	\$ 15.99	\$ 15.76	-1.47%
Fairpoint Communications Missouri, Inc	\$ 6.84	\$ 6.96	1.77%	\$ 13.72	\$ 13.73	0.05%	\$ 7.29	\$ 7.86	7.78%
Farber Telephone Company	\$ 6.50	\$ 6.50	0.00%	\$ 11.00	\$ 11.00	0.00%	\$ 7.32	\$ 7.41	1.28%
Fidelity Telephone Company	\$ 10.25	\$ 10.25	0.00%	\$ 19.95	\$ 19.95	0.00%	\$ 12.51	\$ 12.62	0.91%
Goodman Telephone Company	\$ 7.60	\$ 7.60	0.00%	\$ 12.65	\$ 12.65	0.00%	\$ 8.29	\$ 8.00	-3.54%
Granby Telephone Company	\$ 6.60	\$ 6.60	0.00%	\$ 8.85	\$ 8.85	0.00%	\$ 6.77	\$ 6.96	2.83%
Grand River Mutual Telephone Corporation	\$ 8.24	\$ 8.24	0.01%	\$ 14.18	\$ 14.18	0.02%	\$ 9.15	\$ 9.19	0.35%
Green Hills Telephone Corporation	\$ 13.00	\$ 13.00	0.00%	\$ 16.00	\$ 16.00	0.00%	\$ 13.29	\$ 13.30	0.09%
Holway Telephone Company	\$ 13.00	\$ 13.00	0.00%	\$ 25.00	\$ 25.00	0.00%	\$ 14.21	\$ 14.27	0.40%
IAMO Telephone Company	\$ 8.00	\$ 8.00	0.00%	\$ 10.00	\$ 10.00	0.00%	\$ 8.22	\$ 8.09	-1.49%
Iowa Telecommunications Services, Inc.	\$ 16.73	\$ 21.54	28.76%	\$ 32.60	\$ 41.70	27.94%	\$ 18.91	\$ 24.98	32.11%
Kingdom Telephone Company	\$ 10.32	\$ 10.34	0.20%	\$ 12.31	\$ 12.32	0.05%	\$ 10.64	\$ 10.66	0.16%
KLM Telephone Company	\$ 7.25	\$ 7.25	0.00%	\$ 12.75	\$ 12.75	0.00%	\$ 8.16	\$ 8.26	1.24%
Lathrop Telephone Company	\$ 7.15	\$ 7.15	0.00%	\$ 10.15	\$ 10.15	0.00%	\$ 7.53	\$ 7.49	-0.46%
Le-Ru Telephone Company	\$ 10.50	\$ 10.50	0.00%	\$ 17.00	\$ 17.00	0.00%	\$ 10.70	\$ 11.10	3.78%
Mark Twain Rural Telephone Company	\$ 9.00	\$ 9.00	0.00%	\$ 10.25	\$ 10.25	0.00%	\$ 9.06	\$ 9.06	0.03%
McDonald County Telephone Company	\$ 5.75	\$ 5.75	0.00%	\$ 8.75	\$ 8.75	0.00%	\$ 6.61	\$ 6.12	-7.33%
Mid-Missouri Telephone Company	\$ 8.00	\$ 8.00	0.00%	\$ 12.85	\$ 12.85	0.00%	\$ 8.27	\$ 8.62	4.22%
Miller Telephone Company	\$ 9.00	\$ 9.00	0.00%	\$ 14.00	\$ 14.00	0.00%	\$ 9.88	\$ 9.39	-4.98%
MoKan Dial, Inc.	\$ 5.90	\$ 5.90	0.00%	\$ 9.15	\$ 9.15	0.00%	\$ 6.29	\$ 6.26	-0.51%
New Florence Telephone	\$ 4.50	\$ 4.50	0.00%	\$ 6.00	\$ 6.00	0.00%	\$ 5.00	\$ 5.03	0.60%
New London Telephone Company	\$ 12.30	\$ 12.30	0.00%	\$ 22.10	\$ 22.10	0.00%	\$ 14.64	\$ 14.21	-2.94%
Northeast Missouri Rural Telephone Company	\$ 10.04	\$ 10.04	0.00%	\$ 15.04	\$ 15.04	-0.02%	\$ 11.20	\$ 10.33	-7.76%
Orchard Farm Telephone Company	\$ 12.25	\$ 12.25	0.00%	\$ 24.40	\$ 24.40	0.00%	\$ 15.94	\$ 14.19	-10.98%
Oregon Farmers Mutual Telephone	\$ 8.00	\$ 8.00	0.00%	\$ 12.00	\$ 12.00	0.00%	\$ 8.65	\$ 8.50	-1.74%
Ozark Telephone Company	\$ 6.50	\$ 6.50	0.00%	\$ 13.00	\$ 13.00	0.00%	\$ 7.85	\$ 7.15	-8.92%
Peace Valley Telephone Company, Inc.	\$ 4.50	\$ 4.50	0.00%	\$ 5.50	\$ 5.50	0.00%	\$ 4.61	\$ 4.55	-1.33%
Rock Port Telephone Company	\$ 5.40	\$ 5.40	0.00%	\$ 7.90	\$ 7.90	0.00%	\$ 6.23	\$ 6.49	4.09%
Southwestern Bell Telephone, L.P. dba AT&T Mo.	\$ 10.34	\$ 11.34	9.65%	\$ 29.99	\$ 32.12	7.07%	\$ 12.69	\$ 14.88	17.25%
Seneca Telephone Company	\$ 8.10	\$ 8.10	0.00%	\$ 11.80	\$ 11.80	0.00%	\$ 8.74	\$ 8.37	-4.18%

**Calculation of 2007 and Comparison with 2005 Statewide Weighted Average
Basic Local Telephone Services Rate:
Changes in ILEC Rates**

Revised Appendix D

Incumbent Local Exchange Carrier Company Name	Company Statewide Residential Weighted Average Rate		Percentage Change in Statewide Residential Weighted Average Rate	Company Statewide Business Weighted Average Rate		Percentage Change in Statewide Business Weighted Average Rate	Statewide Overall Weighted Average Rate		Percentage Change in Statewide Combined Weighted Average Rate
	2005	2007		2005	2007		2005	2007	
Spectra Communications Group, LLC	\$ 8.99	\$ 8.77	-2.41%	\$ 16.00	\$ 15.63	-2.30%	\$ 9.37	\$ 9.14	-2.46%
Steeleville Telephone Exchange, Inc.	\$ 8.95	\$ 8.95	0.00%	\$ 14.45	\$ 14.45	0.00%	\$ 10.37	\$ 10.40	0.31%
Stoutland Telephone Company	\$ 8.75	\$ 8.75	0.00%	\$ 13.25	\$ 13.25	0.00%	\$ 9.34	\$ 9.24	-1.00%
Windstream Missouri, Inc.	\$ 8.23	\$ 8.25	0.15%	\$ 14.77	\$ 14.79	0.11%	\$ 9.10	\$ 9.17	0.82%
Median Percentage Change in Weighted Average Rates:			0.00%				0.00%		0.03%

Notes

The overall statewide weighted average basic local rate was determined by summing all reporting companies' calculated statewide residential and business revenues and dividing that sum by the statewide sum of all companies' reported residential and business line counts. Companies' business and residential revenues were calculated by exchange, thereby allowing for the impact of unique mandatory charges applied to individual exchanges. The statewide weighted average basic local rates for business and residential basic local services were calculated using the same methodology except that business revenues and line counts were used for the statewide business weighted average basic local rate calculation and residential revenues and line counts were used for the statewide residential weighted average basic local rate calculation. Statewide weighted average basic local rates were calculated on an overall statewide combined (incumbent local exchange carrier (ILEC) and competitive local exchange carrier (CLEC)) basis, on an all-ILEC only basis, on an all-CLEC only basis and for each company, individually.

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 rates and line counts provided by the companies and when necessary to supplement incomplete responses, tariffed rates.

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

AFFIDAVIT OF Walt Cecil

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Walt 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 in the Telecommunications Department. Mr. Cecil states he has participated in the preparation of the accompanying revised memorandum based upon information provided by the telecommunications companies' counsel on January 16, 2008. Mr. Cecil further states the aforementioned memorandum, underlying calculations and analysis comply with those proposed in the Staff's *Motion to Open Case* TO-2006-0084, and that the facts and such matters therein are true and correct to the best of his knowledge and belief.



Walt Cecil

Subscribed and affirmed before me this 17th day of January 2008. I am commissioned as a notary public within the County of Callaway, State of Missouri, and my commission expires on 9-21-10.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



NOTARY PUBLIC