

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

In the Matter of the Local Exchange Rate Tariff Filing of BPS Telephone Company To Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0374 Tariff No. JL-2012-0708
In the Matter of the Request of Alma Telephone Company for Expedited Treatment of Local Rate Increase	) )	File No. IT-2012-0375 Tariff No. JL-2012-0739
In the Matter of the Revised Tariff Filing of Citizens Telephone Company of Higginsville, MO to Comply with The FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) ) )	File No. IT-2012-0377 Tariff No. JL-2012-0709
In the Matter of the Revised Tariff Filing of Ellington Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0378 Tariff No. JL-2012-0710
In the Matter of the Revised Tariff Filing of Farber Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0379 Tariff No. JL-2012-0711
In the Matter of the Revised Tariff Filing of Goodman Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0380 Tariff No. JL-2012-0725
In the Matter of the Revised Tariff Filing of Granby Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0381 Tariff No. JL-2012-0728
In the Matter of the Revised Tariff Filing of K.L.M. Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0382 Tariff No. JL-2012-0712
In the Matter of the Revised Tariff Filing of Miller Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0383 Tariff No. JL-2012-0719
In the Matter of the Revised Tariff Filing of Oregon Farmers Mutual Telephone Company to Comply with The FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) ) )	File No. IT-2012-0384 Tariff No. JL-2012-0713

In the Matter of the Revised Tariff Filing of Ozark Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0385 Tariff No. JL-2012-0726
In the Matter of the Revised Tariff Filing of Peace Valley Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0386 Tariff No. JL-2012-0715
In the Matter of the Revised Tariff Filing of Seneca Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0387 Tariff No. JL-2012-0727
In the Matter of the Revised Tariff Filing of Steelville Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0388 Tariff No. JL-2012-0721
In the Matter of the Revised Tariff Filing of Stoutland Telephone Company to Comply with the FCC's Nov. 18, 2011 Order Establishing a Local Rate Floor	) ) )	File No. IT-2012-0389 Tariff No. JL-2012-0714
In the Matter of the Revised Tariff Filing of FairPoint Communications Missouri, Inc. d/b/a FairPoint Communications	) ) )	File No. IT-2012-0390 Tariff No. JL-2012-0720

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation states:

1. On or after May 2, 2012, each of the above-referenced telecommunications companies ("the Companies") filed tariff sheets that would change its rates for local telephone service, a retail service to end user customers. The tariffs all bore effective dates of July 1, 2012, the date by which the Companies and the Staff believed the Federal Communications Commission had established for the implementation of the new rates. On May 14, 2012, the FCC issued an Order in which it clarified that the date for implementation of the new rates is June 1, 2012.

2 The Staff recommends that the tariffs be approved without suspension or further proceedings in this matter (see attached Staff Memorandum). The Staff believes that the proposed rates are both just and reasonable and in compliance with applicable procedures.

3. Section 392.420, RSMo Supp. 2008, states in relevant part:

In the case of an application for certificate of service authority to provide basic local telecommunications service filed by an alternative local exchange telecommunications company, and for all existing alternative local exchange telecommunications companies, the commission **shall** waive, at a minimum, the application and enforcement of its quality of service and billing standards rules, as well as the provisions of subsection 2 of section 392.210, **subsection 1 of section 392.240**, and sections 392.270, 392.280, 392.290, 392.300, 392.310, 392.320, 392.330, and 392.340. Notwithstanding any other provision of law in this chapter and chapter 386, RSMo, ... where an interconnected voice over Internet protocol [IVoIP] service provider is registered to provide service in an incumbent local exchange telecommunications company's authorized service area under section 392.550, the incumbent local exchange telecommunications company may opt into all or some of the above-listed statutory and commission rule waivers by filing a notice of election with the commission that specifies which waivers are elected. [Emphasis added]

4. Section 392.240.1 provides, in relevant part:

Whenever the commission shall be of the opinion, after a hearing ... or upon a complaint, that the rates ... demanded ... by any telecommunications company ... are unjust, unreasonable, unjustly discriminatory or unduly preferential or in any wise in violation of law, ... the commission shall with due regard, among other things, to a reasonable average return upon the value of the property actually used in the public service and of the necessity of making reservation out of income for surplus and contingencies, determine the just and reasonable rates, ... and shall fix the same by order to be served upon all telecommunications companies by which such rates, charges and rentals are thereafter to be observed, and thereafter no increase in any rate, charge or rental so fixed shall be made without the consent of the commission.

5. The Companies have exercised their option to be exempt from certain statutory and rule provisions, including §392.240.1, although they do maintain tariffs with the Commission. The Commission has formally recognized the Companies' Notices of Election, in File No. TE-2012-0073, and other cases.

6. The Commission's authority to conduct an earnings review is contained in §392.240.1, which, as the Staff has noted, shall be waived for incumbent local exchange telecommunications companies in whose exchanges an IVoIP provider is registered. Therefore, the Staff concludes that, although the Commission does have continuing authority to determine just and reasonable rates, it cannot base its determination in these matters on whether a company is under-earning or over-earning.

7. In the present instance, the changes in rates were precipitated by a change in federal policy that requires carriers who receive federal Universal Service Fund ("USF") support to adhere to a minimum rate of \$10 monthly or have their USF support reduced dollar-for-dollar for rates under that amount. The FCC specified that the rate was to be the base monthly service rate, which could include certain things but excluded other things. The Companies have revised their rates, as more fully explained in the Staff's attached Memorandum, and established a rate that meets the \$10 minimum, although that may not result in an increase in the total amount billed for the some of the Companies' end-users, due to reconfiguration of rates or other rate reductions. It is the Staff's opinion that an increase of basic local rates to \$10 is inherently reasonable for Companies that receive USF support. As the Staff's Memorandum indicates, the Companies have met that standard. The Staff concludes

that the proposed rates are just and reasonable and it is in the public interest that they be approved so as to take effect on or before June 1, 2012.

WHEREFORE, the Staff recommends that the Commission approve the above-referenced tariffs on file in the respective matters by finding them just and reasonable.

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 23rd day of May, 2012.



MEMORANDUM

To: Missouri Public Service Commission Official Case File

Alma Telephone Company
Case No. IT-2012-0375
Tariff File No. JI-2012-0739

BPS Telephone Company
Case No. IT-2012-0374
Tariff File No. JI-2012-0708

Citizens Telephone Company
Case No. IT-2012-0377
JI-2012-0709

Ellington Telephone Company
Case No. IT-2012-0378
JI-2012-0710

Goodman Telephone Company
Case No. IT-2012-0380
Tariff File No. JI-2012-0725

Farber Telephone Company
IT-2012-0379
Tariff File No. JI-2012-0711

Grandby Telephone Company
Case No. IT-2012-0381
Tariff File No. JI-2012-0728

KLM Telephone Company
Case No. IT-2012-0382
Tariff File No. JI-2012-0712

Miller Telephone Company
Case No. IT-2012-0383
Tariff File No. JI-2012-0719

Oregon Farmer's Mutual Telephone Co.
Case No. IT-2012-0384
Tariff File No. JI-2012-0713

Ozark Telephone Company
Case No. IT-2012-0385
Tariff File No. JI-2012-0726

Peace Valley Telephone Company
Case No. IT-2012-0386
Tariff File No. JI-2012-0715

Seneca Telephone Company
Case No. IT-2012-0387
Tariff File No. JI-2012-0727

Steelville Telephone Company
Case No. IT-2012-0388
Tariff File No. JI-2012-0721

Stoutland Telephone Company
Case No. IT-2012-0389
Tariff File No. JI-2012-0714

Fairpoint Communications
Case No. IT-2012-0390
Tariff File No. JI-2012-0720

From: William Voight
Supervisor, Telecommunications Rates and Tariffs

Subject: Staff's Recommendation for Expedited Approval of Tariff Filings Shown in Attachment A.

Date: May 22, 2012

Executive Summary: This Memorandum contains two Attachments: Attachment A is a list of the above 16 companies showing the effects of their proposed rate increases; Attachment B is a list of all small rural incumbent local telephone companies in Missouri, showing current rates and proposed local rate increases. This Memorandum recommends expedited approval of tariff sheets to implement local telephone rate increases of the above sixteen (16) small, rural, incumbent local telephone companies, as shown on Attachment A. Approval of the local rate increases is requested due to recent actions of the Federal Communications Commission, who has instituted a \$10.00 monthly local rate floor that all companies must meet or lose a portion of that company's federal High Cost Universal Service Fund support. The companies request approval on less than 30-days notice with a June 1, 2012 effective date. Customers will have been notified 30-days in advance because rates will not go into effect until July 1, 2012.

Background: On May 16 and 17, 2012, FairPoint Communications, and Alma, BPS, Citizens, Ellington, Goodman, Farber, Grandby, KLM, Miller, Oregon Farmer's Mutual, Ozark, Peace Valley, Seneca, Steelville, and Stoutland Telephone Companies requested Expedited Approval of tariff sheets filed pursuant to Federal Communications Commission (FCC) Report and Order and Further Notice of Proposed Rulemaking DA/FCC Number 11-161; *RE: Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board* WC Docket No. 10-90 et. al. ("The FCC's Order")

One of the many items addressed by the FCC's order concerned the price paid by residential customers of local telephone service. In its Order, the FCC established a financial limit on federal high-cost support payments to companies, many of whom currently charge base rates below the FCC's newly established bench mark levels. The following paragraphs represent relevant portions of the FCC's order:

235. Discussion. We now adopt a rule to limit high-cost support where end-user rates do not meet a specified rate floor ... Section 254 obligates states to share in the responsibility of ensuring universal service. We recognize some state commissions may not have examined local rates in many years, and carriers may lack incentives to pursue a rate increase where federal universal service support is available. Based on evidence in the record, however, there are a number of carriers with local rates that are significantly lower than rates that urban consumers pay ... There are local rates paid by customers of universal service recipients as low as \$5 in some areas of the country ... We do not believe that Congress intended to create a regime in which universal service subsidizes artificially low local rates in rural areas when it adopted the reasonably comparable principle in section 254(b); rather, it is clear from the overall context and structure of the statute that its purpose is to ensure that rates in rural areas not be significantly higher than in urban areas (emphasis in original).

238. Based on the forgoing, and as described below, we will limit high-cost support where local end-user rates plus state regulated fees (specifically, state SLCs, state universal service fees, and mandatory extended area service charges)

do not meet an urban floor representing the national average of local rates plus such state regulated fees. Our calculation of this urban rate floor does not include federal SLCs, as the purposes of this rule change are to ensure that states are contributing to support and advance universal service and that consumers are not contributing to the Fund to support customers whose rates are below a reasonable level (emphasis in original).

239. We will phase in this rate floor in three steps, beginning with an initial rate floor of \$10.00 for the period July 1, 2012 through June 30, 2013 and \$14.00 for the period July 1, 2013 through June 30, 2014...

240. To the extent end-user rates do not meet the rate floor, USAC will make appropriate reductions in HCLS [High Cost Loop Support] support.

The Companies proposed rates are Just and Reasonable: The attached spreadsheet, labeled Attachment A, shows the proposed rate increases. As can be seen, the residential rate increases are the minimum amount necessary (\$10.00 monthly) to satisfy federal requirements to maintain an uninterrupted flow of high cost support. As can also be seen by an examination of Attachment B, the 16 proposals are reasonable in light of the rates charged for local telephone service by other small, rural, incumbent local telephone companies. The Staff has examined the proposed rate increases and Staff does not object to the reasonableness of the proposals in light of the FCC's actions.

Conclusion and Summary of Recommendation: The Staff has further examined all 16 companies' proposals in conjunction with the FCC's Order and relevant Missouri law. Staff recommends the Commission find the companies' proposals reasonable and recommends approval. The Staff is aware of Case No.'s TR-2012-0298 and TR-2012-0299 in which Choctaw and MoKan Dial Telephone Companies received approval to increase local rates in a similar manner. The Staff has also reviewed the rate increases of other local telephone companies who have made proposals in conformance with the FCC's Order. For example, Mark Twain Rural Telephone Company (Tariff File No. JI-2012-0400) and Kingdom Telephone Company (Tariff File No. JI-2012-0558) have made similar filings; however, those companies are cooperatives whose local rates are not subject to the same just and reasonableness standards as are found in §392.200.1 RSMo. Other than those matters, the Staff is unaware of any other matter that affects, or that would be affected by, this matter.

Telco Rate Increases Requiring Commission Vote prior to June 1, 2012

The following companies have requested Expedited Approval of Tariff Sheets on less than 30-days notice with a June 1, 2012 effective date. Customers will have been notified 30-days in advance because rates will not go into effect until July 1, 2012.

COMPANY	CASE #	Tariff #	Current R1	Proposed R1	% Increase	Current B1	Proposed B1	% Increase	Revenue Impact	¹⁵ % of Total Revenue	¹⁷ Potential Annual H.C. Loss
Alma Communications Company	IT-2012-0375	J1-2012-0739	\$ 6.50	\$ 10.00	54%	\$ 10.25	\$ 15.00	46%	\$ 14,091	15%	\$12,642
¹ BPS Telephone Company	IT-2012-0374	J1-2012-0708	\$ 7.00	\$ 10.00	43%	\$ 14.00	\$ 14.00	0%	\$ 74,172	7%	\$100,476
² Citizens Telephone of Higginsville	IT-2012-0377	J1-2012-0709	\$ 8.25	\$ 10.00	21%	\$ 14.00	\$ 14.00	0%	\$ 49,539	4%	\$70,644
³ Ellington Telephone	IT-2012-0378	J1-2012-0710	\$ 6.70	\$ 10.00	49%	\$ 10.50	\$ 10.50	0%	\$ 52,296	6%	\$70,330
⁴ FairPoint Communications	IT-2012-0390	J1-2012-0720	\$6.50-\$7	\$ 10.00	43%-54%	\$13.09-\$13.51	\$13.09-\$13.51	0%	\$ 52,581	3%	\$188,913
⁵ Farber Telephone	IT-2012-0379	J1-2012-0711	\$ 7.75	\$ 10.00	29%	\$ 12.25	\$ 12.25	0%	\$ 3,672	7%	\$4,293
⁶ Goodman Telephone	IT-2012-0380	J1-2012-0725	\$ 7.60	\$ 10.00	24%	\$ 12.65	\$ 12.65	0%	\$ 33,955	9%	\$40,723
⁷ Granby Telephone	IT-2012-0381	J1-2012-0728	\$ 6.60	\$ 10.00	52%	\$ 8.85	\$ 10.00	13%	\$ 22,714	4%	\$77,928
⁸ KLM Telephone	IT-2012-0382	J1-2012-0712	\$ 7.25	\$ 10.00	38%	\$ 12.75	\$ 12.75	0%	\$ 32,769	6%	\$41,151
⁹ Miller Telephone	IT-2012-0383	J1-2012-0719	\$ 9.00	\$ 10.00	11%	\$ 14.00	\$ 14.00	0%	\$ 7,500	3%	\$9,396
¹⁰ Oregon Farmers Mutual	IT-2012-0384	J1-2012-0713	\$ 8.00	\$ 10.00	25%	\$ 12.00	\$ 14.00	17%	\$ 23,736	5%	\$23,736
¹¹ Ozark Telephone	IT-2012-0385	J1-2012-0726	\$ 6.50	\$ 10.00	54%	\$ 13.00	\$ 13.00	0%	\$ 58,716	14%	\$82,404
¹² Peace Valley Telephone Co.	IT-2012-0386	J1-2012-0715	\$ 6.50	\$ 10.00	54%	\$ 7.50	\$ 10.00	33%	\$ 17,184	4%	\$17,808
¹³ Seneca Telephone	IT-2012-0387	J1-2012-0727	\$ 8.10	\$ 10.00	23%	\$ 11.80	\$ 11.80	0%	\$ 43,046	6%	\$58,664
¹⁴ Steelville Telephone Exchange	IT-2012-0388	J1-2012-0721	\$ 8.95	\$ 10.00	12%	\$ 14.45	\$ 14.45	0%	\$ 24,189	1%	\$52,970
¹⁵ Stoutland Telephone	IT-2012-0389	J1-2012-0714	\$ 8.75	\$ 10.00	14%	\$ 13.25	\$ 13.25	0%	\$ 6,465	1%	\$8,025

¹ Began operations in 1996 and never had a rate increase. Includes call transfer, speed dial 8, and auto call back.

² 19 years since last rate increase

³ 30 years since last rate increase. Eliminating rotary dial option.

⁴ Over 15 years since last rate increase. Emergency line service increases to \$5 monthly. MCA service decreases by 15%.

⁵ 26 years since last rate increase.

⁶ Has been approximately 30 years since last rate increase.

⁷ Has been over 30 years since last rate increase.

⁸ 13 years since last rate increase.

⁹ Has been over 20 years since last rate increase.

¹⁰ Over 30 years since last rate increase. Increasing multi line business rate by 11%.

¹¹ Has been at least 16 years since last rate increase.

¹² Has been over 30 years since last rate increase. Includes call waiting, cancel call waiting, call forwarding, and 3way calling.

¹³ Has been over 30 years since last rate increase.

¹⁴ 16 years since last rate increase. Adding no charge for cw, cf, auto redial, and economy bundle.

¹⁵ 24 years since last rate increase (had 1996 reduction).

¹⁶ Percent Intrastate regulated Revenue

¹⁷ Company's high cost support that would be lost if the company's local rates are not raised to the benchmark.

Rate Increases as a result of: Federal Communications Communication (FCC) Report and Order and Further Notice of Proposed Rulemaking DA/FCC Number 11-161: RE: Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board WC Docket No. 10-90 et. al.

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¹ BPS Telephone Company	IT-2012-0374	Ji-2012-0708	\$6.50-\$7.00	\$ 10.00	43%-54%	\$13.50-\$14	\$13.50-\$14	0%	\$ 74,172	7%	\$ 100,476
Chariton Valley Telephone (Cooperative)		Ji-2012-0759	\$ 12.00	\$ 13.00	8%	\$ 12.00	\$ 13.00	8%			
Choctaw Telephone	TR-2012-0298	Ji-2012-0441	\$ 9.90	\$ 11.93	21%	\$ 12.40	\$ 12.40	0%			
² Citizens Telephone of Higginsville	IT-2012-0377	Ji-2012-0709	\$ 8.25	\$ 10.00	21%	\$ 14.00	\$ 14.00	0%	\$ 49,539	4%	\$ 70,644
Craw Kan Telephone (Cooperative)		Ji-2012-0571	\$5-\$7.25	\$ 10.00	38%-100%	\$7.75-\$10.75	\$ 13.50	26%-74%			
³ Ellington Telephone	IT-2012-0378	Ji-2012-0710	\$ 6.70	\$ 10.00	49%	\$ 10.50	\$ 10.50	0%	\$ 52,296	6%	\$ 70,330
⁴ FairPoint Communications	IT-2012-0390	Ji-2012-0720	\$6.50-7.00	\$ 10.00	43%-54%	\$13.09-\$13.51	\$13.09-\$13.51	0%	\$ 52,581	3%	\$ 188,913
⁵ Farber Telephone	IT-2012-0379	Ji-2012-0711	\$ 7.75	\$ 10.00	29%	\$ 12.25	\$ 12.25	0%	\$ 3,672	7%	\$ 4,293
Fidelity Telephone			\$ 10.25			\$ 19.95					
⁶ Goodman Telephone	IT-2012-0380	Ji-2012-0725	\$ 7.60	\$ 10.00	24%	\$ 12.65	\$ 12.65	0%	\$ 33,955	9%	\$ 40,723
⁷ Granby Telephone	IT-2012-0381	Ji-2012-0728	\$ 6.60	\$ 10.00	52%	\$ 8.85	\$ 10.00	13%	\$ 22,714	4%	\$ 77,928
⁸ Grand River Mutual Telephone (cooperative)		Ji-2012-0409	\$7.22-\$8.89	\$ 10.00	12%-39%	\$13-\$14		0%			
⁹ Green Hills Telephone Corp			\$ 13.00			\$ 16.00					
Holway Telephone			\$ 13.00			\$ 25.00					
¹⁰ IAMO Telephone (Cooperative)		Ji-2012-0312	\$ 8.00	\$ 12.00	50%	\$ 10.00	\$ 14.00	40%			
¹¹ Kingdom Telephone Company (cooperative)		Ji-2012-0558	\$ 8.50	\$ 10.00	18%	\$ 11.75	\$ 11.75	0%			
¹² KLM Telephone	IT-2012-0382	Ji-2012-0712	\$ 7.25	\$ 10.00	38%	\$ 12.75	\$ 12.75	0%	\$ 32,769	6%	\$ 41,151
Lathrop Telephone			\$ 7.15			\$ 10.15					
Le-Ru Telephone			\$ 10.50			\$ 17.00					
¹³ Mark Twain Rural Telephone (Cooperative)		Ji-2012-0400	\$ 9.00	\$ 10.00	11%	\$ 10.25	\$ 11.25	10%			
¹⁴ McDonald County Telephone	n/a	Ji-2012-0618	\$ 5.75	\$ 10.00	74%	\$ 8.75	\$ 10.00	14%	\$ 127,119	10%	\$ 163,659
¹⁵ Miller Telephone	IT-2012-0383	Ji-2012-0719	\$ 9.00	\$ 10.00	11%	\$ 14.00	\$ 14.00	0%	\$ 7,500	3%	\$ 9,396
Mokan Dial	TR-2012-0299	Ji-2012-0442	\$ 5.25	\$ 10.00	69%	\$ 8.50	\$ 10.00	9%			
New Florence Telephone			\$ 5.75			\$ 7.75					
New London Telephone			\$ 12.30			\$ 22.10					
Northeast Missouri Rural			\$ 10.00			\$ 15.00					
Orchard Farm Telephone			\$ 13.25			\$ 25.40					
¹⁶ Oregon Farmers Mutual	IT-2012-0384	Ji-2012-0713	\$ 8.00	\$ 10.00	25%	\$ 12.00	\$ 14.00	17%	\$ 23,736	5%	\$ 23,736
¹⁷ Oteico Mid Mo	n/a	Ji-2012-0638	\$ 8.00	\$ 10.00	25%	\$ 12.85	\$ 14.85	16%	\$ 553		\$ 55,695
¹⁸ Ozark Telephone	IT-2012-0385	Ji-2012-0726	\$ 6.50	\$ 10.00	54%	\$ 13.00	\$ 13.00	0%	\$ 58,716	14%	\$ 82,404
¹⁹ Peace Valley Telephone Co.	IT-2012-0386	Ji-2012-0715	\$ 6.50	\$ 10.00	54%	\$ 7.50	\$ 10.00	33%	\$ 17,184	4%	\$ 17,808
Rock Port Telephone			\$ 5.40			\$ 7.90					
²⁰ Seneca Telephone	IT-2012-0387	Ji-2012-0727	\$ 8.10	\$ 10.00	23%	\$ 11.80	\$ 11.80	0%	\$ 43,046	6%	\$ 58,664
²¹ Steelville Telephone Exchange	IT-2012-0388	Ji-2012-0721	\$ 8.95	\$ 10.00	12%	\$ 14.45	\$ 14.45	0%	\$ 24,189	1%	\$ 52,970
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- ¹ Began operations in 1996 and never had a rate increase. Includes call transfer, speed dial 8, and auto call back.
- ² 19 years since last rate increase
- ³ 30 years since last rate increase. Eliminating rotary dial option.
- ⁴ Over 15 years since last rate increase. Emergency line service increases to \$5 monthly. MCA service decreases by 15%.
- ⁵ 26 years since last rate increase.
- ⁶ Has been approximately 30 years since last rate increase.
- ⁷ Has been over 30 years since last rate increase.
- ⁸ Added touch tone at no charge. First rate increase in 25 years. Rates went into effect April 1, 2012.
- ⁹ Rates go into effect on June 1, 2012.
- ¹⁰ Rates went into effect March 1, 2012.
- ¹¹ Rates go into effect June 1, 2012.
- ¹² 13 years since last rate increase.
- ¹³ Rates went into effect March 1, 2012.
- ¹⁴ Has been over 30 years since last rate increase. Filed on April 25th and effective on June 1, 2012.
- ¹⁵ Has been over 20 years since last rate increase.
- ¹⁶ Over 30 years since last rate increase. Increasing multi line business rate by 11%.
- ¹⁷ Company made original filing with June 1 effective date so no case number was needed. Permits local calling between all 12 company exchanges.
- ¹⁸ Has been at least 16 years since last rate increase.
- ¹⁹ Has been over 30 years since last rate increase. Includes call waiting, cancel call waiting, call forwarding, and 3way calling.
- ²⁰ Has been over 30 years since last rate increase.
- ²¹ 16 years since last rate increase. Adding no charge for cw, cf, auto redial, and economy bundle.
- ²² 24 years since last rate increase (had 1996 reduction).
- ²³ Percent intrastate regulated revenue
- ²⁴ Company's high cost support that would be lost if the company's local rates are not raised to the benchmark.

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Case No. IT-2012-0386
Tariff File No. JI-2012-0715

Seneca Telephone Company
Case No. IT-2012-0387
Tariff File No. JI-2012-0727

Steelville Telephone Company
Case No. IT-2012-0388
Tariff File No. JI-2012-0721

Stoutland Telephone Company
Case No. IT-2012-0389
Tariff File No. JI-2012-0714

Fairpoint Communications
Case No. IT-2012-0390
Tariff File No. JI-2012-0720

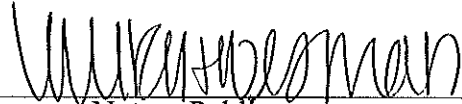
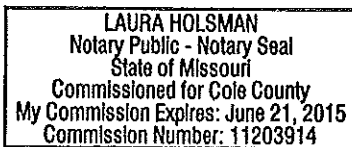
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

William L. Voight, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



William L. Voight

Subscribed and sworn to before me this 22nd day of May, 2012.



Notary Public