STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 12th day of April, 2005.

In the Matter of Sprint Missouri, Inc.'s Application) for Relief under Section 392.200(4), RSMo, in Its) Ferrelview, Platte City, Wellington, and Weston Exchanges.

Case No. TO-2005-0290

ORDER APPROVING TARIFF

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Syllabus: This order approves a tariff filed by Sprint Missouri, Inc., which introduces a bundled service named "Special Plan – Metro Bundle."

On February 28, 2005, Sprint Missouri, Inc., filed an Application for Geographic Pricing in its Ferrelview, Platte City, Wellington, and Weston exchanges. Sprint also filed a proposed tariff with an effective date of April 14, 2005, in which Sprint seeks Commission approval for its service offering in each of the four exchanges noted above, as well as for Sprint's Kearney exchange. Sprint notes that it has previously been granted competitive status for all of its services in the Kearney exchange.¹

Sprint's proposed tariff introduces a bundled service named the "Special Plan – Metro Bundle." This bundle of services offers basic local telephone service, certain custom calling services, and (where available) Metropolitan Calling Area service for \$21.00 per month to those customers who also subscribe to Sprint Solutions long distance service plus either Sprint DSL, Sprint Video, or Sprint PCS. The Special Plan is to be a permanent

¹ Case No. IO-2003-0281.

service offering and is not being filed as a promotion. In support of its application, Sprint provided various newspaper advertisements of Time Warner Cable Television Company's competitive service offerings. According to Sprint, it has lost significant quantities of access lines to its competitors in these four exchanges. Sprint states that Time Warner and another competitor, ExOp of Missouri, d/b/a Unite, in the Kearney exchange, offer services and packages of services at lower prices than Sprint.

On March 11, 2005, Sprint filed a Motion to Amend Application for Geographic Pricing, along with its amended application removing the Wellington exchange from Sprint's request. Sprint also filed an amended tariff. Sprint stated that the initial application's request for relief for the Wellington exchange was in error. On March 18, 2005, the Commission issued an order granting the company's request to amend its application.

On March 23, 2005, Staff filed its Recommendation and Memorandum, recommending that the Commission approve the proposed tariff sheets. Staff acknowledges that Sprint is a noncompetitively classified incumbent local exchange carrier and its telephone services offered in the Ferrelview, Platte City, and Weston exchange areas are classified as noncompetitive services pursuant to Missouri statute. Services in those exchange areas are subject to price cap regulation. Kearney, however, was classified as a competitive exchange area in Case No. IO-2003-0281.

Staff states that the Special Plan bundle will be made available statewide in all Sprint services areas with a price of \$43.00, and that only the four exchanges (Ferrelview, Platte City, Weston, and Kearney) will receive the reduced price of \$21.00. Staff states that

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it verified the existence of Time Warner and ExOp in these four exchange areas, and was able to confirm the general nature of competition that Sprint alleged.

Staff notes that Section 392.200(4) contemplates that incumbent and competitive local exchange carriers should have an opportunity to price and market services to all prospective customers in any geographic area in which competition for local telephone service exists. Furthermore, the section provides that with Commission approval and subject to Sections 392.200 and 392.230, local exchange telephone companies may charge different rates on an exchange-specific basis. Moreover, Section 392.200(4) provides that such tariff filings are presumed reasonable and necessary to promote the purposes and policies of Chapter 392, RSMo.

The Commission has reviewed the proposed tariff sheets, along with the application and amended application and Staff's Memorandum and Recommendation. The Commission notes that Section 392.200(4) permits a company to, with Commission approval and subject to Section 392.200 and 392.230, charge different rates on an exchange-specific basis. Moreover, Section 392.200(4) provides that such tariffs are presumed reasonable and necessary to promote the purposes and policies of Chapter 392, RSMo. No party has provided any evidence to rebut this presumption, nor has any party requested a hearing. Based upon its review, the Commission determines that Sprint's application and its proposed tariff sheets should be approved.

IT IS THEREFORE ORDERED:

1. That the application of Sprint Missouri, Inc., is granted, and the proposed tariff sheets (Tariff File No. YI-2005-0714), as amended, are approved to become effective on April 14, 2005. The tariff sheets approved are:.

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P.S.C.MO.-No. 22 GENERAL EXCHANGE TARIFF

Section 39, Original Page 3.4 Section 43, Fourth Revised Page 14.1, Cancels Third Revised Page 14.1

2. That this order shall become effective on April 14, 2005.

BY THE COMMISSION

Dale Hardy Roberts Secretary/Chief Regulatory Law Judge

(SEAL)

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

Ruth, Senior Regulatory Law Judge