

**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-\_\_\_\_\_  
Local Telecommunication Services     )

**MOTION TO OPEN CASE AND  
MOTION FOR PROTECTIVE ORDER**

COMES NOW the Staff of the Missouri Public Service Commission and for its Motion to  
Open Case states:

1. Senate Bill No. 237, an act relating to telecommunications companies, was enacted  
by the 93<sup>rd</sup> General Assembly. New subsection 13 to Section 392.245 reads:

Prior to January 1, 2006, the commission shall determine the weighted, statewide average rate of nonwireless basic local telecommunications services as of the effective date of this section. The commission shall likewise determine the weighted, statewide average rate of nonwireless basic local telecommunications services two years and five years after the effective date of this section. The commission shall report its findings to the general assembly by January 30, 2008, and provide a second study by January 30, 2011. If the commission finds that the weighted, statewide average rate of nonwireless basic local telecommunications service in 2008 or 2011 is greater than the weighted, statewide average rate of nonwireless basic local telecommunications service in 2006 multiplied by one plus the percentage increase in the Consumer Price Index for all goods and services for the study periods, the commission shall recommend to the general assembly such changes in state law as the commission deems appropriate to achieve the purposes set forth in section 392.185. In determining the weighted, statewide average rate of nonwireless basic local telecommunications service, the commission shall exclude rate increases to nonwireless basic telecommunications service permitted under subsections 8 and 9 of this section and section 392.240 or exogenous costs incurred by the providers of nonwireless basic local telecommunications service.

2. Subsection 13 takes effect on August 28, 2005.

3. The Staff requests the Commission to open this case to provide a vehicle for the Commission to determine the average rate of nonwireless basic local telecommunications services as of August 28, 2005.

4. The Staff requests the Commission to order all incumbent local exchange telecommunications companies and all alternative, also known as competitive, local exchange telecommunications companies to provide both residential and business line counts and rates by exchange as of August 28, 2005. The Staff requests the Commission to order the companies to use the Excel worksheet and instructions on the Commission's website at <http://www.psc.mo.gov/TelecoIndustryInfo.asp>. Copies of the worksheet and instructions are attached to this motion. The Staff requests the Commission to order the companies to electronically submit the data to Staff member Walter Cecil at [walter.cecil@psc.mo.gov](mailto:walter.cecil@psc.mo.gov) no later than September 30, 2005.

5. The Staff proposes the following process for calculating the weighted, statewide average rate of nonwireless basic local telecommunications service:

The following information should be provided by incumbent and competitive basic local telecommunications carriers on an exchange-specific basis:

Residential:

- Number of single-line basic local telecommunications service access lines\* in the exchange. Delineate access lines based on whether the line is provided on a stand alone basis or bundled basis.
- The applicable basic local telecommunications service rate.
- The applicable extended area service and/or mandatory expanded calling rate additive, if any.

Business:

- Number of single-line basic local telecommunications service access lines\* in the exchange. Delineate access lines based on whether the line is provided on a stand alone basis or bundled basis.
- The applicable basic local telecommunications service rate.
- The applicable extended area service and/or mandatory expanded calling rate additive, if any.

\* Single-line basic local telecommunications service access lines include any bundled or packaged offering where single-line basic local telecommunications service is combined with non-basic services and/or non-regulated services. The local rate associated with any bundled or packaged

offering will be assumed to be the same basic local rate as for single-line basic local telecommunications service on a stand alone basis.

Example of the calculation process

<b>Residential</b>					
(A) Exchange	(B) Single-Lines		(C) Local Rate	(D) EAS or mandatory plan	(E) [(C)+(D)]*(B)
	Stand Alone	Bundled			
Exchange X	7,000	3,000	\$10.00	\$2	\$120,000
Exchange Y	11,000	4,000	\$13.00	\$0	\$195,000
Exchange Z	5,000	2,500	\$ 7.00	\$0	\$52,500
<b>Totals</b>	<b>32,500</b>				<b>\$367,500</b>

<b>Business</b>					
(A) Exchange	(B) Single-Lines		(C) Local Rate	(D) EAS or mandatory plan	(E) [(C)+(D)]*(B)
	Stand Alone	Bundled			
Exchange X	700	200	\$20.00	\$5	\$22,500
Exchange Y	800	400	\$26.00	\$0	\$31,200
Exchange Z	200	50	\$ 15.00	\$0	\$3,750
<b>Totals</b>	<b>2,350</b>				<b>\$57,450</b>

Further explanation of the calculation process:

- A company's mandatory EAS and/or mandatory expanded calling rate additive are added to the single-line basic local telecommunications service rate. The combined rate is applied to the corresponding access line resulting in a revenue figure (Column E).
- Revenues contained in Column E are summed to arrive at a total revenue figure for the company's exchanges.
- Lines identified in Column B are summed.
- Corresponding revenues can be summed with other companies' revenues. Corresponding lines can be added to line quantities for other companies.

Weighted average rates are calculated by dividing revenues with lines.

$\$367,500/32,500 = \$11.31$  **weighted average residential rate**

$\$57,450 / 2,350 = \$24.45$  **weighted average business rate**

6. The Staff believes that some companies consider line counts to be proprietary information. Accordingly, the Staff requests the Commission to issue its standard protective order.

7. The Staff requests the Commission to set an intervention date for these entities seeking to actively participate in the case.

WHEREFORE, Staff requests the Commission issue an order that (1) opens a case, (2) orders companies to provide the requested data as requested in paragraph 4, (3) establishes a protective order, and (4) sets an intervention deadline.

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 19<sup>th</sup> day of August, 2005.

**/s/ William K. Haas**