

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 23rd day  
of June, 2006.

In the Matter of McLeodUSA Telecommunications	)	<b><u>Case No. TT-2006-0474</u></b>
Services, Inc.'s Tariff Filing to Increase its Missouri	)	Tariff No. JC-2006-0788
Intrastate Access Rates.	)	Tariff No. JC-2006-0789

**ORDER FURTHER SUSPENDING TARIFFS,  
GRANTING INTERVENTION AND SCHEDULING A CONFERENCE**

Issue Date: June 23, 2006

Effective Date: July 3, 2006

**Syllabus:** This order suspends McLeodUSA Telecommunications Services, Inc.'s tariff for 90 days, grants AT&T Communications of the Southwest, Inc., and AT&T Missouri intervention, and schedules a conference for 10:00 a.m. on Monday, July 17, 2006.

On April 17, 2006, McLeodUSA Telecommunications Services, Inc., filed a proposed tariff designed to increase its intrastate access rates. That tariff was assigned tracking number JC-2006-0788. McLeodUSA extended the effective date of its tariff twice at the request of the Commission's Staff to June 23, 2006.

On June 15, 2006, AT&T Communications of the Southwest, Inc., and AT&T Missouri (collectively, the "AT&T Companies") filed a Motion to Suspend and Investigate Tariff, resulting in the opening of this case. In their motion, the AT&T Companies contend that the proposed intrastate switched access service rates violate a condition of McLeodUSA's certification as a competitive provider in that they are above the rates

charged by the directly competing local exchange company (LEC), and have not been shown to be cost justified. On June 16, 2006, the Commission issued an order requiring its Staff to file a recommendation by June 20, 2006, and ordering all responses to the AT&T Companies' motion to be filed on or before that date.

On June 20, 2006, Staff responded to the AT&T Companies' motion and concurred in their position regarding the proposed rates. Staff recommended that McLeodUSA's proposed intrastate access tariff be suspended to allow further investigation.

On June 20, 2006, McLeodUSA filed its response in opposition to the AT&T Companies' motion, contending the motion should be rejected for filing errors, or in the alternative, denied. In its response, McLeodUSA further contended that it had provided Staff with the cost studies supporting the appropriateness of the proposed increase in intrastate access rates.

On June 21, 2006, the Commission initially suspended the tariff's effective date ten days, until July 3, 2006, to allow sufficient time to thoroughly analyze the verified pleadings before ruling on the AT&T Companies' motion.

The Commission has reviewed AT&T Companies' verified motion, Staff's verified response, and McLeodUSA's verified response, which are hereby admitted into evidence, and finds that the AT&T Companies' motion should be granted. Based upon the issues raised in the AT&T Companies' motion and Staff's response, there appear to be questions as to whether the proposed intrastate access rates are lawful and reasonable. While there are technical errors in the AT&T Companies' motion, those errors do not diminish the questions concerning the reasonableness of the proposed rates raised in that motion and raised by Staff in its response.

In order to allow more time to investigate and consider these tariffs and conduct an evidentiary hearing, if necessary, the proposed tariffs will be suspended for 90 days, as permitted by Section 392.230.3, RSMo 2000. The Commission will also schedule a conference at which the parties will be given an opportunity to discuss the propriety of McLeodUSA's proposed rates and the scheduling of an evidentiary hearing.

In their motion, the AT&T Companies also requested intervention in this case. No party has opposed that request to intervene. Commission rule 4 CSR 240-2.075(4) provides that the Commission may grant an application to intervene on a showing that the proposed intervener has an interest that is different than that of the general public and which may be adversely affected by a final order arising from the case, or when granting the proposed intervention would be in the public interest. The Commission finds that the AT&T Companies have an interest in this matter that is different than that of the general public, and that their interests may be adversely affected by a final order arising from this case. The request to intervene will be granted.

**IT IS ORDERED THAT:**

1. The tariffs filed on April 17, 2006, by McLeodUSA Telecommunications Services, Inc., and assigned Tariff Nos. JC-2006-0788 and JC-2006-0789, are suspended for a period of 90 days beyond July 3, 2006, to October 1, 2006, or until otherwise ordered by this Commission. The tariffs suspended are:

**P.S.C. MO No. 6, Replaces P.S.C. MO No. 3**

2. A conference will take place on July 17, 2006, beginning at 10:00 a.m. The conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. This conference will be held in a building that meets accessibility

standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this conference, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the conference.

3. The requests to intervene filed by AT&T Communications of the Southwest, Inc. and AT&T Missouri are granted.

4. This order shall become effective on July 3, 2006.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale  
Secretary

( S E A L )

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

Voss, Regulatory Law Judge