

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In The Matter of Embarq Missouri, Inc.)
Application for Competitive Classification) Case No.
Under Section 392.245.5 RSMo. (2005))

APPLICATION FOR COMPETITIVE CLASSIFICATION

COMES NOW Embarq Missouri, Inc. ("Embarq") and hereby requests the Commission approve Embarq's Application for Competitive Classification Under Section 392.245.5 RSMo. (2005). Embarq is seeking competitive classification for all business services, other than exchange access services, offered in its Lebanon exchange. In support of its Application, Embarq states as follows:

1. Embarq is a public utility, and a telecommunications company, as those terms are defined in Section 386.020(42) and (51), RSMo 2000. Embarq is a large incumbent local exchange telecommunications company and is subject to Price Cap Regulation under Section 392.245.

2. Missouri Revised Statutes §392.245.5 (2005) allows carriers subject to Price Cap Regulation to seek competitive classification for each telecommunications service offered to business and residential customers, other than exchange access service, in any exchange in which at least two non-affiliated entities are providing basic local telecommunications service to customers within the exchange.

3. Embarq faces growing and intense business competition from two or more non-affiliated entities in its Lebanon exchange. More specifically, Embarq faces competition from

numerous non-affiliated wireless providers and from wireline carriers using their own facilities, in whole or in part, to provide basic local telecommunications services.

4. Embarq has numerous non-affiliated wireless providers operating in its Lebanon exchange providing local service. Exhibit A identifies the following wireless carriers providing local service to customers in Embarq's Lebanon exchange: Sprint Nextel, Cingular, Verizon, Alltel, T-Mobile, and US Cellular (see Exhibit A). Section 392.245.5(1) RSMo. (2005) recognizes that commercial mobile service providers shall be considered as entities providing basic local telecommunications service, provided that only one such non-affiliated provider shall be considered as providing basic local telecommunications service within an exchange.

5. Section 392.245.5(2) RSMo (2005), recognizes wireline carriers providing local phone service in whole or in part over telecommunications facilities it owns as competing entities that providing basic local telecommunications services in competition with Embarq. In Embarq's Lebanon exchange, Fidelity Communications Services I ("Fidelity") offers local phone service to business customers in direct competition with Embarq in Embarq's Lebanon exchange. Fidelity obtained a Certificate to Provide Basic Local, Local Exchange, and Interexchange Telecommunications Services within Missouri, including the exchanges of Embarq, on November 30, 1999 (Case No. TA-2000-191). Embarq has experienced business customer loss to Fidelity in Lebanon. As evidenced by Fidelity's November 2006 press release (see Exhibit B), Fidelity is now offering business service to the following businesses in Lebanon: (1) Mid-Missouri Bank, (2) Mid-Missouri Investment Center, and (3) Mid-Missouri Insurance Agency. Embarq has experienced business access line losses of over 150 lines. Competitive designation would allow Embarq to compete more effectively in Lebanon by allowing it the

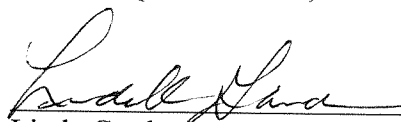
ability to offer business customers individual customer pricing, a pricing strategy currently available to Fidelity.

6. Embarq's Application for Competitive Classification does not request any price changes. In fact, Embarq acknowledges that all rates currently in effect for these exchanges will remain in effect until such time Embarq files a tariff requesting a price change. Under current law, Embarq will be required to file tariffs for any future price changes, either increases or decreases, associated with these exchanges which will continue to require Commission approval. Furthermore, Embarq will be required to notify its customers of any future price increase.

WHEREFORE Embarq respectfully requests the Commission approve Embarq's Application for Competitive Classification pursuant to Section 392.245.5 RSMo (2005). Embarq has demonstrated that at least two non-affiliated entities are providing basic local telecommunications service to business customers within its Lebanon exchange. Embarq's Application meets the statutory requirements for competitive classification and should become effective in no more than 30 days.

Respectfully submitted,

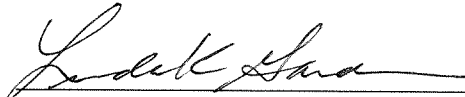
EMBARQ MISSOURI, INC.



Linda Gardner, MO Bar #32224
5454 West 110th Street
KSOPKJ0401
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VERIFICATION

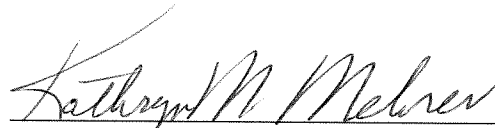
I, Linda Gardner, an attorney and duly authorized representative of Embarras Missouri, Inc. hereby verify and affirm that I have read the foregoing Application for Competitive Classification and that the statements contained therein are true and correct to the best of my information and belief.


Linda K. Gardner

Subscribed and sworn to before me on this 8th day of February 2007.

My Appointment Expires:





Notary Public

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 8th day of February 2007, a copy of the above and foregoing document was served via electronic mail, facsimile or U.S. Mail, postage prepaid to each of the following:

William K. Haas
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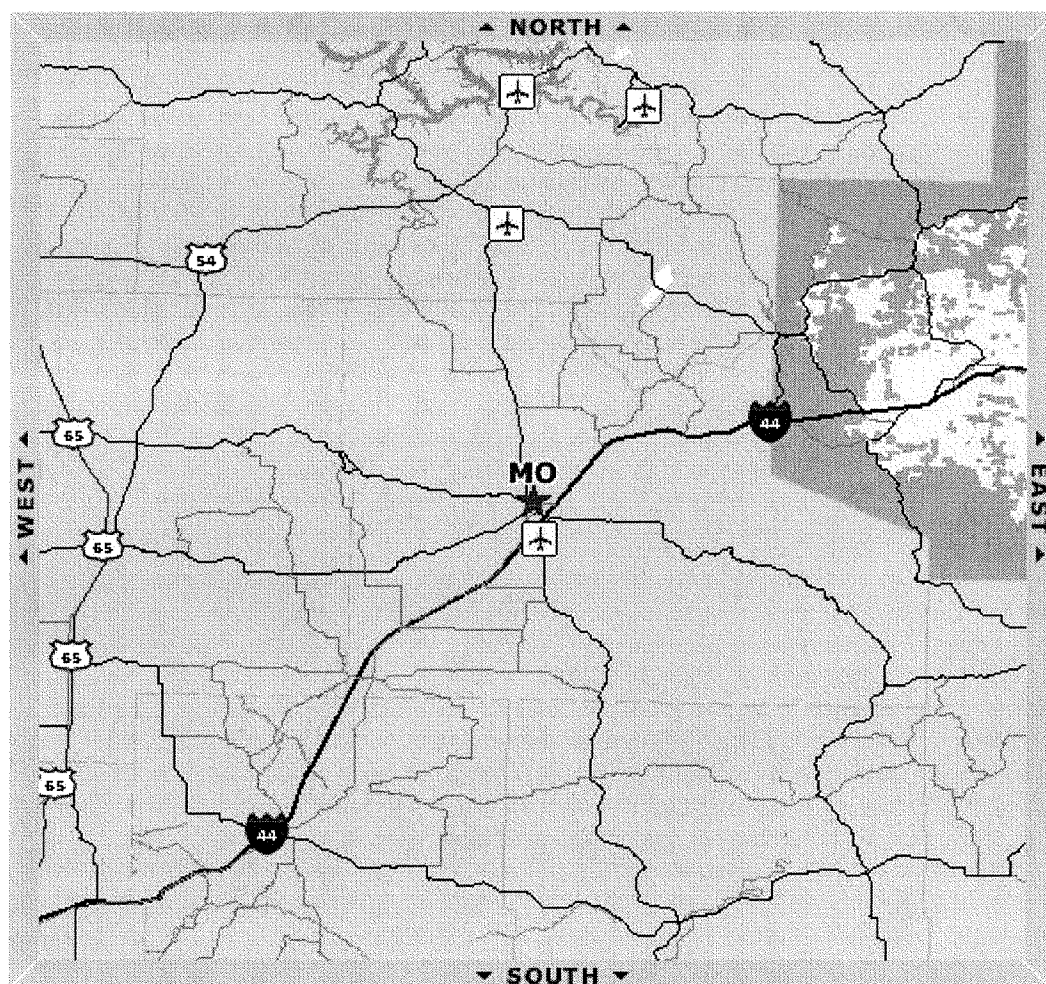
LIST OF EXHIBITS

- | | |
|-----------|---|
| Exhibit A | Wireless Carriers Operating in Embarq Exchanges |
| Exhibit B | Fidelity Press Release |
| Exhibit C | Embarq Proposed Tariff |

Exhibit A

Wireless Carriers Operating in EMBARQ Exchanges

 **verizon**wireless
We never stop working for you.®



City State OR Zip

America's Choice®

- ☐ Initiated before 2/21/05
- ☐ Initiated on or after 2/21/05
- ☒ **National SingleRatesm**
- ☐ **INpulsesm/EasyPay**
- ☐ **Verizon Wireless Network**
- ☐ **NationalAccess & Enhanced Services**
- ☐ **BroadbandAccess & V CASTsm**

Display Map

Search by Address | Search by Intersection

Check if T-Mobile coverage is right for you with
Personal Coverage Check

Prepaid coverage map >

Learn more about T-Mobile's expanded coverage >

Street

City

State

lebanon

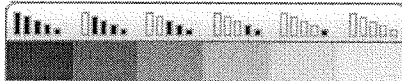
MO

Zip

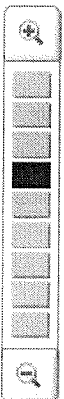
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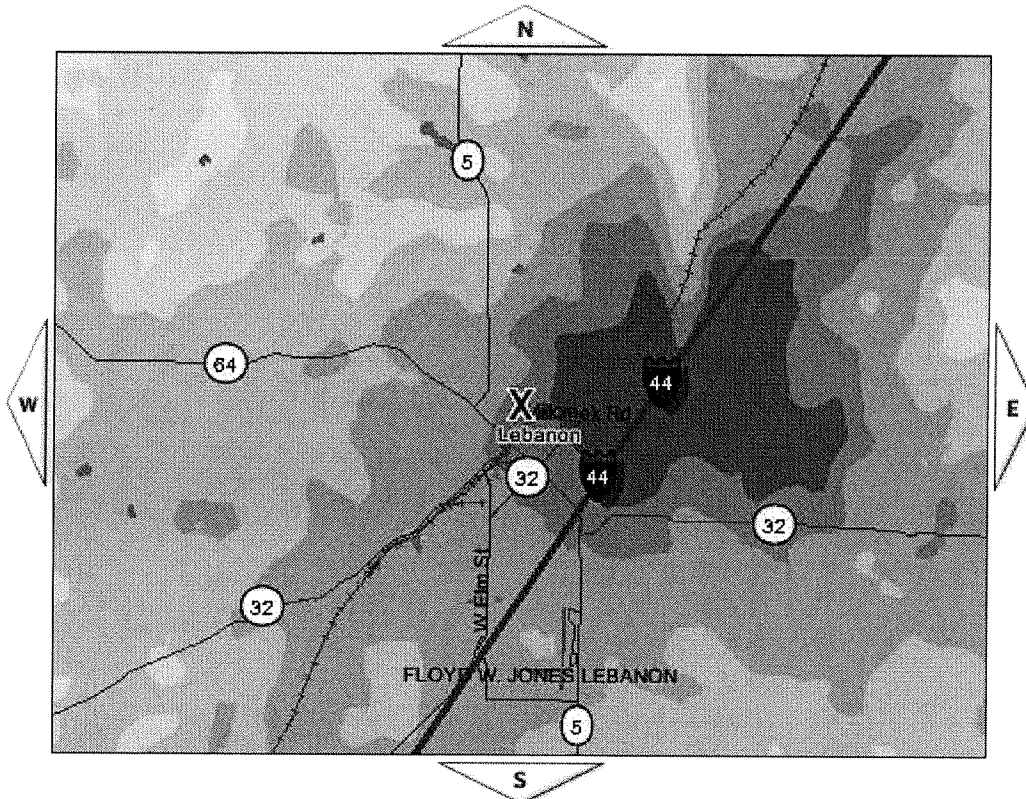
Signal Strength



Zoom
In



Zoom
Out



Mobile-to-mobile minutes and data services are not available in certain roaming areas
included on T-Mobile's coverage maps.

Print

Map Legend

X Address Location

850 MHz Roaming Coverage

T-Mobile Roaming Coverage

T-Mobile HotSpot ☐ Display

Roaming HotSpot
(Additional charges apply)

Find a T-Mobile HotSpot >

This map predicts and approximates our wireless coverage area outdoors, which may vary from location to location and may change without notice. It may include locations with limited or no coverage. Our maps do not guarantee service availability. Even within a coverage area, there are several factors, such as: network changes, traffic volume, service outages, technical limitations, signal strength, your equipment, terrain, structures, foliage, weather, and other conditions that may interfere with actual service, quality, and availability, including the ability to make, receive, and maintain calls. Multi-band (850/1900 MHz) GSM/GPRS handset required for access to 850 Roaming Coverage. Ask a T-Mobile sales representative or visit www.t-mobile.com/morecoverage for more information regarding handset requirements and T-Mobile 850 MHz coverage. 850 MHz roaming is offered through our roaming partners; some features (e.g. picture messaging, mobile to mobile) may not be available while roaming. Learn more >

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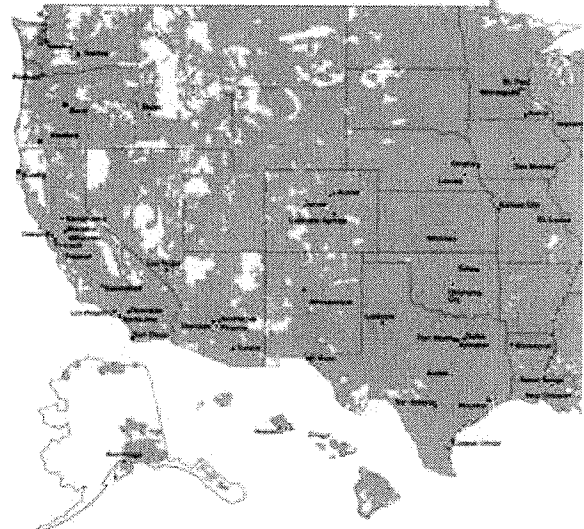
[Customer Support](#)



COVERAGE MAPS

Choose a coverage map:

- » [National](#)
- » [Wide Area](#)
- » [Mobile-to-Mobile](#)
- » [SpeedTalk®](#)
- » [easyedgeSM Download Service](#)
- » [BlackBerry®](#)
- » [TalkTracker®](#)
- » [Wireless Modems](#)



National Voice Coverage

- ☒ National Calling Area, including Night and Weekend and CALL ME Minutes*
- ☐ No Coverage

*The map shows an approximation of service coverage. Actual coverage may vary. Service may be interrupted or limited due to customer equipment, or network limitations. Coverage indoors may also vary. U.S. Cellular does not guarantee coverage. User charges at borders of calling areas.



About SSL Certificates

[Site Map](#)

|

[Privacy](#)

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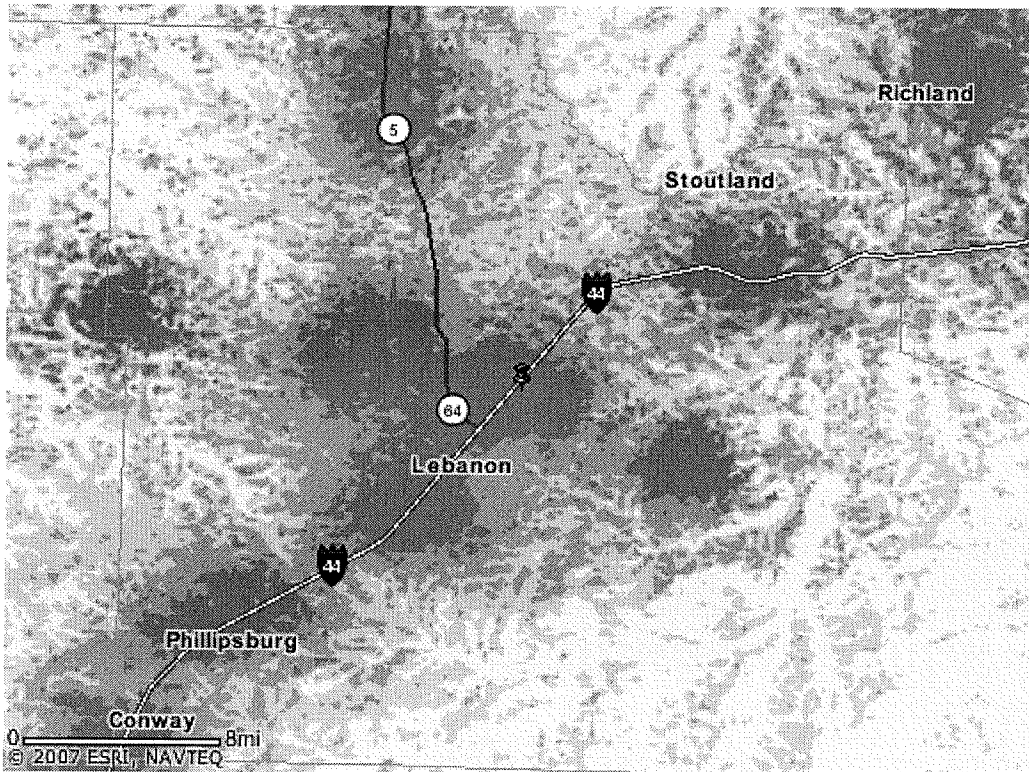
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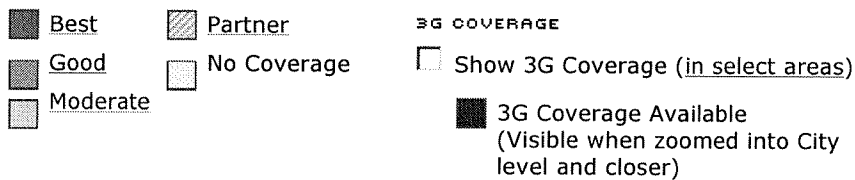
[Contact Us](#)

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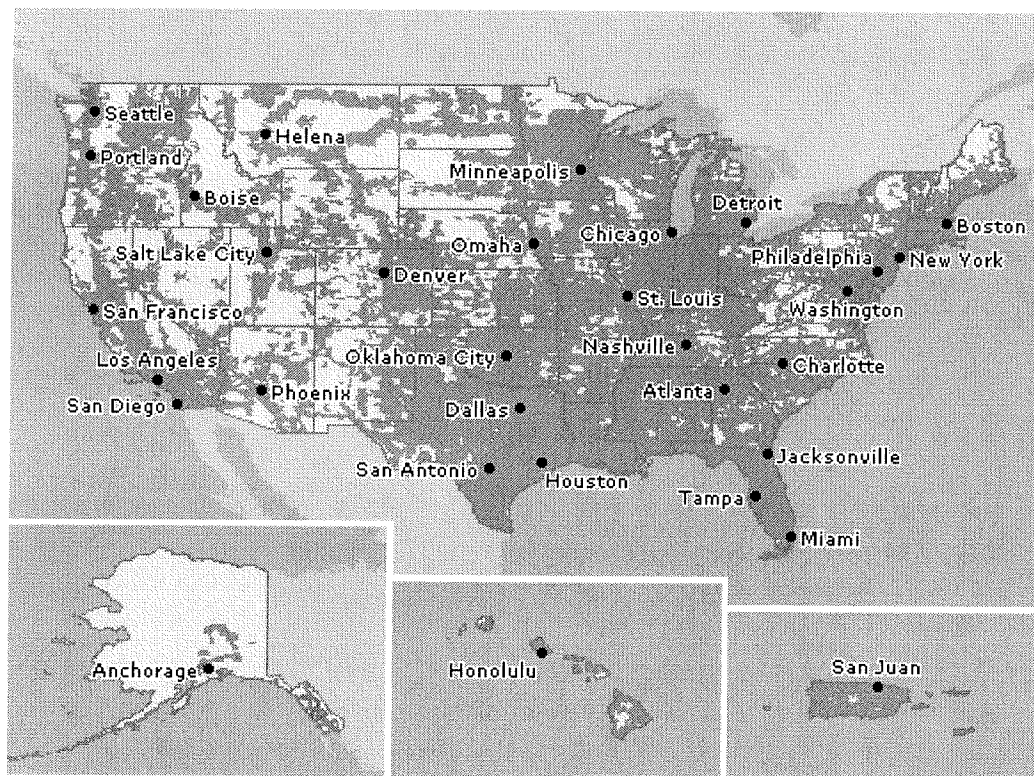
Coverage Legend





Coverage last updated on: December 31, 2006. Map depicts an approximation of coverage. [Learn More](#)

Important Information About the Coverage Map

Map may include areas served by unaffiliated carriers, and may depict their licensed area rather than an approximation of the coverage there. Actual coverage area may differ substantially from map graphics, and coverage may be affected by such things as terrain, weather, foliage, buildings and other construction, signal strength, customer equipment and other factors. Cingular does not guarantee coverage. Charges will be based on the location of the site receiving and transmitting the call, not the location of the subscriber.



Coverage Legend



-  Cingular National GSM Coverage
-  No Service Available

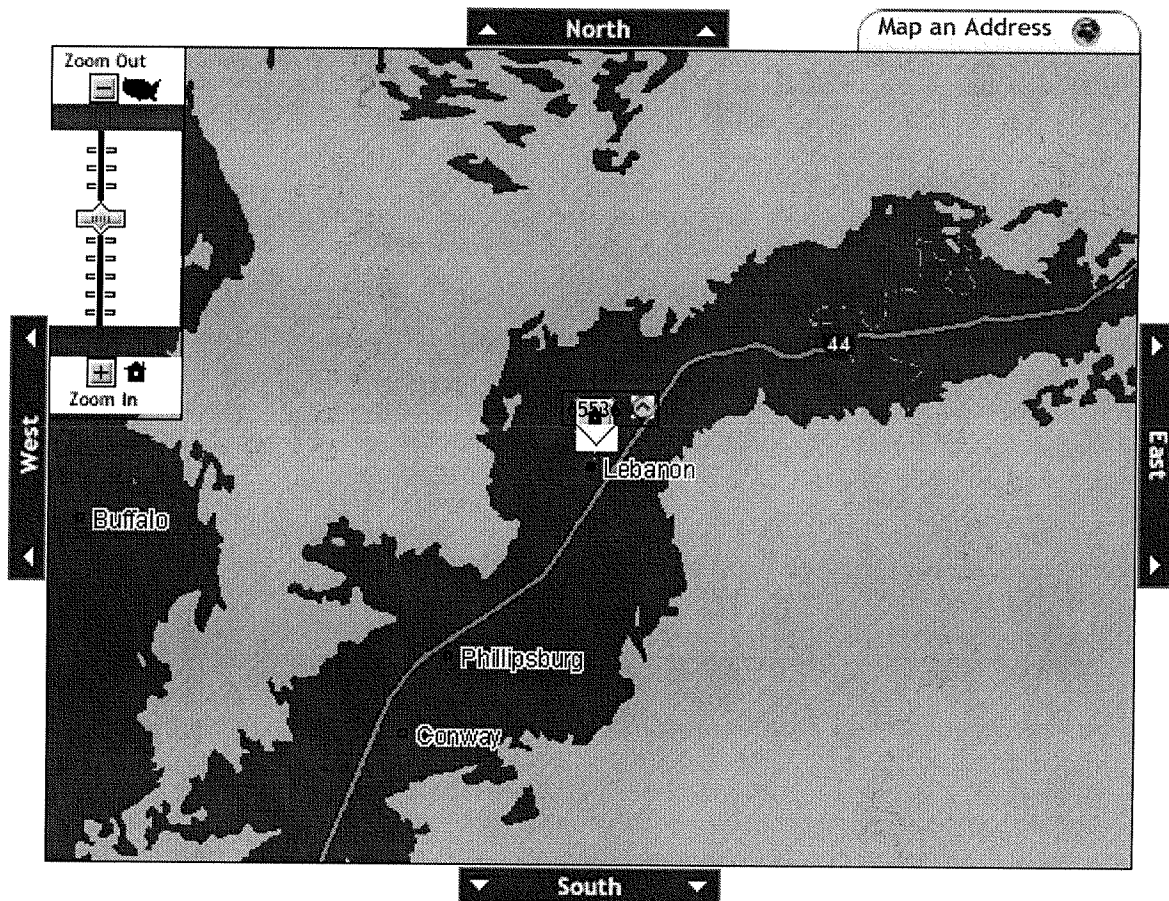
Coverage last updated on: December 31, 2006. Map depicts an approximation of coverage. [Learn More](#)

Important Information About the Coverage Map

Map may include areas served by unaffiliated carriers, and may depict their licensed area rather than an approximation of the coverage there. Actual coverage area may differ substantially from map graphics, and coverage may be affected by such things as terrain, weather, foliage, buildings and other construction, signal strength, customer equipment and other factors. Cingular does not guarantee coverage. Charges will be based on the location of the site receiving and transmitting the call, not the location of the subscriber.

Sprint Nationwide Coverage

  Re-center on last mapped address




Nextel Coverage


Sprint Coverage

Sprint Nextel PowerSource Coverage

☒ **Nationwide Sprint PCS Network**


 Clear voice and data service across the US.

☐ **Sprint Power VisionSM Network**


 Live TV, music and more on the nation's largest mobile broadband network.

Also available with:

☒ **Off-Network Digital Voice Coverage**

 Expanded calling coverage and voicemail access for digital dual-band or dual-band/tri-mode phones.

☒ **Off-Network Analog Voice Coverage**


 Expanded voice coverage for dual-band or band/tri-mode phones.
available with Power Vision handsets.

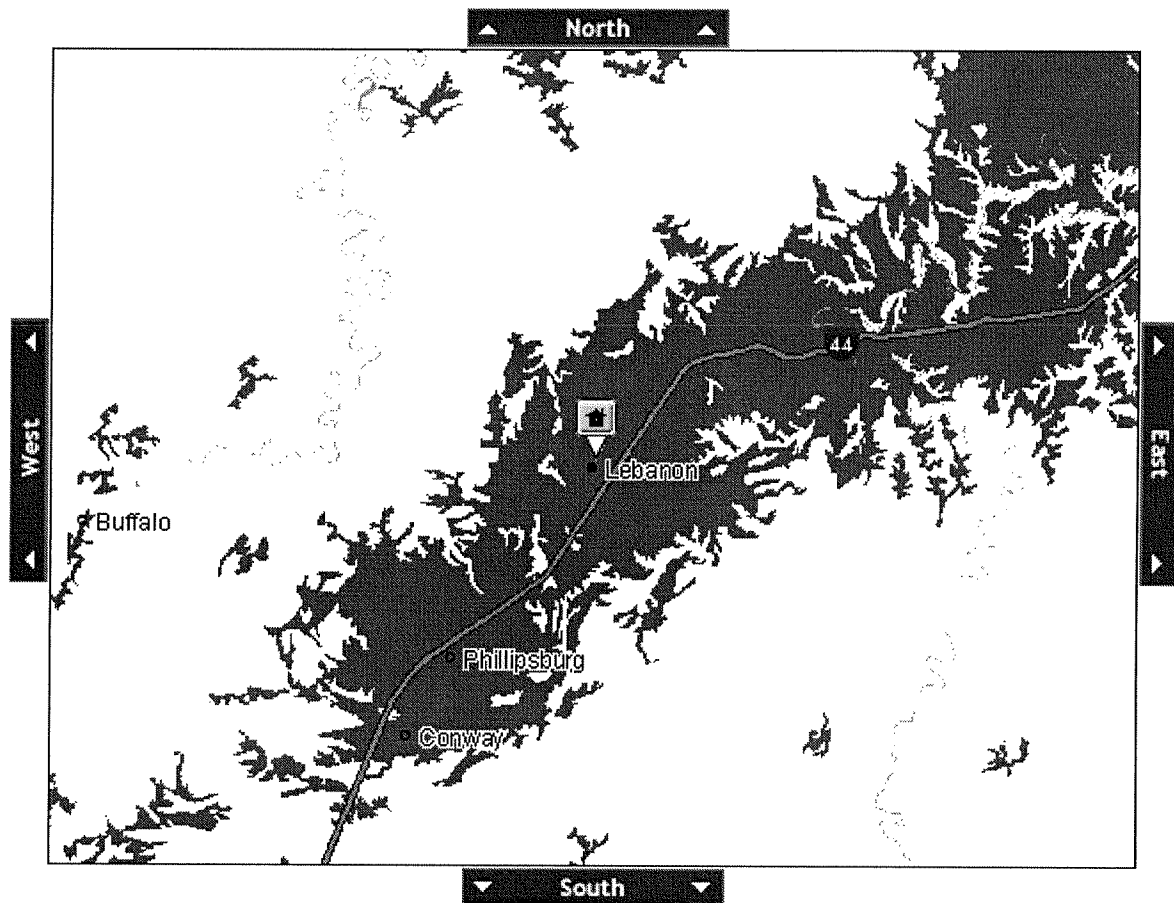
dual-
Not

Check Out Phones with Selected Capabilities

[Shop Online](#)

Sprint Nationwide Coverage


 Re-center on last mapped address



Nextel Coverage

Sprint Coverage

Sprint Nextel PowerSource Coverage

 Digital Cellular and Nationwide Nextel Walkie-Talkie Coverage
Clear calls and instant walkie-talkie connections nationwide.

Check Out Phones with Selected Capabilities

[Shop Online](#)

☒ City names ☐ Major roads

Coverage Maps: These maps tell you where we estimate your wireless device will work. The specific network coverage

Exhibit B
Fidelity Press Release

FIDELITY COMMUNICATIONS CO.

Mid-Missouri Bank is Fidelity's First Lebanon Phone Customer

Mid-Missouri Bank was looking for local telephone service that featured good customer service at a reduced price. Fidelity Communications filled the bill.

After careful consideration, the bank switched to Fidelity from Embarq on August 8. "We feel we made the right decision," said Vice President Guylene Franklin. "We are extremely happy. We've had no problems at all."

She estimated Mid-Missouri is saving 37 to 40 percent on its phone service by using Fidelity. "We also researched other companies. When we checked Fidelity out, we got good comments and found good customer service," Franklin said. "That's very, very important to banks."

Mid-Missouri signed a two-year contract for local phone service, including E-911. That could expand to include long distance, ATMs and dedicated phone lines in the future. "We are open to expanding the service, but wanted to get our feet wet first," she said.

The bank has 15 facilities, located in Bolivar, Deepwater, El Dorado Springs, Joplin, Lebanon, Mount Vernon, Republic, Springfield, Stockton, Webb City, and Willard. "If the services do well here, we may present them to the other banks," she noted.

Fidelity, based in Sullivan, competes with Embarq for local phone customers in Rolla and will do the same in Lebanon in the coming months. Fidelity is the only local provider in Sullivan, Owensville, New Haven and Gerald and has been offering phone service since 1940.

On the day of the switchover, Fidelity technicians started working two hours before the bank open to minimize any business interruptions. More than 20 lines were ported, or switched, from Embarq to Fidelity before 9 a.m.

"The cutover went incredibly well," said Mark Diehl, Fidelity installation and repair supervisor. "We were pleased with how efficiently the switch was completed."

Franklin agreed. "Everything was on target," she said. A small glitch was quickly corrected and there was "really no downtime. We couldn't even tell we switched."

The lines that were switched included the Mid-Missouri Investment Center and the Mid-Missouri Insurance Agency located in the bank building. Franklin said the agency President, Gib Adkins, was impressed with Fidelity and made the switch as well.

Doing business with a local company was another consideration. Fidelity is currently rebuilding the Lebanon cable TV system it purchased in March and plans to offer phone service to more business customers, as well as residential customers, in the months ahead.

"I speak very highly of their people," she said. "Response time has been good and customer service has been excellent. If you have a problem, you don't want to wait for days or be put on hold. Fidelity has been very responsive to our needs."

For more information about Fidelity services available in Lebanon, call the local office at 588-7841.

Contact: Craig Montgomery
Phone: 573-468-1294
Date: 11-14-2006

This page printed from: http://www.fidelitycommunications.com/show_pressrelease.php?id=35

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Exhibit C

Embarq Proposed Tariff

GENERAL EXCHANGE TARIFF

Embarq Missouri, Inc.
d/b/a Embarq

Fourth Revised Page 23
Cancels Third Revised Page 23

LOCAL EXCHANGE SERVICE RATE GROUPS

X. COMPETITIVE EXCHANGES

The following exchanges are classified as competitive:

A. Residence

Group A

Jefferson City⁽³⁾
Buckner⁽⁴⁾
Lake Lotawana⁽⁴⁾
Oak Grove⁽⁴⁾
Odessa⁽⁴⁾
Pleasant Hill⁽⁴⁾

Group B

Ferrelview⁽²⁾
Kearney⁽¹⁾
Norborne⁽¹⁾
Platte City⁽²⁾
Rolla⁽¹⁾
Weston⁽²⁾

(T)

(T)

B. Business

Group A

Jefferson City⁽³⁾
Lebanon⁽⁵⁾

Group B

Ferrelview⁽²⁾
Kearney⁽¹⁾
Norborne⁽¹⁾
Platte City⁽²⁾
Rolla⁽¹⁾
St. Robert⁽²⁾
Waynesville⁽²⁾

(T)

(T)

- (1) Competitive Service Classification pursuant to MO PSC Order of December 4, 2003, in Case No. IO-2003-0281. (T)
- (2) Competitive Service Classification pursuant to Case No. IO-2006-0092, effective August 28, 2005. (T)
- (3) Competitive Service Classification pursuant to Case No. TO-2006-0375, effective May 1, 2006. (T)
- (4) Competitive Service Classification pursuant to Case No. IO-2006-0551, effective July 31, 2006. (T)
- (5) **Competitive Service Classification pursuant to Case No. XX-XXXX-XXXX, effective March 10, 2007.** (N)
(N)

ISSUED:
February 8, 2007

BY: Darlene N. Terry
Manager - Tariffs
5454 W. 110th Street
Overland Park, KS 66211

EFFECTIVE:
March 10, 2007