

**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.)
Clair, Marthasville, Beaufort, Foley and)
Warrenton.)

Case No. TO-2005-0141

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

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and in support of the *Stipulation and Agreement* filed in this matter, offers the following suggestions:

1. On April 18, 2006, the Staff, the Office of Public Counsel (OPC), and CenturyTel of Missouri, LLC (CenturyTel) (collectively “Signatories”) jointly filed a Stipulation and Agreement to resolve this case with respect to CenturyTel’s exchanges. The Stipulation and Agreement proposes to add the CenturyTel exchanges of Foley, Holstein, Marthasville, Warrenton and Wright City as a new Tier 6 of the St. Louis Metropolitan Calling Area (MCA).

2. The OPC initiated this case on November 22, 2004, when it filed a request for expansion of the St. Louis MCA Plan. 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 St. Louis 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. Two incumbent local exchange carriers (ILECs) serve the eight exchanges at issue in this case: AT&T Missouri serves the Beaufort, St. Clair, Union and Washington exchanges; and CenturyTel serves the Foley, Marthasville, Warrenton and Wright City

exchanges. In the Staff, OPC and CenturyTel *Stipulation and Agreement*, the Signatories agreed to add the exchange of Holstein to the exchanges at issue.

4. On December 2, 2005, the Staff, OPC and AT&T Missouri jointly filed a *Stipulation and Agreement* to resolve this case with respect to the AT&T exchanges. A hearing for the purpose of the presentation of that Stipulation and Agreement was held February 21, 2006, and the Commission issued its *Order Approving Stipulation and Agreement and Order Directing Filing* on February 23, 2006. Accordingly, the only exchanges addressed by the current *Stipulation and Agreement* are served by CenturyTel: Foley, Marthasville, Warrenton, Wright City, and Holstein.

5. Benefits to the subscribing MCA customers in the CenturyTel exchanges are as follows:

(a) Subscription to MCA-6 service will be optional and in addition to charges for local service and any other existing Extended Area Service (EAS) charges not encompassed by the calling scope for MCA service. If a customer would benefit from the new service, the customer may subscribe, otherwise, the customer is under no obligation since the MCA service is optional.

(b) MCA-6 subscribers can call: all MCA-central, MCA-1, MCA-2, MCA-3, MCA-4 and **MCA-5** customers (subscribers and non-subscribers of MCA service) and all MCA-6 subscribers as a local call.

(c) CenturyTel will initially offer MCA-6 service to its residential customers in the CenturyTel exchanges for \$35.50 per month, and to its business customers for \$95.00 per month. The local calling scope for MCA-6 subscribers would be approximately an additional 1.3 million access lines.

6. Staff believes that the reasons stated above provide ample support that the Stipulation and Agreement filed is reasonable, and the Commission should therefore approve the Stipulation and Agreement.

7. Other parties to this case, Fidelity Telephone Company, Orchard Farm Telephone Company, Southwestern Bell Telephone L.P. d/b/a AT&T Missouri, Spectra Communications Group, L.L.C., d/b/a CenturyTel, and Missouri Independent Telephone Group (MITG), have advised the Signatories that they do not oppose this 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 St. Louis, Kansas City and Springfield. The St. Louis MCA was designed with six tiers, with MCA-Central as the innermost tier and MCA-5 as the outermost tier of the St. Louis MCA. When the Commission implemented the MCA Plan, it stated in its December 23, 1992 *Report and Order*:

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.

The *Stipulation and Agreement* recognizes the growth that has occurred since the MCA Plan was implemented in 1992, and also recognizes the communities of interest between the St. Louis metropolitan area and the Foley, Holstein, Marthasville, Warrenton and Wright City 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. 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, a CenturyTel customer wishing to subscribe to CenturyTel'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 offices codes, or NXX codes, as either an MCA NXX or a non-MCA NXX. 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 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 Plan Administrator, NeuStar (NeuStar), in order to have new NXX codes issued for the provision of MCA service. The Commission has previously overturned NeuStar 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.

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 CenturyTel, the ILEC serving the Foley, Holstein, Marthasville, Warrenton and Wright City exchanges; 4) appears to meet the public's request for expanded calling; and 5) is not opposed by the non-signatory parties.

WHEREFORE, for the foregoing reasons, the Staff requests the Commission to approve the *Stipulation and Agreement*.

Respectfully submitted,

/s/ David Meyer
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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 26th day of April, 2006.

/s/ David Meyer

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AFFIDAVIT OF Michael S. Scheperle

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Michael S. Scheperle, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in the preparation of the accompanying document, and that the facts therein are true and correct to the best of his knowledge and belief.

Michael S. Scheperle
Michael S. Scheperle



Subscribed and affirmed before me this 26th day of April 2006

I am commissioned as a notary public within the County of Cole, State of Missouri

and my commission expires on September 11, 2006

Sharon S. Wiles
NOTARY PUBLIC

