

LAW OFFICES
BRYDON, SWEARENGEN & ENGLAND

PROFESSIONAL CORPORATION

312 EAST CAPITOL AVENUE

P.O. BOX 456

JEFFERSON CITY, MISSOURI 65102-0456

TELEPHONE (573) 635-7188

FACSIMILE (573) 635-0427

E-MAIL: KARENBS@AOL.COM

DAVID V.G. BRYDON
JAMES C. SWEARENGEN
WILLIAM R. ENGLAND, III
JOHNNY K. RICHARDSON
GARY W. DUFFY
PAUL A. BOUDREAU
SONDRA B. MORGAN
CHARLES E. SMARR

DEAN L. COOPER
MARK G. ANDERSON
TIMOTHY T. STEWART
GREGORY C. MITCHELL
RACHEL M. CRAIG
BRIAN T. MCCARTNEY
DALE T. SMITH

July 19, 1999

FILED

JUL 19 1999

Missouri Public
Service Commission

TA-2000-35

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: In the matter of the application of Grand River Communications, Inc., d/b/a Lathrop Long Distance for a certificate of service authority to provide interexchange and local exchange telecommunications services.

Dear Mr. Roberts:

Enclosed please find the original plus fourteen (14) copies of Application for filing on behalf of Grand River Communications, Inc., d/b/a Lathrop Long Distance in the above referenced matter. Please bring this matter to the attention of the appropriate Commission personnel. A copy of this filing is being sent to all parties of record.

Thank you for your attention to this matter.

Very truly yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

Sondra B. Morgan
Sondra B. Morgan

SBM/k

Enclosures

cc: Office of Public Counsel
Phillip Johnson
Terry Robinson

0000062

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

JUL 19 1999

Missouri Public
Service Commission

In the matter of the application of)
Grand River Communications, Inc.,)
d/b/a Lathrop Long Distance)
for a certificate of service authority)
to provide interexchange and local)
exchange telecommunications)
services)

Case No. TA-2000-35

APPLICATION

Grand River Communications, Inc., d/b/a Lathrop Long Distance ("Applicant" or "Lathrop"), a Missouri corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

- (a) grants Applicant a Certificate of Service Authority to provide interexchange and local exchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;
- (b) grants competitive status to Applicant; and
- (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMO Supp. 1998.

In support of its request, Applicant states:

1. Applicant is a Missouri corporation with its principal office and place of business at 1001 Kentucky Street, Princeton, Missouri 64663. A copy of Applicant's Articles of Incorporation and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri is attached to an Application being filed by Applicant on this same date using the d/b/a Grand River Long Distance. A copy of Applicant's Registration of Fictitious Name is attached hereto as Appendix A. A list of Applicant's current officers and directors is attached as Appendix B and is incorporated by reference herein.

0000062

2. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

Philip S. Johnson
General Manager
Grand River Communications, Inc.
1001 Kentucky Street
Princeton, Missouri 64663

W.R. England, III, Esq.
Sondra B. Morgan, Esq.
Brydon, Swearngen & England, P.C.
312 East Capitol Street
P.O. Box 456
Jefferson City, Missouri 65102

3. Applicant proposes to resell one plus (1+) interexchange telecommunications services and associated operator and directory assistance services to business and residential customers located throughout the State of Missouri. Initially, Applicant will only provide service to local exchange customers of Lathrop Telephone Company. Applicant will utilize its own facilities, or purchase for resale, the services or facilities of other carriers in order to provide the services sought to be provided.

4. Applicant proposes to charge for its services based upon rates, rules and regulations as proposed in the tariff attached hereto and incorporated by reference as Appendix C.

5. Applicant requests classification as a competitive telecommunications company within the State of Missouri. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

6. Applicant also requests, pursuant to Section 392.420, RSMO 1994, that the Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

§392.240(1)	Rates-reasonable average return on investment.
§392.270	Property valuation.
§392.280	Depreciation rates.
§392.290	Issuance of stocks and bonds.
§392.310	Issuance of stocks and bonds.
§392.320	Issuance of stocks and bonds.
§392.330	Issuance of stocks and bonds.
§392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-30.040	Uniform System of Accounts.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	In-state record keeping.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

It is Applicant's understanding that the above-referenced rules and statutory provisions have typically been waived for other interexchange carriers in prior cases.

7. Applicant is a wholly owned subsidiary of Grand River Mutual Telephone Corporation. The interexchange services provided by Applicant will be performed by the Applicant or by independent contractors, agents or employees of Grand River Mutual Telephone Corporation. For example, billing & collection and billing inquiry services will be performed by the Applicant, or they will be provided under contractual agreements between Applicant and independent contractors, including local exchange carriers. Applicant will compensate its

independent contractors, or local exchange carriers fully for all services provided on Applicant's behalf.

8. Applicant's parent corporation, through its subsidiaries, including Grand River Communications, Inc., has extensive experience in providing reliable and affordable telecommunications services to the public in, among others, the State of Missouri. As a result, Applicant will have available to it the technical expertise to provide interexchange telecommunications services that meet or exceed all service standards established by the Commission.

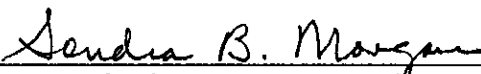
9. Applicant is financially capable of providing the proposed service. For purposes of illustration, Comparative Balance Sheets of the Applicant are attached hereto as Appendix D.

10. The Commission has found that the interexchange market which Applicant seeks to enter is sufficiently competitive so as to justify a lesser degree of regulation. In Re Classification of Service Provided by Interexchange Telecommunications Carrier within the State of Missouri, Case No. TO-88-142, Report and Order (effective October 16, 1989) at pp. 19-20. Expedient grant of the instant Application will increase the competition in the provision of interexchange services, consistent with the Commission's policies and increase the variety and number of interexchange telecommunications providers and services available to users. Accordingly, Applicant's proposed operations are in the public interest.

WHEREFORE, Applicant respectfully requests that the Commission grant it a certificate of service authority to provide intrastate interexchange and local exchange telecommunications services to the public in the State of Missouri. If granted local exchange authority, such authority will be limited to the provisioning of dedicated, non-switched local exchange private line services.

Applicant also requests classification as a competitive telecommunications company. In addition,
Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,



W.R. England, III Mo Bar#23975
Sondra B. Morgan Mo Bar #35482
Brydon, Swearngen & England P.C.
312 East Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166

Attorneys for GRAND RIVER
COMMUNICATIONS, INC.

VERIFICATION

STATE OF Missouri)
) ss.
COUNTY OF Mercer)

Phillip S. Johnson, having been duly sworn upon his oath, states that he is General Manager of Grand River Communications, Inc. Applicant herein, and as such, is duly authorized to execute said Application and to make this affidavit on its behalf; that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of his information, knowledge and belief.

Phillip S. Johnson

Subscribed and sworn to before me, a notary public, on this 8th day of July, 1999.

Mary Pearl Scurlock
Notary Public

My Commission expires:

MARY PEARL SCURLOCK
Notary Public - State of Missouri
County of Mercer
My Commission Expires Apr 24, 2003

Appendix A

REGISTRATION OF FICTITIOUS NAME



State of Missouri

No. X **358205**

Rebecca McDowell Cook, Secretary of State

Corporation Division

Registration of Fictitious Name

(Submit in duplicate with a filing fee of \$7)

This information is for the use of the public and gives no protection to the name. There is no provision in this Chapter to keep another company or corporation from adopting and using the same name. (RSMo 417)

We, the undersigned, are doing business under the following name, and at the following address:

Name to be registered: Lathrop Long Distance
Missouri Business Address: 1001 Kentucky Street
(P.O. Boxes not accepted)
City, State and Zip Code: Princeton, MO 64673

The parties having an interest in the business, and the percentage they own are (if a corporation is owner, indicate corporation name and percentage owned). If all parties are jointly and severally liable, percentage of ownership need not be listed:

Name of Owners, Individual or Corporate	Street and Number	City	State and Zip Code	If listed, Percentage of ownership must equal 100%
Grand River Communications, Inc. 2 60258	1001 Kentucky Street	Princeton	MO 64673	100%

(Must be typed or printed)

Return to: Secretary of State
Corporation Division
P.O. Box 778
Jefferson City, Mo. 65102

(Over)

FILED

JUL 09 1999

Rebecca McDowell Cook
SECRETARY OF STATE

The undersigned, being all the parties owning interest in the above company, being duly sworn, upon their oaths each did say that the statements and matters set forth herein are true.

Individual
Owners
Sign Here

{	X	X
	X	X
	X	X

The undersigned corporation has caused this application to be executed in its name by its President or Vice-President and its Secretary or Assistant Secretary, this 8th day of July, 19 99.

If
Corporation
is
Owner,
Corporate
Officers
Execute
Here

Grand River Communications, Inc.

(Exact Corporate Title)

By William Salzman
Its President or Vice-President
By Gregg Davis
Its Secretary or Assistant Secretary

(Corporate Seal)

If no seal, state "none".

State of Missouri

County of Mercer

} ss

I, Mary Pearl Saurlock, a Notary Public, do hereby certify that on the 8th day of July, 19 99, personally appeared before me William Salzman and being first duly sworn by me, acknowledged that Gregg Davis he signed as his own free act and deed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

(Notarial Seal)

Mary Pearl Saurlock
MARY PEARL SAURLOCK
Notary Public - State of Missouri
County of Mercer
My Commission Expires Apr 24, 2003

My commission expires

MY COUNTY OF COMMISSION

Appendix B

**Officers and Directors
Grand River Communications, Inc.**

GRAND RIVER COMMUNICATIONS, INC.

1999 OFFICERS

William F. Salsman, President
Route 1
Lamoni, IA 50140

Larry Rosenbohm, Vice President
Graham, MO 64455

Gregg Davis, Secretary
Route 1
Chula, MO 64635

Bruce George, Ass't. Secretary
Route 1
Promise City, IA 52583

William Linthacum, Treasurer
RFD 1
Bethany, MO 64424

James Clark, Ass't. Treasurer
RFD 2, Box 274
Spickard, MO 64679

1999 BOARD OF DIRECTORS

Bill Salsman
RR 1
Lamoni, Iowa 50140

Larry Rosenbohm
RR 1
Graham, MO 64455

Gregg Davis
RR 1, Box 156
Chula, MO 64635

Bruce George
RR 1
Promise City, IA 52583

William C. Linthacum
27835 E 320th
St. Bethany, MO 64424

James Clark
905 Highway Y
Spickard, MO 64679

Mark Yunqueberg
RR 2
Princeton, MO 64673

Richard Jennings
4528 State Highway O
Stanberry, MO 64480

Dick G. Hines
RR 1, Box 79
Weldon, IA 50264

Philip S. Johnson, General Manager

Mr. Johnson has over 30 years experience in the telecommunications industry. Mr. Johnson joined Grand River Mutual Telephone Corporation as Assistant Controller in 1967. Since that time, he has held positions of Controller, Assistant General Manager, and in 1996, was selected as General Manager. His duties include complete responsibility for all telephone company and subsidiary activities, as well as its 82 employees. Grand River Mutual Telephone Corporation and subsidiaries provide service to over 25,000 access lines, Interactive Video for Distance Learning for five school networks, and local Internet service to 48 exchanges. He holds a Bachelor of Science Degree in Accounting from Northwest Missouri State University. He serves on the Board of Directors of the Missouri Telecommunications Industry Association and the National Telephone Cooperative Association.

Wendel Myers, Assistant General Manager

Mr. Myers joined Grand River Mutual Telephone Corporation in 1975 and served as Plant Engineer until 1993. In 1989, Mr. Myers became the Corporation's representative in the six cellular rural service areas. From 1993 to 1997, Mr. Myers served as Equipment Supervisor with responsibilities of maintenance, operation, and upgrade of central office switching and transmission equipment. In 1997, he assumed the position of Director Network Technology and Wireless. In this position, Mr. Myers was responsible for Grand River's fiber network including switching and transmission and continued oversight of the six cellular rural service areas. In 1998, Mr. Myers assumed the responsibilities of Assistant General Manager. Mr. Myers is a member of the Missouri Telecommunication Industry Association's Technology Committee. Mr. Myers holds a BA degree in Humanities and Philosophy from Northwest Missouri State University.

Kenneth P. Roberts, Controller

Mr. Roberts has over 20 years experience in the telecommunications business. He holds a Bachelor of Science degree in Accounting from Northeast Missouri State University, now Truman State University, and has been employed by Grand River Mutual since 1978. Before being selected as Controller in 1988, Mr. Roberts served in the capacity of Office Manager and Assistant Controller. As Controller, Mr. Roberts is responsible for all accounting functions for Grand River Mutual Telephone Corporation and its three wholly owned subsidiaries.

Ronald T. Hinds, Director of Marketing/Member Relations

Mr. Hinds has over 19 years experience in the communications business. He began his career in 1980 as a combination person in the Leon, Iowa district office of Grand River Mutual Telephone Corporation. In November of 1987, Mr. Hinds was promoted to the position of District Manager in Princeton, Missouri. While in this position, he was responsible for installation, repair, and business office operations for 15 exchanges. He was also responsible for marketing business systems throughout the Grand River Mutual serving area. In April of 1996, Ron was promoted to Director of Marketing/Member Relations. In this position, he is responsible for all marketing activities at Grand River Mutual and its subsidiary companies. Mr. Hinds has been responsible for Grand River's Internet business since its inception. He is a member of the Missouri Telecommunications Industry Association's Public Relations Committee. Ron has an A.A.S. degree in Business Management from North Central Missouri College.

Paul D. Smith, Staff Assistant

Mr. Smith has thirty years experience in the telephone industry with Grand River Mutual Telephone Corporation. Mr. Smith began his career with Grand River Mutual in 1969, after serving a tour of duty in Vietnam with the US Army. Before being selected to serve as Staff Assistant in 1979, Mr. Smith held the positions of Construction Lineman, Leadperson, Switching Equipment Technician, and Commercial Superintendent. His duties include the responsibility for all customer service functions for Grand River Mutual and its subsidiaries. This includes installation and repair services for residential and business members and the operations of three business offices. Mr. Smith currently serves as Co-Chairman of the Missouri Telecommunications Industry Association's (MTIA) Small Company Committee and is a member on the MTIA Legislative Committee.

Appendix C

**Proposed Tariff
Grand River Communications, Inc.
d/b/a Lathrop Long Distance**

Appendix D

**Comparative Balance Sheets
Grand River Communications, Inc.**

GRAND RIVER COMMUNICATIONS

BALANCE SHEET

DECEMBER 31, 1998
2nd CLOSING

ASSETS:

CASH	\$20,110.11
TEMPORARY CASH INVESTMENTS	\$2,793,009.30
ACCOUNTS RECEIVABLE	\$0.00
INTEREST RECEIVABLE	\$39,806.33
DEFERRED CHARGES	\$0.00
PREPAYMENTS	\$0.00
	<hr/>
	\$2,852,925.74

IA RSA 1 INVESTMENT	\$268,717.78
IA RSA 1 OUTSIDE INVESTMENT	\$75,340.28
IA RSA 1 RETURN OF INVESTMENT	(\$65,692.30)
IA RSA 1 EQUITY GAIN/LOSS	\$162,142.26

IA RSA 2 INVESTMENT	\$349,682.00
IA RSA 2 OUTSIDE INVESTMENT	\$257,266.93
IA RSA 2 RETURN OF INVESTMENT	(\$263,471.00)
IA RSA 2 EQUITY GAIN/LOSS	\$366,159.00

MO RSA 1 INVESTMENT	\$205,717.49
MO RSA 1 RETURN OF INVESTMENT	(\$101,640.00)
MO RSA 1 EQUITY GAIN/LOSS	\$290,508.51

MO RSA 2 INVESTMENT	\$1,693,129.50
MO RSA 2 OUTSIDE INVESTMENT	\$207,025.44
MO RSA 2 RETURN OF INVESTMENT	(\$1,233,213.00)
MO RSA 2 EQUITY GAIN/LOSS	\$484,253.00

MO RSA 4 INVESTMENT	\$1,421,209.15
MO RSA 4 OUTSIDE INVESTMENT	\$443,041.52
MO RSA 4 RETURN OF INVESTMENT	(\$1,240,902.55)
MO RSA 4 EQUITY GAIN/LOSS	\$847,102.00

MO RSA 5 INVESTMENT	\$1,056,610.00
MO RSA 5 RETURN OF INVESTMENT	(\$95,000.00)
MO RSA 5 EQUITY GAIN/LOSS	\$129,618.00

CELLULAR 35, INC. INVESTMENT	\$6,000.00
CELLULAR 35, INC. (OUTSIDE)	\$4,875.50

CELLULAR 29, INC. INVESTMENT	\$2,765.00
------------------------------	------------

GRMH, LLC INVESTMENT	\$105.00
	<hr/>

\$5,271,349.51

ESTIMATED YEAR TO DATE EARNINGS	\$0.00
---------------------------------	--------

TOTAL ASSETS	<hr/>
	\$8,124,275.25

GRAND RIVER COMMUNICATIONS**BALANCE SHEET****DECEMBER 31, 1998
2nd CLOSING****LIABILITIES:**

ACCOUNTS PAYABLE/GRMTC	\$1,944.10
ACCOUNTS PAYABLE/OTHER	\$1,316.24
ACCUM. DEFERRED INCOME TAX	\$0.00
ACCRUED TAXES	\$627,897.00
NON CURRENT FEDERAL TAXES	\$460,143.00
NON CURRENT STATE TAXES	\$68,543.00

TOTAL LIABILITIES**\$1,159,843.34****STOCKHOLDER'S EQUITY:**

COMMON STOCK	\$5,424,100.00
RETAINED EARNINGS	\$1,540,331.91

TOTAL EQUITY**\$6,964,431.91****TOTAL LIABILITIES & EQUITY****\$8,124,275.25**