FISCHER & DORITY
PROFESSIONAL CORPORATION

Attorneys at Law
Regulatory & Governmental Consultants

James M. Fischer
Larry W. Dority

101 Madison, Suite 400
Jefferson City, MO 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383

September 17, 2003

FILED[3]

SEP 1 7 2003

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street, Suite 100
Jefferson City, Missouri 65101

RE: In the Matter of the Spectra Communications Group, LLC d/b/a CenturyTel Proposed Revision to its PSC Mo. No. 3 Long Distance Message Telecommunications Service Tariff to Introduce the Promotional Macon Expanded Calling Plan.
Case No. ____________________
Tariff File No. JI-2004-0148

Dear Mr. Roberts:

Please find enclosed for filing in the above-referenced matter the original and eight (8) copies of the Application of Spectra Communications Group, LLC d/b/a CenturyTel.

If you have any questions, please do not hesitate to contact me at 636-6758. Your assistance is greatly appreciated.

Sincerely,

Larry W. Dority

Larry W. Dority

c: General Counsel
Office of the Public Counsel
Arthur P. Martinez, CenturyTel

FILED[3]

SEP 1 7 2003

Missouri Public Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Spectra Communications Group, LLC d/b/a CenturyTel Proposed Revision To its PSC Mo. No. 3 Long Distance Message Telecommunications Service Tariff to Introduce The Promotional Macon Expanded Calling Plan.	)))))	**Case No.** ______________ Tariff File No. JI-2004-0148

APPLICATION

COMES NOW Spectra Communications Group, L.L.C. d/b/a CenturyTel ("Spectra" or "Applicant"), and in support of its Application for relief from Subsection 392.200.4(1), RSMo 2000, respectfully states as follows:

I. THE COMPANY

1. Spectra is a Delaware Limited Liability Company authorized to do business in Missouri as evidenced by the certificate of authority issued by the Missouri Secretary of State which was filed in Case No. TM-2000-182 and incorporated herein by reference. Spectra operates in Missouri using the fictitious name of "CenturyTel," pursuant to the registration of fictitious name filed in Case No. TO-2001-437 and incorporated herein by reference. Spectra's principle place of business is 1151 CenturyTel Drive, Wentzville, Missouri 63885.

2. Spectra is a provider of interexchange telecommunications service in Missouri, and Spectra also provides basic local telecommunications services in 107 rural exchanges throughout Missouri, including the rural exchange of Macon. Spectra provides such telecommunications services pursuant to tariffs filed with and approved by the Commission. Spectra currently provides telecommunications service to customers located in the state of Missouri totaling approximately 130,988 access lines.

3. All communications, correspondence, and pleadings in regard to this application should be directed to:

James M. Fischer
Larry W. Dority
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, MO 65101
(573) 636-6758
(573) 636-0383 (fax)

Arthur Martinez
CenturyTel
220 Madison Street
Jefferson City, MO 65101
(573) 634-8424
(573) 636-6826 (fax)

Ted M. Hankins
CenturyTel Service Group, LLC
100 CenturyTel Drive
P.O. Box 4065
Monroe, LA 71211-4065
(318) 388-9069

4. In accordance with 4 CSR 240-2.060(1)(K) & (L), Spectra does not have any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within (3) years of the date of the application. Spectra has no annual report or assessment fees that are overdue.

II. THE PROMOTIONAL TARIFF

5. On August 1, 2003, Spectra filed its promotional tariff – Macon Expanded Calling Plan – with the Commission, which will provide expanded intraLATA calling service to subscribers in Spectra's rural Macon exchange. A copy of the promotional tariff is attached hereto, and incorporated herein by reference, as **Exhibit 1**. As a

promotional tariff filing, 1st Revised Sheet 31 to PSC Mo. No. 3 Long Distance Message Telecommunications Service reflected a 10-day effective date of August 11, 2003. Pursuant to discussions with the Staff of the Commission, Spectra has extended the effective date of the tariff to October 15, 2003.

6. Bundled with the Applicant's basic local exchange service, business and residential customers essentially will receive 240 and 600-minute blocks of time for flat-rate amounts, with additional minutes charged at the rate of seven (7) cents per minute. The promotion sign-up period, as originally filed, would be August 11, 2003 through February 11, 2004, with a customer commitment to keep the plan for a minimum of twelve (12) months.

III. POLICY BACKGROUND

7. The introduction of the Macon Expanded Calling Plan is a competitive response by Spectra to provide its rural Macon customers with a promotional, optional calling plan, that will provide those customers more choice in the highly competitive interexchange telecommunications marketplace, while promoting the interests and purposes of Chapter 392 of the Missouri Statutes. The rural local exchange of Macon is highly competitive as well, with Chariton Valley Telecom Corporation ("CVT"), a competitive local exchange carrier, overbuilding the local exchange network of Spectra. Chariton Valley Telephone Corporation, an incumbent local exchange carrier and a telephone cooperative, recently received tariff approval for expanding the "local" calling scope of its many exchanges to include customers of its affiliate, CVT, located in the Macon exchange.

8. There is no question that this Commission and its various stakeholders have struggled for years in addressing the policy issues associated with expanded calling scopes in rural Missouri. The issues have been raised in a number of pending dockets (both specific requests by customers in rural exchanges seeking expansion of the current Metropolitan Calling Area ("MCA") plan and local calling scopes in general, and in the context of "generic" dockets, such as those addressing the Missouri Universal Service Fund, access costs, MCA, etc.).[1] Indeed, in continuing to file requests for expanded rural calling on behalf of rural customers, the Office of the Public Counsel recently put the Commission on notice that it should expect to receive more requests from that Office, unless and until the Commission indicates that the marketplace will provide the needed services.

> The parties have reached a point where there will be no further progress unless the Commission becomes a prime mover in securing expanded calling scope efforts, especially in rural areas. By the same token, Public Counsel will continue to ask the Commission to act on expanded calling scopes unless and until the Commission clearly states that it will abstain from involvement and will rely upon the competitive marketplace to provide that calling scope.[2]

9. Changes to the Missouri statutes as a result of the Telecommunications Act of 1996 require the Commission, among other things, to "allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest," Section 392.185.6, RSMo 2000. In addition, Section 392.200.4(2) provides, in part: "It is the intent of this act to bring the benefits of competition to all customers and to ensure that incumbent and alternative local exchange telecommunications companies have the opportunity to price

[1] Missouri PSC Case Nos. TO-98-329 (USF), TR-2001-65 (Access Costs), TO-2001-391(MCA).
[2] Office of the Public Counsel's "Motion to Establish On the Record Conference," Case No. TO-2001-391, July 30, 2003, page 1.

and market telecommunications services to all prospective customers in any geographic area in which they compete." Accordingly, this proactive, competitive response by Spectra to provide its rural Macon customers with optional flat-rate intraLATA calling, reflects the benefits of the competitive marketplace envisioned by the state and federal acts.

IV. THE UNDERLYING PREMISE FOR FEDERAL AND STATE REQUIREMENTS REGARDING GEOGRAPHIC RATE AVERAGING: PROTECTION OF SUBSCRIBERS IN RURAL AND HIGH COST AREAS.

10. Whereas the Macon Expanded Calling Plan promotional tariff is only available to subscribers located within Spectra's rural Macon local exchange, Staff has suggested that Spectra file the instant application requesting relief from Subsection 392.200.4(1), RSMo 2000, which provides as follows:

> No telecommunications company may define a telecommunications service as a different telecommunications service based on the geographic area or other market segmentation within which such telecommunications service is offered or provided, unless the telecommunications company makes application and files a tariff or tariffs which propose relief from this subsection. Any such tariff shall be subject to the provisions of sections 392.220 and 392.230 and in any hearing thereon the burden shall be on the telecommunications company to show, by clear and convincing evidence, that the definition of such service based on the geographic area or other market within which such service is offered is reasonably necessary to promote the public interest and the purposes and policies of this chapter.

11. Section 392.200.2, RSMo 2000 provides, in part: "Promotional programs for telecommunications services may be offered by telecommunications companies for periods of time so long as the offer is otherwise consistent with the provisions of this chapter and approved by the commission."

12. As reflected in the enabling statute and promulgated rules codifying the federal requirements regarding geographic rate averaging, the underlying premise for such actions is the protection of subscribers in rural and high cost areas – the very subscribers such as those located in Spectra's rural Macon exchange.

Section 101(a) of the Telecommunications Act of 1996 ("1996 Act") adds Section 254(g) of the Communications Act of 1934 to require interexchange carriers to integrate and average the rates they charge for service. (47 U.S.C. §254(g)). This statute required the FCC to: "adopt rules to require that the rates charged by providers of interexchange telecommunications services to subscribers in rural and high cost areas shall be no higher than the rates charged by each such provider to its subscribers in urban areas." Pursuant to the FCC's Report and Order issued on August 7, 1996, in CC Docket No. 96-91 ("Report and Order"), the FCC established those rules as set forth in 47 CFR § 64.1801 – "Geographic rate averaging and rate integration" –

(a) The rates charge by providers of interexchange telecommunications services to subscribers in rural and high cost areas shall be no higher than the rates charged by each such provider to its subscribers in urban areas.
(b) [Rate integration][3]

13. In examining the legislative history of the 1996 Act, the FCC noted at ¶ 3 in its Report and Order that Congress intended to maintain the protections afforded rural customers. The FCC quoted the Joint Explanatory Statement, which states:

> [n]ew section 254(g) is intended to incorporate the policies of geographic rate averaging and rate integration of interexchange services in order to ensure that subscribers in rural and high cost areas throughout the Nation are able to continue to receive both intrastate and interstate interexchange

[3] *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, as amended,* CC Docket No. 96-91, August 7, 1996.

services **at rates no higher than those paid by urban subscribers.** (Joint Explanatory Statement at 132) (Emphasis added).

14. Regarding State authority in this area, the FCC stated, in Paragraphs 42 and 46 of the Report and Order: "We noted in the NPRM that, although the statute requires the Commission to adopt rules to require geographic rate averaging for intrastate and interstate interexchange services, the statute does not appear to foreclose consistent state action in this area." (¶ 42). "States have a role in ensuring that rates for intrastate interexchange calls offered to rural and high-cost customers **are no higher than those paid by urban customers**." (¶ 46) (Emphasis added).

15. Accordingly, the Missouri statutory provisions addressing these issues must be examined in the same context – protection of subscribers in rural and high cost areas, so that those customers pay interexchange rates that are no higher than those paid by their urban counterparts. Clearly, the Macon Expanded Calling Plan is designed to benefit those very rural subscribers whose protection is envisioned in the above-referenced statutes.

V. PROMOTION OF THE PUBLIC INTEREST AND THE PURPOSES AND POLICIES OF CHAPTER 392, RSMO.

16. Spectra respectfully submits that the optional, expanded intraLATA calling service provided by its Macon Expanded Calling Plan Promotional Tariff is reasonably necessary to promote the public interest and the purposes and policies of Chapter 392, RSMo 2000. The purposes and policies of Chapter 392 are set forth in Section 392.185:

"**392.185**. The provisions of this chapter shall be construed to:

(1) Promote universally available and widely affordable telecommunications services;

(2) Maintain and advance the efficiency and availability of telecommunications services;

(3) Promote diversity in the supply of telecommunications services and products throughout the state of Missouri;

(4) Ensure that customers pay only reasonable charges for telecommunications service;

(5) Permit flexible regulation of competitive telecommunications companies and competitive telecommunications services;

(6) Allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest;

(7) Promote parity of urban and rural telecommunications services;

(8) Promote economic, educational, health care and cultural enhancements; and

(9) Protect consumer privacy."

17. In addition to promoting the above purposes and policies of Chapter 392, prompt Commission approval of this optional, promotional service will further the public interest in a variety of ways. The tariff will promote competitive market conditions and enhance competition among the providers of telecommunications services. The utilization of promotions and optional calling plans facilitate the introduction of new and beneficial services to consumers. Under the Macon Expanded Calling Plan, both residential and business customers will be able to benefit from this new, optional and expanded rural calling scope, thereby promoting economic, educational, health care and cultural enhancements.

VI. CONCLUSION

18. As an optional and promotional tariffed service offering, the Macon Expanded Calling Plan presents this Commission with a unique opportunity to allow the competitive marketplace to provide subscribers in the rural Macon, Missouri exchange with an expanded rural calling scope, that both promotes the public interest and the purposes and policies of Chapter 392. Prompt approval of the proposed tariff will provide the Commission a scenario in which it will be able to judge if the intent of Senate Bill 507, as set forth in Section 392.200.4(2), will be realized: "It is the intent of this act to bring the benefits of competition to all customers and to ensure that incumbent and alternative local exchange telecommunications companies have the opportunity to price and market telecommunications services to all prospective customers **in any geographic area in which they compete**." (Emphasis added).

WHEREFORE, Spectra Communications Group, LLC d/b/a CenturyTel respectfully prays: (1) that the Commission find, based on this verified Application, that Spectra should be relieved from the provisions of Section 392.200.4(1), RSMo 2000 for purposes of the instant tariff filing; and (2) that the Commission promptly approve Spectra's proposed revision to its PSC Mo. No. 3 Long Distance Message Telecommunications Service Tariff to introduce the promotional service offering, Macon Expanded Calling Plan.

Respectfully submitted,

James M. Fischer Mo. Bar 27543
Email: jfischerpc@aol.com
Larry W. Dority Mo. Bar 25617
Email: lwdority@sprintmail.com
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, MO 65101
Tel: (573) 636-6758
Fax: (573) 636-0383

Attorneys for Spectra Communications Group, L.L.C. d/b/a CenturyTel

VERIFICATION

STATE OF MISSOURI)
) SS
COUNTY OF COLE)

I, Arthur Martinez, of lawful age, being first duly sworn upon my oath, state that I am the Director Government Relations of CenturyTel of Missouri L.L.C. and that I am authorized to execute this Application on behalf of Spectra Communications Group, L.L.C. d/b/a CenturyTel; and that the facts set forth in the foregoing Application are true to the best of my knowledge, information and belief.

Arthur Martinez

Arthur Martinez

Subscribed and sworn to before me this 17th day of September, 2003.

BECKY POWELL
Notary Public – Notary Seal
STATE OF MISSOURI
Cole County
My Commission Expires May 8, 2005

Becky Powell

Notary Public

My Commission expires:

May 8, 2005

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was hand-delivered, emailed or mailed this 17th day of September, 2003 to:

Mr. Mike Dandino
Assistant Public Counsel
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

Mr. Dan Joyce,
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Mr. William K. Haas
Deputy General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Larry W. Dority

F. SPECIAL PROMOTIONS (N)

1. The Company may, upon Commission approval, offer customers specific rate incentives during specified promotional periods. The Company will provide written notice to the Commission at least 10 days prior to the commencement of a promotional program specifying the terms of the promotion, the specific service offered, the location, and the beginning and ending dates of the promotional period.

2. Macon Expanded Calling Plan

a. The Company will offer a calling promotion for Macon customers for the period August 11, 2003 though February 11, 2004. During this period, Macon subscribers may sign up for intraLATA calling at the following rates per line if they commit to keep the plan for a minimum of 12 months:

	Monthly Charge	
240 minutes, monthly	$16.95	
Each additional minute		$ .07
600 minutes, monthly	34.95	
Each additional minute		$ .07

b. This plan is applicable to only one-way originating dial station-to-station intraLATA calling. The monthly charge is applied per line and is billed in advance. Unused minutes do not carry over from one month to the next.

c. This plan is available only to business and residential customers subscribing to the Company's basic local exchange service. Any applicable non-recurring charges will be waived for customers who subscribe to this plan.

d. Payphone and toll-restricted lines are not eligible for this plan.

e. A termination charge will apply if the customer disconnects this service offering prior to the expiration of their term commitment. The charge will consist of 50% of the monthly rate times the number of months remaining on the contract. (N)

EXHIBIT 1