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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 15th day of May, 1997.

In the Matter of Grand River Mutual Telephone Corporation's Modernization Plans Pursuant to 4 CSR 240-32.100.	**Case No. TO-96-409**
In the Matter of Local Exchange Telecommunications Companies' Modernization Plans Pursuant to 4 CSR 240-32.100.	**Case No. TO-93-309**

ORDER APPROVING NETWORK MODERNIZATION PLAN

On May 14, 1993, the Missouri Public Service Commission (Commission) opened a docket, Case No. TO-93-309, for the purpose of receiving the three-, five-, and seven-year modernization plans required to be filed by local exchange companies (LECs) pursuant to 4 CSR 240-32.100. Each LEC had submitted a filing to that docket by June 18, 1993. The Staff of the Commission (Staff) filed a memorandum concerning the modernization filings on August 24, 1993, and attached a list of LECs with which it had not reached agreement on a modernization plan. Staff recommended that hearings be scheduled with the LECs on the list, and that the hearings be separate rather than concurrent, so that earlier hearings could clarify some issues for later hearings.

On June 4, 1996, the Commission issued its Order Establishing Docket And Setting Prehearing Conference. Because Case No. TO-93-309 was established only to receive the various modernization plans, the Commission determined that separate dockets should be established for the proceedings concerning unresolved modernization plans, and that hearings should be scheduled for the LECs on Staff's list by alphabetical order. Thus, the Commission determined that a hearing should be scheduled in Case No. TO-96-409 for Grand River Mutual Telephone Corporation (Grand River), as it is the next LEC on Staff's list.

The Commission's order scheduled a prehearing conference for June 20, 1996, and directed the parties to file a proposed procedural schedule by June 27, 1996. At the request of the company, the prehearing conference was rescheduled to July 11, 1996, with the proposed procedural schedule due by July 18, 1996. On July 18, 1996, Staff filed a motion for an extension of time to file the proposed procedural schedule, as a result of an anticipated settlement.

On January 30, 1997, the parties filed a unanimous Stipulation And Agreement (Stipulation), and on February 4, 1997, Staff filed Suggestions In Support Of The Stipulation And Agreement, including supporting testimony by Staff witness Myron E. Couch. The Stipulation is attached hereto and incorporated herein by reference as Attachment 1.

The Stipulation may be summarized as follows: The parties agree that Grand River provides the minimum necessary elements for basic local and interexchange telecommunications service as prescribed in 4 CSR 240-32.100, with the exception of interLATA equal access. On June 25, 1996, Grand River submitted to Staff its updated modernization plan for implementing interLATA equal access in all 32 of its Missouri exchanges, which is appended to the Stipulation as Exhibit 1. The parties agree that Grand River will complete the modernization of its facilities in accordance with this plan, which will be implemented in three phases. Completion of certain projects may shift from one phase to another within reasonable parameters. The entire modernization project will be completed no later than March 31, 1999.

Phase I of the plan provides that equal access will be implemented in the 13 exchanges identified by MCI Telecommunications Corporation (MCI) in its November 8, 1993 request for equal access, along with two additional exchanges, by November 31, 1996.[1] Phase II of the plan is scheduled for completion by March 1, 1998. Fiber placement will be utilized to connect switches to the host sites. Phase III is scheduled for completion by March 1, 1999. It is contingent on the placement of fiber and copper facilities to connect host and remote offices. The estimated approximate cost for switching and fiber terminal equipment is $5,467,000.

All of the exchanges in Grand River's service area will have equal access by March 31, 1999. Once this occurs, Staff and the Office of the Public Counsel (Public Counsel) agree that Grand River will be providing all of the minimum necessary elements for basic local and interexchange telecommunications service as set forth in 4 CSR 240-32.100. In addition, the Stipulation also provides that Grand River will submit quarterly modernization reports to Staff's Telecommunications Department and to Public Counsel. The modernization reports will contain the information shown on Exhibit 3, which is appended to the Stipulation. None of the signatories to the Stipulation have acquiesced in any ratemaking or procedural principle, any method of cost determination or cost allocation, or any service or payment standard.

In its Suggestions In Support Of The Stipulation and Agreement, Staff explains that Grand River will achieve equal access by modernizing its whole network with a new configuration rather than by upgrading the

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[1] Phase I was completed as scheduled.

existing switches. Staff claims that this approach is more logical and economical. Although the initial cost for developing the new network will exceed the cost to upgrade the 32 switches, Grand River would otherwise have to upgrade the 32 switches in future years. When the cost of future upgrades is taken into consideration, the new network is less costly. The new network will establish one central office as the host for 31 other remote offices.

Further, Staff notes that Grand River claims the modernization plan will have no impact on the company's local or access rates. Staff also points out that other LECs are using this type of network configuration for the cost-savings benefit. However, Staff cautions that there is a minor disadvantage to the plan, in that customers will experience a temporary loss of long distance services in the event of a severed cable between the host office and a satellite office.

Staff witness Myron E. Couch also provided testimony in support of the Stipulation. Couch first explains that the digital switches which Grand River originally installed between 1982 and 1988 have become obsolete since the company did not pursue an expensive continual upgrade of the switches. Because of this experience Grand River decided that it would be more logical to modernize the network in a way that is more economical to maintain. The new network will allow Grand River to update the hardware and software in only one central office. In addition, Grand River will retain three of its existing Northern Telecom central office switches. The Princeton switch will be retained as the Host Switching Office (HSO), while the switches at Bethany and Galt will be retained as Satellite Switching Offices (SSOs).

The witness further explains that there is a minor disadvantage to the new network configuration. Since only the HSO will have the software to offer all services offered to the company's customers, if the link between the HSO and one of the SSOs is severed, some services will not be available to the customers. The SSOs will have enough software to allow the remotes to make local calls, use the custom calling features,[2] and use some of the CLASS features,[3] but customers who receive their service from the severed SSO or from one of the attached remotes will be unable to make toll calls until the link is repaired. However, this is not a significant change from the present situation where if the link is severed between a Class 5 central office switch and the toll tandem, customers are unable to make long distance calls. The main difference is the loss of some of the CLASS features.

In addition, Couch testified that isolation of a particular central office switch is rare, and restoration of the severed link is usually accomplished in a few hours. Couch also indicated that by the end of 1997, a fiber ring will link the Bethany SSO and seven of its remotes to the HSO to provide redundancy in case the link is severed. While currently it is not practical to provide the same kind of redundancy for the other two SSOs and their remotes, future negotiations with other companies may make it more practical at a later date. The witness concludes that the modernization plan described in the Stipulation is a

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[2] Custom calling features include such services as call waiting, call forwarding, 3-way calling, and speed dialing.

[3] Custom Local Area Signaling Services (CLASS) consists of number-translation services, and is based on the availability of channel inter-office signaling. CLASS features include such services as caller ID, automatic call-back, distinctive ringing, and selective call rejection.

workable plan which will have all of Grand River's exchanges modernized by March 31, 1999.

No party to this proceeding has requested a hearing. Pursuant to ***State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Serv. Comm'n***, 776 S.W.2d 494, 496 (Mo. App. 1989), the Commission determines that no hearing is necessary in this case. The Commission will base its decision on Grand River's June 25, 1996 modernization plan, the Stipulation and Agreement, and the Suggestions in Support of the Stipulation and Agreement, including the attached testimony of Staff witness Myron E. Couch.

Grand River Mutual Telephone Corporation is a telecommunications company and public utility as defined in Section 386.020(42) and (51), RSMo Supp. 1996, and is subject to the jurisdiction of the Commission pursuant to Chapters 386 and 392 of the Missouri Revised Statutes. Pursuant to Section 536.060, RSMo Supp. 1996, the Commission may approve a stipulation concluded among the parties as to any issues in a contested case. The standard for Commission approval of a stipulation is whether it is reasonable. The Commission, after reviewing the record, determines that the Stipulation presented in this case is reasonable in all its provisions.

The Commission adopts the Stipulation in full as resolving all issues which it addresses. The Commission is satisfied that the negotiated settlement represents a reasonable and fair resolution of the issues in this case, and that it would be in the best interest of all parties for the Commission to adopt this Stipulation.

The Commission's rule on the provision of basic local and interexchange telecommunications service by LECs directs that the following technologies and service features shall constitute the minimum necessary elements for basic local and interexchange telecommunications service:

(A) Individual line service;
(B) Availability of dual tone multifrequency signaling;
(C) Electronic switching with Enhanced 911 (E-911) access capability or an enhanced version of it;
(D) Digital interoffice transmission between central office buildings, excluding analog private line service;
(E) Penetration of the International Telephone and Telegraph Consultative Committee's Signaling System Number Seven (CCITT SS7), or an enhanced version of it, down to the tandem level of the switching hierarchy;
(F) Availability of custom calling features including, but not limited to, call waiting, call forwarding, three (3)-way calling and speed dialing; and
(G) Equal access in the sense of dialing parity and presubscription among interexchange telecommunications companies for calling between Local Access and Transport Areas (interLATA presubscription).

4 CSR 240-32.100(2). The rule also required LECs to submit to the Commission's Telecommunications Department by June 1, 1993 three plans for satisfying the minimum necessary elements of basic local and interexchange telecommunications service. 4 CSR 240-32.100(3). The three plans were to establish targets to satisfy the rule within either a three-, five-, or seven-year period of time. ***Id.*** In addition, the rule also allowed LECs to file an additional plan which the company considered optimal in light of its individual business circumstances. ***Id.*** The plans were to include information relating to the expenses of the modernization program and a list of annual targets for the completion of the various components of the minimum necessary elements. ***Id.***

The Stipulation is based upon the plan filed by Grand River on June 25, 1996, which is intended to replace the plan filed by the company on June 1, 1993. The Commission finds that after the complete implementation of the 1996 modernization plan, Grand River will be in compliance with 4 CSR 240-32.100(2).[4] The Commission further finds that 8,434 access

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[4] The Stipulation states that Grand River provides the minimum necessary elements for basic local and interexchange telecommunications service as prescribed in 4 CSR 240-32.100 with the exception of interLATA equal

lines, representing a majority of the total access lines in Grand River's service area, have already been converted to equal access as part of the completion of Phase I of the plan. An additional 3,049 access lines will be converted to equal access by March 1, 1998, as part of Phase II. The remaining 2,364 access lines will be converted to equal access by March 1, 1999, as part of Phase III. In addition, the Commission finds that the 1996 modernization plan is in substantial conformity with the requirements of 4 CSR 240-32.100(3).

The Commission further finds that the disadvantages of the new network configuration are minor, especially in comparison with the advantages. Under the present network configuration, customers are unable to make long distance calls if the link between a Class 5 central office switch and the toll tandem is severed. Likewise, under the new network configuration, customers will be unable to make long distance calls in the event that the link between the HSO and an SSO is severed, or if the link between an SSO and a remote is severed. In either event local calling will be maintained. The primary difference is the loss of some of the CLASS features in the event of a severed link between the HSO and an SSO, and the loss of both the custom calling and CLASS features in the event of a severed link between an SSO and a remote. However, the occurrence of a severed link is likely to be rare, and restoration of the link is likely

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access. This does not appear to be an accurate statement. Attachment B to the modernization plan (attached to the Stipulation as Exhibit 1) states as follows: "Signaling System 7 will be deployed after each phase of equal access in [sic] completed. We plan to implement SS7 in the Phase I exchanges by April 1, 1997. We plan to complete the Phase II and III deployment of SS7 within four months of the conversion to equal access." Thus, Grand River does not presently appear to comply with 4 CSR 240-32.100(2)(E). However, under the 1996 plan deployment of SS7 will be completed within four months of the March 31, 1999 deadline for completion of Phase III of equal access. The Commission finds that the Stipulation is still a reasonable resolution of the issues.

to be accomplished in a relatively short period of time. In addition, some redundancy will be built into the system, and the company will continue to explore the feasibility of providing the system with further redundancy in the future.

Moreover, the proposed modernization plan will have no impact on Grand River's local or access rates, even though the proposed modification of its whole network will be more expensive to implement in the short run than if Grand River merely upgraded the existing switches. The Commission finds that in the long run the new network configuration will provide Grand River with added flexibility, cost savings, and the ability to provide modern telecommunications service to its customers for the foreseeable future.

The Commission also notes that under Grand River's network modernization plan, the requirements of 4 CSR 240-32.100(2) will be satisfied within seven years of the effective date of the rule, which was December 3, 1992. Based upon all the evidence before the Commission, the Commission finds that it is appropriate to adopt the Stipulation and Agreement and approve Grand River's 1996 network modernization plan.

IT IS THEREFORE ORDERED:

1. That the Missouri Public Service Commission hereby adopts all provisions of the Stipulation and Agreement between Grand River Mutual Telephone Corporation, the Staff of the Missouri Public Service Commission, and the Office of the Public Counsel, filed on January 30, 1997, which is incorporated herein by reference as Attachment 1.

2. That the network modernization plan submitted by Grand River Mutual Telephone Corporation to the Staff of the Missouri Public Service Commission on June 25, 1996 is hereby approved.

3. That nothing in this order shall be considered a finding of the Commission of the value for ratemaking purposes of the properties herein involved, or as an acquiescence in the value placed upon said properties by Grand River Mutual Telephone Corporation. Furthermore, the Commission reserves the right to consider the ratemaking treatment to be afforded in any later proceeding.

4. That this order shall become effective on May 28, 1997.

BY THE COMMISSION

Cecil I. Wright

Cecil I. Wright
Executive Secretary

(S E A L)

Zobrist, Chm., Crumpton and
Drainer, CC., concur.

ALJ: Bensavage

FILED
JAN 30 1997
MISSOURI
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Grand River Mutual Telephone Corporation's modernization plans pursuant to 4 CSR 240-32.100.	)))	Case No. TO-96-409

STIPULATION AND AGREEMENT

Comes now Grand River Mutual Telephone Corporation (Grand River or Company), the Staff of the Missouri Public Service Commission (Staff) and the Office of Public Counsel (Public Counsel) and stipulate and agree as follows:

1. On June 1, 1993, the Company filed its 3, 5 and 7 year plans for bringing its service into compliance with the Commission's modernization rule as set forth in 4 CSR 240-32.100. The Company, at the time of its original filing, complied with all technologies and service features that constitute the minimum necessary elements for basic local and interexchange telecommunications service, with the exception of interLATA equal access implementation.

2. On June 4, 1996, the Commission issued an Order Establishing Docket and Setting a Prehearing Conference in the above-captioned matter.

3. On June 25, 1996, the Company submitted to Staff its updated modernization plan for implementing interLATA equal access in all 32 of its Missouri exchanges.

4. As of the date of this Stipulation and Agreement, the Parties agree that the Company provides the minimum necessary elements for basic local and interexchange telecommunications service as prescribed in 4 CSR 240-32.100, with the exception of interLATA equal access.

5. Company agrees to complete the modernization of its facilities in accordance with the modernization plan provided to Staff on June 25, 1996 (a copy of which is appended hereto as Exhibit 1), with the understanding that the plan will be implemented in three (3)

phases, with the completion of certain projects "shifting" from one phase to another within reasonable parameters, but that the entire modernization project will still be completed no later than March 31, 1999. The three (3) phase plan was dictated by Grand River's resources for switch placement. Phase I addresses the thirteen (13) exchanges that were included in MCI's November 8, 1993 request for equal access (MCI's request is appended hereto as Exhibit 2), plus two (2) additional exchanges. Phase I was completed as scheduled on November 31, 1996. Phase II utilizes fiber placement to connect switches to the host sites and is scheduled to be completed March 1, 1998. Phase III is contingent on the placement of fiber and copper facilities to connect host and remote offices, and is scheduled for completion March 1, 1999 with an estimated approximate cost for switching and fiber terminal equipment being $5,467,000. Grand River's plan is to have equal access in all exchanges by March 31, 1999. Grand River shall submit to the Staff of the Commission's Telecommunications Department and the Office of the Public Counsel (OPC) quarterly modernization reports containing the information shown on Exhibit 3, appended hereto.

6. Public Counsel and Staff agree that if the Company complies with the terms of paragraphs 4 and 5 by march 31, 1999, the Company will be providing all of the minimum necessary elements for basic local and interexchange telecommunications service as set forth in 4 CSR 240-32.100.

7. None of the signatories to this Stipulation and Agreement shall have been deemed to have approved or acquiesced in any ratemaking or procedural principle or any method of cost determination or cost allocation, or any service or payment standard and none of

the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding, except as otherwise expressly specified herein.

8. This Stipulation and Agreement has resulted from extensive negotiation among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

9. In the event the Commission accepts the specific terms of the Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1 RSMo 1994 to present testimony, to cross-examine witnesses, and to present oral argument and written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo 1994; and their respective rights to judicial review pursuant to Section 386.510 RSMo 1994.

10. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each Party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all Parties. All memoranda submitted by the Parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all Parties, and shall not become a part of the record of this proceeding or bind or prejudice the Party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any

Party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

11. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

WHEREFORE, the signatories respectfully request that the Commission issue its order approving the terms of this Stipulation and Agreement as soon as practicable.

Respectfully submitted,

THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

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Attorneys for Grand River
Mutual Telephone Corporation

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 30th day of June, 1997.

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Exhibit 1

Grand River Mutual Telephone's Modernization Plan

Grand River Mutual Telephone

June 24, 1996

Mr. Myron Couch
Missouri Public Service Commission
Harry S. Truman State Office Building
301 W. High Street-5th Floor
P.O. Box 360
Jefferson City, MO 65102

RECEIVED

JUN 25 1996

Mo PSC

RE: Modernization Plan

Dear Mr. Couch:

Please find information enclosed concerning the above plan for Grand River Mutual Telephone Corporation. We have enclosed Attachments to help explain implementation of this plan.

Grand River started implementation of network modernization in 1991 with the placing of 92 miles of fiber and copper cable. The fiber placement project was initiated to improve the quality of service and provide increased capacity of interexchange services. However, the request for equal access by MCI Communications in November, 1993, for a portion of our exchanges, required that we expedite our modernization plans in order to meet their request.

As mentioned, fiber cable placement began in 1991 to upgrade interexchange facilities and will be completed in the third quarter of 1998. When the project for fiber and copper facilities is completed, we will have placed some 504 miles at a cost of over $12,200,000.00. (See Attachment A) This project will provide for fiber connections between all switching offices, improve interexchange services and provide capacity for subscriber growth.

The request for equal access, as well as the need for new service offerings, required that we upgrade and replace all 32 Missouri switches. It was decided to utilize a host/remote switching arrangement using Nortel DMS-10 hosts and Nortel RSLE remotes. By using Nortel switching equipment, we were able to upgrade three (3) existing switches to HOST switches, thereby allowing us to extend the life of current assets and reduce investment costs.

Our modernization plan will be implemented in three phases. The three (3) phase approach was dictated by our resources for switch placement. (See Attachment B for implementation detail) Phase I addresses the 13 exchanges that were included in the MCI

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request. Phase II utilizes fiber placement to connect switches to the HOST sites and is scheduled to be completed March 1, 1998. Phase III is contingent on the placement of fiber and copper facilities to connect HOST and remote offices. These exchanges are scheduled for completion March 1, 1999. Our plan is to have equal access in all exchanges by March 31, 1999. (See Attachment C, D, E & F for switching and subscriber detail)

As stated above, we project all switches to be upgraded or changed out by March 1, 1999 and all customers having equal access service by March 31, 1999. The cost for switching and fiber terminal equipment is estimated at a cost of approximately $5,467,000.

We have enclosed Attachment G to show the portion of the present switching plant and related depreciation that will be retained after the switch replacements are completed. It shows the following projections:

Gross plant @ 3-31-95	$9,438,449.00
Retirements @11-30-98	$6,876,574.00
Gross plant retained @ 11-30-98	$2,561,875.00
Depreciation reserve @11-30-98	$ 837,137.00

If you have questions or need additional information, please feel free to contact us anytime at (816) 748-3231.

Sincerely,

for R. A. McArton
General Manager

Attachments

MODERNIZATION PLANS

The modernization of our toll facilities began in 1991 by placing 92 miles of fiber and copper cables in the exchanges of Bethany, Cainsville, Eagleville, Gilman City, Mt. Moriah, New Hampton, Ridgeway, and Washington Center at a cost of $1,580,346.64. After the fiber terminals and switch updates are completed, these exchanges will convert to equal access November 1, 1996.

The next fiber projects (AB6 and AB8) began in 1994 by placing 170 miles of fiber and copper cables in the exchanges of Princeton, Mercer, Powersville, Newtown, Spickard, Brimson, and Galt at a cost of $4,334,191.63. These projects will be completed by the end of third quarter, 1996.

Projects 96-1 and 96-3 began in April, 1996. 142 miles of fiber and copper cables will be placed in the exchanges of Lucerne, Newtown, Galt, Laredo, Chula, Brimson, Jamesport, Gilman City, Meadville, Linneus, Purdin, Browning, and Conception Junction at an estimated cost of $3,928,278.14. The completion date is projected for third quarter's end, 1997.

Project 97-1 will complete the fiber placement in Missouri. It is scheduled to commence May, 1997 and places approximately 100 miles of fiber and copper cables in the exchanges of Sheridan, Parnell, Ravenwood, Graham, Barnard, Conception Jct., Darlington, Gentry, and Denver. The cost estimate for this project is $2,400,000.00 and completion will be third quarter's end, 1998.

SWITCHING DIAGRAM

1. H.S.O. Host Switching Office - for entire Missouri host remote switching complex - located at Princeton, Missouri.

2. S.S.O. Satellite Switching Office - provides trunking to accommodate digital loop carriers, concentrators, and remotes. Has many of the characteristics of our present Class 5 offices, however, the major generic upgrades are installed in the H.S.O. at Princeton. Will stand alone if the connection is severed at Princeton, but trunking to the outside world would be lost when both SS7 links are lost. Bethany, Galt, and Conception Junction will be S.S.O's .

3. REM Remote Office - This is a smart remote switching homing off either an H.S.O. or S.S.O. These switches will have emergency local switching if the connection between the host and remote is severed, trunking to the outside world will be lost. The remaining 28 exchanges in Missouri will utilize this type of switch.

4. SS7 - Signaling System 7 will be deployed after each phase of equal access in completed. We plan to implement SS7 in the Phase I exchanges by April 1, 1997. We plan to complete the Phase II and III deployment of SS7 within four months of the conversion to equal access.

PHASE I NOVEMBER 1, 1996

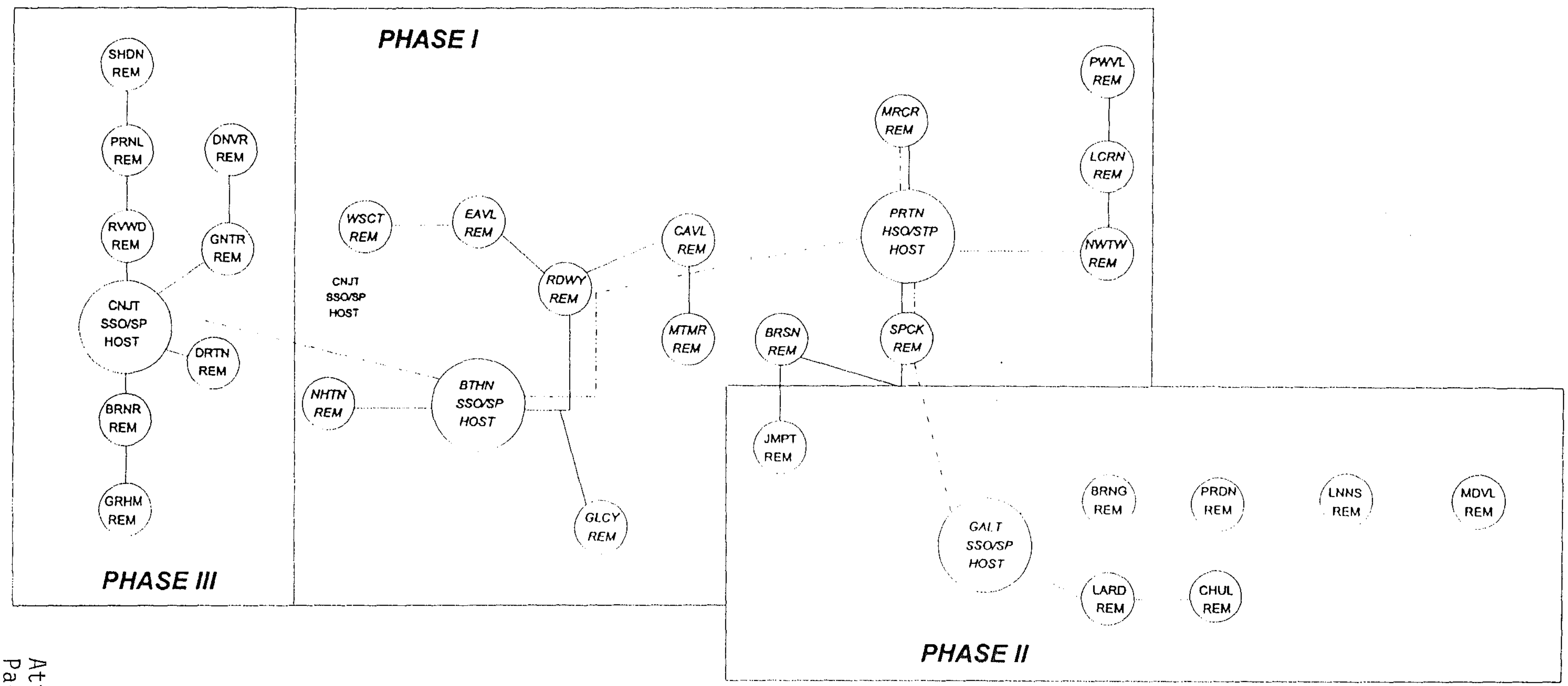
BTHN - BETHANY
PRTN - PRINCETON
SPCK - SPICKARD
BRSN - BRIMSON
WSCT - WASHINGTON CENTER
NHTN - NEW HAMPTON
EAVL - EAGLEVILLE
RDWY - RIDGEWAY
GLCY - GILMAN CITY
CAVL - CAINSVILLE
MTMR- MT. MORIAH
LCRN - LUCERNE
PWVL - POWERSVILLE
MRCR - MERCER
NWTW - NEWTOWN

PHASE II MARCH 1, 1998

GALT - GALT
JMPT - JAMESPORT
LARD - LAREDO
BRNG - BROWNING
CHUL - CHULA
PRDN - PURDIN
MDVL - MEADVILLE
LNNS - LINNEUS

PHASE III MARCH 1, 1999

CNJT - CONCEPTION JUNCTION
RVWD - RAVENWOOD
SHDN - SHERIDAN
PRNL - PARNELL
DNVR - DENVER
GNTR - GENTRY
DRTN - DARLINGTON
BRNR - BARNARD
GRHM - GRAHAM



Attachment C

SWITCH CONVERSION DATES

PHASE I		
Bethany Host	SSO HOST	May 15, 1996
Princeton Host	HSO HOST	May 29, 1996
Spickard		June 25, 1996
Brimson		July 2, 1996
Washington Center		July 9, 1996
New Hampton		July 16, 1996
Eagleville		July 23, 1996
Ridgeway		July 30, 1996
Gilman City		August 6, 1996
Cainsville		August 13, 1996
Mt. Moriah		August 20, 1996
Lucerne		August 27, 1996
Powersville		September 4, 1996
Mercer		September 10, 1996
Newtown		September 17, 1996
PHASE II		
Galt	SSO HOST	June 13, 1996
Jamesport		June 18, 1997
Laredo		September 3, 1997
Browning		September 10, 1997
Chula		September 16, 1997
Purdin		September 18, 1997
Meadville		September 24, 1997
Linneus		October 1, 1997
PHASE III		
Conception Junction	SSO HOST	April 1, 1998
Ravenwood		April 15, 1998
Sheridan		September 1, 1998
Parnell		September 8, 1998
Denver		September 30, 1998
Gentry		October 7, 1998
Darlington		October 14, 1998
Barnard		November 4, 1998
Graham		November 11, 1998

EQUAL ACCESS CONVERSION - MISSOURI

PHASE I

EXCHANGE	ACCESS LINES
Bethany	2,526
Princeton	1,581
Spickard	475
Brimson	294
Washington Center	175
New Hampton	334
Eagleville	569
Ridgeway	409
Gilman City	314
Cainsville	320
Mt. Moriah	131
Lucerne	205
Powersville	99
Mercer	716
Newtown	286
	8,434

PHASE II

EXCHANGE	ACCESS LINES
Galt	526
Jamesport	533
Laredo	305
Browning	318
Chula	285
Purdin	283
Meadville	439
Linneus	360
	3,049

PHASE III

EXCHANGE	ACCESS LINES
Conception Junction	304
Ravenwood	420
Sheridan	232
Parnell	191
Denver	77
Gentry	267
Darlington	186
Barnard	458
Graham	229
	2,364

Grand River Mutual Telephone

June 14, 1996

Mr. R. A. McArton, General Manager
Grand River Mutual Telephone Corporation
1001 Kentucky Street
Princeton, MO 64673

Dear Bob:

As you requested, I anticipate being finished with switch upgrades and converted to equal access in all Missouri exchanges by March 31, 1999.

I estimate the costs to reach these goals in 1999 to be as follows:

Nortel Switching Equipment	$3,406,580	
Nortel Translation Support	$ 12,000	$3,418,580
Sonet Fiber Equipment Installed	$ 764,112	
Future Sonet Equipment	$1,184,500	
Future Ancillary Fiber Equipment	$ 78,500	
Move Asynchronous Fiber Equipment	$ 5,000	$2,032,112
T Carrier Channel Bank & Channel Addition		$ 16,200
Equipment Addition & Installation		$5,466,892

If there are other questions, please contact me.

Sincerely yours,

Wendel

Wendel M. Myers
Equipment Supervisor

WMM/lab
cc: P. Johnson

1001 KENTUCKY STREET • PRINCETON, MISSOURI 64673 • TELEPHONE (816) 748-3231

EXCH CODE	EXCH NAME	MISSOURI COE GROSS PLANT AT 3-31-95	(ACCOUNT 2212) APPX NET PLANT AT 3-31-95	DEPR EXP 4-1-95 THRU 5-31-96	DEPR EXP 6-1-96 THRU 6-30-96	DEPR EXP 7-1-96 THRU 7-31-96	DEPR EXP 8-1-96 THRU 8-31-96	DEPR EXP 9-1-96 THRU 9-30-96	DEPR EXP 10-1-96 THRU 6-30-97	DEPR EXP 7-1-97 THRU 9-30-97	DEPR EXP 10-1-97 THRU 10-31-97	DEPR EXP 11-1-97 THRU 4-30-98	DEPR EXP 5-1-98 THRU 9-30-98	DEPR EXP 10-1-98 THRU 10-31-98	DEPR EXP 11-1-98 THRU 11-30-98
33	PURDIN	$ 250,071.82	$ 123,287.20	$ 19,460.31	$ 1,389.93	$ 1,389.93	$ 1,389.93	$ 1,389.93	$ 12,509.84	$ 4,169.95					
55	LAREDO	$ 342,473.66	$ 168,673.50	$ 26,650.92	$ 1,903.51	$ 1,903.51	$ 1,903.51	$ 1,902.82	$ 17,132.24	$ 5,710.75					
63	DENVER	$ 137,583.64	$ 43,244.69	$ 10,706.61	$ 764.71	$ 764.71	$ 764.71	$ 764.43	$ 6,882.62	$ 2,294.21	$ 764.71	$ 4,588.41	$ 3,823.71		
42	MERCER	$ 342,027.59	$ 158,096.81	$ 26,616.21	$ 1,901.03	$ 1,901.03	$ 1,901.03	$ 1,900.34							
20	BETHANY R	$ 769,623.79	$ 301,632.32	$ 59,891.27											
27	NEW HAMPTON	$ 312,209.53	$ 92,302.40	$ 24,295.80	$ 1,735.30	$ 1,735.30									
64	GENTRY	$ 243,374.43	$ 73,379.33	$ 18,939.13	$ 1,352.70	$ 1,352.70	$ 1,352.70	$ 1,352.22	$ 12,174.81	$ 4,058.27	$ 1,352.70	$ 8,116.54	$ 6,763.84	$ 1,352.70	
56	SPICKARD	$ 256,782.43	$ 145,259.84	$ 19,982.52	$ 1,427.23										
44	POWERSVILLE	$ 202,728.36	$ 94,417.51	$ 15,776.10	$ 1,126.79	$ 1,126.79	$ 1,126.79	$ 1,126.38							
52	CHULA	$ 249,173.70	$ 122,604.01	$ 19,390.42	$ 1,384.94	$ 1,384.94	$ 1,384.94	$ 1,384.44	$ 12,464.91	$ 4,154.97					
66	BARNARD	$ 326,113.20	$ 109,767.73	$ 25,377.77	$ 1,812.57	$ 1,812.57	$ 1,812.57	$ 1,811.92	$ 16,313.81	$ 5,437.94	$ 1,812.57	$ 10,875.88	$ 9,063.30	$ 1,812.57	$ 1,812.57
62	DARLINGTON	$ 205,064.34	$ 65,169.61	$ 15,957.10	$ 1,139.71	$ 1,139.71	$ 1,139.71	$ 1,139.30	$ 10,257.84	$ 3,419.28	$ 1,139.71	$ 8,838.56	$ 5,696.85	$ 1,139.71	
53	GALT R	$ 274,464.06	$ 158,952.43	$ 21,358.49	$ 1,525.60										
54	JAMESPORT	$ 245,390.64	$ 137,815.81	$ 19,096.03	$ 1,363.91	$ 1,363.91	$ 1,363.91	$ 1,363.42	$ 12,275.67						
40	PRINCETON R	$ 709,693.53	$ 400,485.31	$ 56,227.56											
51	BRIMSON	$ 250,897.52	$ 125,338.15	$ 19,524.57	$ 1,394.52	$ 1,394.52									
41	LUCERNE	$ 231,003.71	$ 110,890.09	$ 17,976.45	$ 1,283.94	$ 1,283.94	$ 1,283.94								
43	NEWTOWN	$ 238,957.20	$ 115,558.44	$ 18,595.38	$ 1,328.15	$ 1,328.15	$ 1,328.15	$ 1,327.67							
60	SHERIDAN	$ 205,958.57	$ 70,163.54	$ 16,027.47	$ 1,144.74	$ 1,144.74	$ 1,144.74	$ 1,144.33	$ 10,303.08	$ 3,434.36	$ 1,144.74	$ 6,868.72	$ 5,723.98		
24	MT. MORIAH	$ 226,908.00	$ 91,214.95	$ 17,657.73	$ 1,261.18	$ 1,261.18	$ 1,261.18								
26	WASH. CENTER	$ 231,308.87	$ 91,099.24	$ 18,000.20	$ 1,285.64	$ 1,285.64									
22	EAGLEVILLE	$ 347,047.32	$ 134,945.81	$ 27,006.84	$ 1,928.93	$ 1,928.93									
25	RIDGEWAY	$ 282,244.82	$ 112,332.73	$ 21,963.98	$ 1,568.75	$ 1,568.75									
23	GILMAN CITY	$ 268,488.35	$ 107,268.99	$ 20,893.47	$ 1,492.29	$ 1,492.29	$ 1,492.29								
21	CAINSVILLE	$ 267,905.48	$ 104,421.02	$ 20,848.11	$ 1,489.05	$ 1,489.05	$ 1,489.05								
30	[illegible]IS	$ 394,172.98	$ 195,775.50	$ 30,674.10	$ 2,190.86	$ 2,190.86	$ 2,190.86	$ 2,190.07	$ 19,718.50	$ 6,572.83	$ 2,190.86				
68	[illegible]WOOD	$ 307,232.90	$ 97,340.47	$ 23,908.52	$ 1,707.63	$ 1,707.63	$ 1,707.63	$ 1,707.02	$ 15,369.33	$ 5,123.11	$ 1,707.63	$ 10,248.22			
32	M[illegible]VILLE	$ 247,757.09	$ 139,144.84	$ 19,280.18	$ 1,377.06	$ 1,377.06	$ 1,377.06	$ 1,376.57	$ 12,394.05	$ 4,131.35					
69	GRAHAM	$ 193,928.36	$ 66,855.34	$ 15,091.29	$ 1,077.88	$ 1,077.88	$ 1,077.88	$ 1,077.49	$ 9,701.27	$ 3,233.76	$ 1,077.88	$ 8,467.51	$ 5,389.64	$ 1,077.88	$ 1,077.88
65	CONC. JCT. R	$ 223,519.07	$ 71,569.13	$ 17,394.01	$ 1,242.34	$ 1,242.34	$ 1,242.34	$ 1,241.90	$ 11,181.54	$ 3,727.18	$ 1,242.34	$ 7,454.36			
31	BROWNING	$ 216,673.08	$ 123,394.66	$ 16,861.26	$ 1,204.29	$ 1,204.29	$ 1,204.29	$ 1,203.86	$ 10,839.07	$ 3,613.02					
67	PARNELL	$ 184,284.17	$ 61,258.87	$ 14,340.79	$ 1,024.27	$ 1,024.27	$ 1,024.27	$ 1,023.90	$ 9,218.82	$ 3,072.94	$ 1,024.27	$ 6,145.88	$ 5,121.61		
99	TEST EQUIP.	$ 253,397.02	$ 96,614.03	$ 19,719.07	$ 1,408.41	$ 1,408.41	$ 1,408.41	$ 1,407.90	$ 12,676.19	$ 4,225.40	$ 1,408.41	$ 8,450.79	$ 7,042.38	$ 1,408.41	$ 1,408.41
	TOTAL	$ 9,438,449.21	$ 4,110,274.31	$ 734,489.64	$ 44,237.74	$ 41,285.01	$ 33,371.88	$ 27,835.90	$ 211,413.59	$ 66,379.31	$ 14,865.83	$ 76,052.86	$ 48,627.29	$ 6,791.27	$ 4,298.86

GROSS PLANT AT 3-31-95	$ 9,438,449.21	DEPR RESERVE AT 3-31-95	$ 5,328,174.90
RETIREMENTS THRU 11-30-98	$ (6,876,574.38)	DEPR ACCRUED 4-1-95 THRU 11-30-98	$ 1,309,649.18
		RETIREMENTS THRU 11-30-98	$ (6,876,574.38)
GROSS PLT RETAINED AT 11-30-98	$ 2,561,874.83	SALVAGE	$ 800,000.00
		DEPR ACC ON RETAINED PLT	$ 275,887.00
		DEPR RESERVE AT 11-30-98	$ 837,138.70

Exhibit 2

MCI's November 8, 1993 Request for Equal Access

MCI Telecommunications
Corporation
2400 N. Glenville Dr.
Richardson, TX 75082-4381

MCI

NOV 1993
RECEIVED
General Manager

November 8, 1993

Mr. Robert A. McArton
General Manager
Grand River Mutual Telephone Corp.
1001 Kentucky Street
Princeton, MO 64673

Dear Mr. McArton:

I am writing on behalf of MCI Telecommunications Corporation to request equal access from Grand River Mutual Telephone Corp.'s end office.The FCC's order Docket No. 78-72, Phase III (100 F.C.C.2d 860(1985) requires all independent local exchange companies to provide equal access upon "reasonable request" of an interexchange carrier. Consistent with Grand River Mutual Telephone Corp.'s obligation under the FCC's order, this letter confirms MCI's request for the conversion of Grand River Mutual's end office to equal access.

The specific office for which MCI requests equal access is listed in Exhibit A to this letter. Please verify that the information is accurate.

Through its experience with equal access in the past several years, MCI has found that equal access conversion and the availability of competition for presubscription and Dial 1 calling benefits customer and local exchange carriers, as well as interexchange carriers. Indeed, replacement of older switching systems often realizes significant savings in maintenance and other operating expenses for the local exchange carrier. We are therefore prepared to work closely with you to address the many details involved with implementation of equal access and presubscription. In particular, MCI anticipates cooperating in development of a conversion schedule for Grand River Mutual Telephone Corp. that provides equal access well in advance of the three-year time limit imposed by the FCC for Stored Program Control (SPC) switches. Although the FCC did not mandate a specified timetable for converting end offices having electromechanical switches, except they should be converted as soon as practicable, we are also requesting equal access conversion in those end offices.

With regard to network configuration, we expect that Grand River Mutual Telephone Corp. will continue to route traffic to MCI through the same tandem at which MCI currently receives 800 traffic from Grand River Mutual, in order to maintain trunking efficiency. Upon receipt of the necessary scheduling and planning data, MCI is prepared to provide Grand River Mutual Telephone Corp. a forecast of traffic minutes so that you can properly size the common trunk groups between your office and the tandem. If you have any concerns with this approach, please let me know.

MCI looks forward to your response to this request and to working with you to bring equal access to our mutual customers. Do not hesitate to contact me with any questions or if I can be of assistance.

I can be reached at 214/918-6956.

Sincerely,

Gary L. Barclay

Gary L. Barclay
Manager, Carrier Relations

Attachment: Exhibit A

Exhibit A

END OFFICES CONVERTING TO EQUAL ACCESS

COMPANY: Grand River Mutual Telephone Corp.

LOCATION: Princeton, Missouri

EQUAL ACCESS SERVICE DATE: TBD

EXCHANGE NAME	CLLI	NPA/NXX	TOTAL ACCESS LINES
BETHANY	BTHNMOXA425	816/425	2395
CAINSVILLE	CAVLMOXA893	816/893	334
EAGLEVILLE	EAVLMOXA867	816/867	563
GILMAN CITY	GLCYMOXA876	816/876	324
MT MORIAH	MTMRMOXA824	816/824	134
NEW HAMPTON	NHTNMOXA439	816/439	321
RIDGEWAY	RDWYMOXA872	816/872	399
WASH CENTER	WSCTMOXA845	816/845	169
PRINCETON	PRTNMOXA748	816/748	1452
LUCERNE	LCRNMOXA793	816/793	141
MERCER	MRCRMOXA382	816/382	653
NEWTOWN	NWTNMOXA794	816/794	282
POWERSVILLE	PWVLMOXA592	816/592	91
TOTAL			7258

Exhibit 3

Quarterly Modernization Reports Requirements for
Grand River Mutaul Telephone

Switch Conversions

- Date Completed
- Exchange Name
- DTMF Availability date
- 911 Availability date
- Custom Calling Features
  - Features Available
  - Availability date
- Total Access Lines
- Type of switch
- Budgeted
  - Total Dollars
    - Capital Dollars
    - Expense Dollars
- Actual
  - Total Dollars
    - Capital Dollars
    - Expense Dollars
- Explain differences over 10%

Equal Access Conversions

- Date Implemented
- Exchange Name
- Total Access Lines
- Budgeted
  - Total Dollars
    - Capital Dollars
    - Expense Dollars
- Actual
  - Total Dollars
    - Capital Dollars
    - Expense Dollars
- Explain differences over 10%

Interexchange Conversions

- Date Completed
- Route
- Miles Converted
- Previous Facility Type
- Previous Facility Capacity
- New Facility Type
- New Facility Capacity
- Budgeted
  - Total Dollars
    - Capital Dollars
    - Expense Dollars
- Actual
  - Total Dollars
    - Capital Dollars
    - Expense Dollars
- Explain differences over 10%