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August 7, 1997

FILED

AUG 7 1997

MISSOURI
PUBLIC SERVICE COMMISSION

Mr. Cecil Wright
Executive Secretary
MO Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Re: TW-97-333

Dear Mr. Wright:

Enclosed please find an original and 14 copies of both the Proprietary and Public Versions of Mid-Missouri Group's Initial Brief in this case. Because the Brief discusses proprietary data, proprietary information has been omitted from the Public Version. I would appreciate Staff's attention in this regard, to assure the Proprietary Version is not made a part of the publicly available case record.

I have provided a copy of both the Public and Proprietary Version to each attorney of record. I would ask that counsel for all parties assure that the Proprietary Version is only disseminated to persons entitled to review it under the Confidentiality Order entered in this case.

Thank you for your attention.

Sincerely,

Craig S. Johnson

CSJ/skl/enc.

FILED
AUG 7 1997
MISSOURI
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

In the Matter of an Investigation )
into the Provision of Community )
Optional Calling Service in ) Case No. TW-97-333
Missouri. )

## Initial Brief of the Mid Missouri Group

*****PUBLIC VERSION******

*** Denotes Proprietary or highly confidential information omitted from this brief. This information is contained in the Proprietary Version of this brief, which can only be read by persons so authorized in the Confidentiality Order in this case.**

### Introduction

At hearing the Commission directed questions of witnesses premised upon the assumption that it is improper for PTC customers to "subsidize" COS subscribers residing in SC exchanges. From the Mid-Mo Group perspective this assumption is troubling, in that it ignores cost differentials between large and small companies. Federal and state law does not ignore these differentials. If the Commission pursues this assumption to its logical conclusion, rural customers in SC exchanges will have lesser service at higher prices than will urban customers.

There also seems to be some assumption that SC access rates are unjustifiable. The access revenues that SCs actually realize per minute of use are significantly lower than the tariffed premium or "precap" access rate. Failure to assess the effects of the CCL cap results in a dramatic overstatement of SC access rates. For



14.

two of the "highest" SCs, Mi-Mo and Northeast, the rate effectively realized per MOU is about * per minute, instead of the 30 cents per minute precap rate commonly quoted. The effective rate charged by SCs may be less than that of United and GTE. This is discussed in more detail later in this brief.

**Geographical Averaging/ Residual Pricing**

This case is a concrete example of the difficulties of integrating traditional universal service principles with competition. There are fundamental philosophical differences between promoting universal service and having competition. In a competitive environment, there would be no universal service carrier obligations. Carriers could not be required to serve all customers in an area. Local rates would not be uniform in an area. Carriers could charge high cost customers more than low cost customers. Both customers and carriers would have complete freedom to decide who to do business with.

The Commission's task in this case is made difficult specifically because the legislatures have chosen to pursue universal service and competition at the same time. The legislatures have retained pricing mechanisms designed decades ago to promote universal service.

§ 254 (b) (3) of the 1996 Telecommunications Act targets parity in rates and services between rural and urban areas:

> Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high costs areas, should have access to telecommunications and information services, <u>including interexchange services</u> and advanced telecommunications and informations services, that are reasonable comparable to those services provided in urban areas and that are available at rates

that are reasonably comparable to rates charged for similar services in urban areas.

§ 392.185 RSMo, enacted by 1996 SB 507, targets the goal or rural parity in slightly different terms:

> The provisions of this chapter shall be construed to:
> (1) Promote universally available and widely affordable telecommunications services; ...
> (7) Promote parity of urban and rural telecommunications services;"

There is a value to urban customers of assuring rural rates are affordable so that rural customers can have phones. T. 543. Both federal and state law utilize geographical averaging as an essential ingredient of parity. T. 562. See § 254 (g) of the TCA which requires that rates of interexchange service providers in rural areas be no higher than those charged in urban areas; and see §§ 392.200.4(1) and .5 RSMo, which prohibit pricing based upon market segmentation, and require the same rates in all areas of the state for toll calls of similar distance.

When the law couples parity and averaging, it is a necessary result that customers in urban areas will contribute to the cost of service in rural areas. Ex 5 Jones pp 12-13, T 116-117, 175-177. Because rural and urban customers pay the same rates for the same service, but the cost is lower in urban areas, urban customers contribute to the cost of providing universal service in rural areas. This is simply a function of the law.

PTCs alone had the power of geographical averaging to make reasonably affordable toll rates available in both urban and rural areas. SWB admitted that small carriers do not have this power. T. 654. This is why the PTCs, and not the SCs, are toll providers.

This is why the PTCs provide toll in the SC exchanges. Once toll rates are averaged statewide, those toll rates will tend to be above the access costs for companies with urban exchanges, and below the access costs for SCs with only a rural exchange or exchanges. T 213.

Any time a PTC encourages the Commission to focus only on rural SC toll routes, whether COS or traditional MTS, the access costs will exceed the toll revenues. This was and remains true for MTS toll calls. This was known and anticipated to continue at the time COS was created and modified. TO-87-131 is replete with testimony to this effect. This was known and true at the time provisions for revenue neutrality were effected in TO-87-131 and TO-92-306. This was and remains true for COS. Ex 4 Jones pp 7-10; Ex 5 Jones pp 11-12; Ex 7 Schoonmaker pp 5-6; Ex 32 Smith pp 13-15.

What the PTCs are failing to tell the Commission is that, for toll services as a whole, the PTC toll revenues do enable the PTCs to achieve their authorized rate of return. PTCs, on the whole, are not losing money on toll, including COS. It is only when rural routes are viewed in isolation that toll "losses" can be claimed. It is only when COS service is viewed separate and apart from toll that a scenario of "loss" can be presented.

The result of geographical averaging and parity may be interpreted by some as providing a "privilege" to rural customers. However, the elected representatives of the people have made averaging the law. Furthering affordable and advanced rural telecommunications increases the value of the entire public network to every user. Parity also advances the causes of education and economic development, and thus the quality of life, in rural areas.

**Pricing**

The testimony in this case makes it perfectly clear that past pricing policies designed to promote universal service still exist. In the past, prices for all services other than residential local have been set to contribute to the cost of providing residential local service. Local service is priced residually after these contributions are received. This means local service is priced beneath its cost. Universal service has historically been interpreted to require available affordable local service rates to assure maximum connection to the telephone network, thus maximizing the value of telephone service for all, customers and carriers alike.

Toll rates are priced to contribute to the cost of local service. Toll customers contribute to the cost of providing local service. Because toll carriers are required to geographically average their rates, all toll customers pay the same rates. All toll customers, whether they reside in urban or rural exchanges, PTC or SC exchanges, through their toll rates contribute to the cost of providing service in high cost areas.

Carrier exchange access rates are priced to contribute to the cost of local service. T. 654-656. Carriers of toll therefore contribute to the cost of local service. Because access rates are passed on by toll carriers to their toll customers, who by virtue of geographical averaging pay the same rates, toll customers again, whether they reside in urban or rural exchanges, contribute to the cost of local service.

Large local exchange companies with many exchanges, urban as well as rural, also average their access rates across all of their Missouri exchanges. For SWB, GTE, and United, their access rates are the same whether the call is placed in St. Louis versus Quilin (SWB), Columbia versus Grove Spring (GTE), or Jefferson City versus Malta Bend (United). T 416-417, 435-436, 653.

These carriers' cost of access in rural exchanges is similar to the cost for small companies which serve <u>only</u> rural areas. T. 653. However the large carriers' cost per minute of use in large exchanges, which small companies do not possess, is much lower. Because the same rate is applied for all exchanges, urban customers of large carriers contribute to that carrier's cost of providing service in its rural exchanges. There are many other services that are priced to provide contribution to the cost of local service. T. 544-545, 552.

**COS facts**

GTE is the LEC for 9,500 COS subscribers. T. 74, 415. United is the LEC for 1,675 COS subscribers. T. 734. The small companies are LECs for 5,749 COS subscribers. Ex 7, Schoonmaker Rebuttal, p. 4. Subtraction indicates that SWB, with approximately 3,000,000 Missouri access lines, is the LEC for only about 912 COS subscribers.

SWB, which serves most of the major metropolitan areas of the state, had the expanded calling demands of its exchange residents met by MCA in 1993. MCA subsumed or converted most of the 48,000 COS-1 customers into MCA customers. T. 783. MCA satisfied the calling needs of hundreds of thousands of customers who therefore have no need of COS. T. 392; Ex 8, Schoonmaker Surrebuttal, p 9. 88 % of SWB customers enjoy MCA, 27 % enjoy EAS, and only 12 % do not have MCA or EAS. T. 485-486.

SWB obtained revenue neutrality in 1993 for MCA/COS/OCA by raising the rates of certain discretionary services, and later via considerations in earnings review complaint cases. T. 570-571, 680-682. Due to unusual circumstances, SWB was apparently denied revenue neutrality for the 28 latest COS routes. T. 728, 702-705, 721-722. This discrepancy should be resolved with SWB's next rate treatment, if it was not resolved in its last proceeding.

It is the Small Companies, GTE, and United which serve the rural areas in which MCA is unavailable to satisfy their customers' calling needs. Small companies were made revenue neutral with respect to the creation of MCA/COS/OCA in 1993. The 39 Small Companies collectively serve about 160,000 access lines, and have 5,749 COS subscribers. Proportionately, the Small Companies serve twice the percentage of COS subscribers as GTE, five times the percentage of United, and over 100 times the percentage of SWB.

GTE has about 400,000 access lines, but only 9,500 COS subscribers. T 415-416. With the 1993 implementation of COS/MCA/OCA, GTE experienced MCA revenue gains which covered its COS net revenue losses. For GTE 1993 COS implementation was revenue neutral without requiring changes in intercompany compensation.

United has about 230,000 customers (Ex 31 Harper p 1), but only 1,675 COS subscribers. T. 734. With the creation of MCA/COS/OCA in 1993, United experienced a $ * annual revenue loss of which $ * was recovered in local rate increases, and of which $ * per year is being paid to United directly by SWB, without any known Commission approval. T. 737-740, 748.

**COS "Subsidy"**

The MMG questions the validity of looking only at SWB "losses" in SC exchanges in determining whether COS contains an improper "subsidy". It was known at the creation of COS that it would cause differing company impacts. Differing company impacts meant that different customer groups would be affected differently. Although companies were provided with revenue neutrality, the Commission raised no concerns in 1993 that some subscribers would be adversely impacted in making MCA/OCA/COS available.

As GTE indicated in its opening statement, the COS string is only one of many intertwined into a "Gordian not". Changing COS only will not be cutting through this not, it will only be pulling out one string. It is inappropriate to now look only at a single service, COS, and say "it is being subsidized", without saying MCA too is being subsidized. It is not now possible to undo only SWB's "subsidy". Any such attempt will disturb the puts and take of revenue neutrality established for 40 separate LECs in 1993. Any such attempt will not maintain revenue neutrality.

Who paid for or "subsidized" the benefit SWB exchange residents (and other LECs too) received with MCA service ? The answer is all customers, toll and local, in the state of Missouri impacted by the revenue neutrality adjustments of TO-92-306. Both rural and urban toll customers since 1993 have been paying full toll, while those enjoying MCA service have had their toll bills replaced by MCA service.

There was no complaint in 1993 that SWB discretionary service purchasers were subsidizing MCA or COS subscribers. There was no complaint in 1993 that GTE MCA subscribers were subsidizing COS subscribers (in GTE's case its COS losses were offset by GTE's gain in converting toll to MCA). There was no complaint in 1993 that SWB customers were subsidizing United customers. Each of these contribution shifts is equally as capable of being labeled a "subsidy" as is COS.

Did SWB's adverse revenue impact from implementing MCA/COS/OCA include the $ * annual payment to United ? T. 571. Is the $ * per year SWB pays United an unfair subsidy SWB customers are paying to support the rates of United customers ? The SWB toll customers contributing to this subsidy include SC exchange residents. Thus SC customers, as well as SWB customers, are participating in this subsidy.

SWB should not decide what customers of what companies pay what subsidies. SWB was willing for its customers, and the rural toll customers of other companies, to subsidize United's losses. But now SWB is opposed to continuing subsidies to rural exchanges of small companies.

The PTCs are asking that COS, in its entirety for all current subscribers, be eliminated or significantly changed. They premise their argument upon the assertion that their customers should not "subsidize" SC exchange resident COS customers. Yet the PTCs do not present a complete financial picture. No PTC has stated it is not achieving its authorized rate of return on toll services. In fact SWB has been able to reduce its toll rates by 28 % since 1988, while providing toll services, including COS, to the same SC exchanges they now complain about. T. 109, 398, 651.

Instead of basing its "subsidy" argument on any comprehensive basis, SWB computed COS route losses only a few of the companies involved in a few of the 69 COS routes where a SC served the petitioning exchange. No PTC presented calculations of its overall revenue and expenses associated with all toll. The PTCs did not provide any information of the puts and takes between themselves on COS routes. No financial information whatsoever was presented for the 66 routes where GTE serves the petitioning exchange, for the 12 routes where United serves the petitioning exchange, or for the 10 routes where SWB serves the petitioning exchange.

During a highly confidential session, SWB testified it was paying SCs more in access than SC customers were paying SWB in toll revenue. See HC T. 667-670, 752-757. According to page 1 of RCS-3, all PTCs collectively lose $ * per year on COS alone. It is evident that only a portion of SC route losses is due to COS. A majority is due to message toll service itself.

The Commission should remember that COS, MCA, and OCA traffic were once MTS toll. These services now provide the identical calls between the identical exchanges, travelling over identical facilities as MTS toll calls travelled, and continue to travel today. The SC intraLATA access rates are the same for COS as they are for MTS toll. The real reason SWB is concerned about rural COS losses has to do with COS prices, not access rates.

**SC Access Rates**

It has been suggested that SC access rates are too high, and this is the source of the "subsidy" built into COS service. There has been no proof that SC access rates provide an excessive rate of return. The present access rates are statutorily appropriate until proven otherwise. § 386.270 RSMo; T. 701.

We understand that the less access rate disparity that exists between LECs, the easier it will be to facilitate competition. Reduction of the rate disparity would facilitate more entry. However, it is incorrect to conclude that the extent of the disparity is accurately assessed by comparison of SC precap rates to PTC rates. The analysis should also include recognition of simple facts: the costs per minute of use of serving rural or low density exchanges is high; the costs per minute of use of serving urban or high density exchanges is low; large companies average their low and high cost exchanges; and small companies do not have low cost exchanges to average.

In order to accurately assess access rates, and the potential benefits achieved by "rebalancing" them, costs as well as usage must be examined. One cannot merely look at a rate and conclude from the rate alone it is excessive.

**SC Realized Access Rates, CCL Cap**

SCs repeatedly hear criticisms of their "high" access rates from PTCs and IXCs. Yet we do not seem to hear such complaints regarding United and GTE. Their rates are higher than many or most of the SCs, and we suspect that IXCs pay access on larger volumes of traffic to United and GTE than to SCs. It is logical to expect more traffic to the 630,000 United and GTE customers than to the 160,000 SC customers.

In reality the SC access rates are not necessarily higher than those of GTE or United. Staff has prepared and provided a March 18, 1997 Switched Access Rate Comparison for Missouri ILECs, attached as attachment A. This schedule breaks down each companies' rate elements. The "totals" column only looks at "precap", or premium SC CCL rates. "Postcap" rates are significantly lower. Because a large portion of usage is "postcap", the schedule overstates the amounts SCs actually realize per MOU. Because PTCs have no such CCL cap, the Access Comparison does not overstate the PTC realized access rate.

According to the Access Comparison, SWB has the lowest access rates, the next 21 lowest rates are for SCs (and Fidelity), then comes GTE in 23d place, the next 9 are SCs, then comes United in 33d place, then the remaining 11 SCs. It is incorrect to merely conclude that SC rates are the "highest", or that all PTCs have the "lowest" rates. We believe an accurate restatement of the Comparison, factoring in the effects of the CCL cap would reveal a different hierarchy

The access histories of Mid-Missouri and Northeast Mo Rural serve to explain why rates alone are insufficient to base any conclusions as the rate propriety. From Staff's Switched Access Comparison, Attachment A, one might conclude Mid-Mo and Northeast have the second and third highest intraLATA access rates in the state. However, if Mid-Mo's usage, CCL cap, and revenues are evaluated, different conclusions are reached. Mid-Mo and Northeast's access histories, Exs 37HC and 48HC, give a more accurate assessment of SC access than a simple precap rate analysis can give.

For Mid-Mo, the 1986 test year intraLATA MOU figure was * which number still serves as the CCL "cap". However by 1996 there were * MOU. Only * of the 1996 minutes generate "precap" full rates, and the last * generates "postcap" discounted rates. For the year 1996, the average access revenue per intraLATA MOU was $ *.

For Northeast the 1986 test year intraLATA MOU figure was *, which number still serves as the CCL "cap". However by 1996 there were * MOU. Only * of the 1996 minutes generate "precap" full rates, and the last * generate "postcap" discounted rates. For the year 1996, the average access revenue per MOU was $ *.

Realizing only * cents per minute is a far cry from the 30 cents per minute the Comparison shows.

It is also illuminating that, for the past 10 years, Mid-Mo's MOU has grown at an average rate of * %, but access revenue has only grown at * %. For Northeast, MOU has grown at an average rate of * %, but corresponding revenue has grown by only * %. Mid-Mo and Northeast's access revenue has not kept pace with usage, and access revenue has also not kept pace with the annual growth in plant in service.

The effect of the cap is that Mid-Mo and Northeast's realized access rate has declined * % since 1986. For Northeast and Mid-Mo, usage and investment is growing faster than revenues. Over the past 10 years, local revenues have contributed progressively more to the cost of investment than have access revenues.

PTCs have no such cap. Each minute of use gets paid at their full access rate. As per the rates set forth in Staff's access comparison, Attachment A, Mid-Mo and Northeast's precap rate are * % higher than GTE's rate. However the rate actually realized by Mid-Mo and Northeast is comparable to the rates realized by United and GTE.

The CCL cap was created for an environment where for practical purposes the PTC was the only toll carrier. Its purpose was to assure that, assuming growth, it would not overcompensate the SC for use of the local loop, or carrier common line. After the cap was reached, the CCL access element was significantly reduced. Thereafter the PTC would pay the reduced rate.

The cap may be inconsistent with a competitive environment. The cap was designed for a single toll carrier. In a competitive environment the cap may have disparate impacts. Companies purchasing intraLATA access before the cap is reached pay more than companies purchasing access after the cap is reached. For some SCs the cap is reached very early in the year.

Removing the cap would allow a revenue neutral method of SC access rate reduction. Removing the cap would also promote competition in that it would remove the potential for disparate costs depending on when access is purchased. Some SCs have already been permitted to eliminate their cap in rate cases.

**"Subsidies"**

Merely concluding that one companies customers pay more contribution to other services than do another company's customers is not a complete analysis. The truth in Missouri is that all toll customers of the PTCs pay the PTCs the toll rates which covers the cost of access in all exchanges.

Both rural and urban toll customers contribute to the cost of local in high cost exchanges. The PTCs merely collect this revenue from all toll customers, even those they serve in SC exchanges, and pass it to SCs in the form of access charge payments.

SC exchange COS subscribers have been toll customers of the PTC companies for years before establishment of the PTC Plan in 1987-1988, as well as for the 10 years since. T 168. This is not an issue of one company's customers subsidizing another company's customers--it is one group of SWB toll customers contributing to the costs of another group of SWB toll customers' service.

At hearing it was established that SWB received * times more toll revenue per customer from its toll customers residing in SC exchanges than it received from its toll customers residing in its own exchanges. See HC T. 667-670, 752-757. The fact that SC exchange residents pay SWB * times as much toll per customer as do SWB exchange residents is completely inconsistent with the notion SWB customers are subsiding SC customers. In fact the reverse case can be made. SC exchange residents pay more toll per customer than do SWB exchange residents.

In order to do justice, the Commission must be careful to examine the "subsidy" label before it buys the argument. Route specific analysis is not a substitute for comprehensive analysis of all toll revenues and costs. Ex 3, Jones pp 7-10.

**COS Pricing Structure**

COS pricing problems do exist. Instead of being priced to recover its cost and contribute to the cost of residential local, it has turned out that COS was instead priced below its cost. This violates not only the precepts of the present competitive movement, but also the precepts of residual pricing--COS does not contribute to costs of providing local service.

This failure of COS is a function of the "flat rated" pricing of COS, whereby customers can make unlimited calls for a fixed monthly cost. It was SWB that championed this pricing structure in TO-92-306. The Mid Missouri Group was a proponent of discounted block of time pricing, as opposed to unlimited calling for a flat rate. The Commission should examine flat rated interexchange calling plans with great scrutiny, as amounts of usage can indicate these types of plans, whether COS or SWB's designated number plan, may be priced beneath their costs.

This Commission set the COS prices. It did so in an environment where there was little intraLATA toll competition. It did so when in a rate of return environment ILECs could make the necessary accommodations to handle a situation where cost exceeds price on some routes. It did so years before the industry was mandated by the federal government to implement intraLATA dialing parity. It does not serve anyone to try and place blame for the way COS is presently structured. It only serves to examine whether COS can be retained, which was the announced purpose of this docket.

Should this Commission decide that COS cannot exist in its present form in a presubscribed environment, and decides it can only exist in some manner if priced above its cost, several logical exercises must be performed in order to realistically examine if it can be retained at all.

If COS must be priced above its cost, it must be priced above the cost of each providing carrier. Initially, this will mean that, instead of the uniform statewide rate designed in 1993 to resolve "looking over the fence" complaints, each company would have its own rate. Ex 20 Evans Direct; T 148-150, 567, 777-778. The very underpinning of COS--one of three services designed to solve concerns of a statewide nature--will no longer exist. The very reason for creating COS will no longer exist.

If the Commission decides that COS cannot be allowed to survive in a competitive market, the Commission should also release <u>all</u> companies from any requirement to provide it past that date.

Companies that wanted to continue offering COS in some form would be free to do so. Others that don't, or can't at competitive prices, should not be required to offer the service. It would be inconsistent with competition to somehow require some companies offer it in some places at some price level.

SCs may not have the ability to price COS above costs and make it a viable offering in a competitive marketplace. T 116-117, 148-149. It was demonstrated at hearing that, for SCs to provide even the modified COS that SWB was proposing, they would have to price it at an additional $ 485 per year, or $40 per month more than COS is presently priced. T 381-382. COS priced at this level would not be a viable offering in today's marketplace. Therefore, should COS be changed to fit a competitive framework, it will no longer be available in rural areas served by SCs.

**Overall Position of the Mid Missouri Group**

The position of the Mid Missouri Group remains as stated in the hearing memorandum, Ex 1.

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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Initial Brief of the Mid-Missouri Group - Public Version - was mailed, postage prepaid this 7th day of August, 1997, to:

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# SWITCHED ACCESS RATE COMPARISON

**Sorted on Total IntraLATA**

| Telephone Company | Carrier Common Line (CCL) INTERLATA Orig. | INTERLATA Term. | INTRALATA Orig. (P) | INTRALATA orig. (d) | INTRALATA Term. (P) | INTRALATA term. (d) | LS2 | Line Term (LT) | Local Transport FGC&D | 2 x LS2, LT transport | TOTALS* Inter-LATA | TOTALS* Intra-LATA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Le-Ru Telephone | $0.0941 | $0.1612 | $0.0812 | $0.0228 | $0.1392 | $0.0391 | $0.0118 | $0.0149 | $0.0191 | $0.0916 | $0.3469 | $0.3120 |
| Northeast Missouri Rural | $0.0900 | $0.1542 | $0.0781 | $0.0093 | $0.1338 | $0.0159 | $0.0118 | $0.0149 | $0.0189 | $0.0912 | $0.3354 | $0.3031 |
| Mid-Missouri Telephone | $0.0922 | $0.1580 | $0.0693 | $0.0194 | $0.1187 | $0.0332 | $0.0118 | $0.0149 | $0.0281 | $0.1096 | $0.3598 | $0.2976 |
| Ellington Telephone | $0.0380 | $0.0652 | $0.0610 | $0.0369 | $0.1045 | $0.0632 | $0.0118 | $0.0149 | $0.0273 | $0.1080 | $0.2112 | $0.2735 |
| Holway Telephone | $0.0200 | $0.0343 | $0.0663 | $0.0286 | $0.1136 | $0.0490 | $0.0118 | $0.0149 | $0.0153 | $0.0840 | $0.1383 | $0.2639 |
| Eastern Missouri Telephone | $0.0478 | $0.1480 | $0.0610 | $0.0133 | $0.1045 | $0.0228 | $0.0118 | $0.0149 | $0.0194 | $0.0922 | $0.2880 | $0.2577 |
| Steelville Telephone | $0.0197 | $0.1152 | $0.0197 | | $0.1152 | | $0.0369 | | $0.0189 | $0.1116 | $0.2465 | $0.2465 |
| Grand River Mutual Telephone | $0.0682 | $0.1170 | $0.0418 | $0.0064 | $0.0717 | $0.0110 | $0.0118 | $0.0149 | $0.0221 | $0.0976 | $0.2828 | $0.2151 |
| Seneca Telephone | $0.0726 | $0.1244 | $0.0430 | $0.0018 | $0.0737 | $0.0031 | $0.0118 | $0.0149 | $0.0225 | $0.0984 | $0.2954 | $0.2151 |
| Citizens Telephone | $0.0445 | $0.1441 | $0.0445 | | $0.0757 | | $0.0268 | | $0.0205 | $0.0946 | $0.2831 | $0.2148 |
| Rock Port Telephone | $0.0292 | $0.0501 | $0.0478 | $0.0301 | $0.0819 | $0.0516 | $0.0118 | $0.0149 | $0.0139 | $0.0812 | $0.1605 | $0.2109 |
| United Telephone of Mo. | $0.0441 | $0.0850 | $0.0468 | | $0.0857 | | $0.0074 | $0.0155 | $0.0120 | $0.0698 ** | $0.1989 | $0.2023 |
| New Florence Telephone | $0.0208 | $0.0357 | $0.0407 | $0.0259 | $0.0698 | $0.0444 | $0.0118 | $0.0149 | $0.0192 | $0.0918 | $0.1483 | $0.2023 |
| Alltel Mo. | $0.0478 | $0.0919 | $0.0403 | $0.0005 | $0.0691 | $0.0009 | $0.0118 | $0.0149 | $0.0177 | $0.0888 | $0.2285 | $0.1982 |
| BPS Telephone Company | $0.0299 | $0.0714 | $0.0299 | | $0.0714 | | $0.0282 | $0.0049 | $0.0148 | $0.0958 | $0.1971 | $0.1971 |
| Iamo Telephone | $0.0291 | $0.0499 | $0.0412 | $0.0070 | $0.0706 | $0.0120 | $0.0118 | $0.0149 | $0.0137 | $0.0808 | $0.1598 | $0.1926 |
| KLM Telephone | $0.0351 | $0.0601 | $0.0389 | $0.0170 | $0.0667 | $0.0291 | $0.0118 | $0.0149 | $0.0155 | $0.0844 | $0.1796 | $0.1900 |
| Oregon Farmers Mutual | $0.0418 | $0.0716 | $0.0423 | | $0.0724 | | $0.0118 | $0.0149 | $0.0107 | $0.0748 | $0.1882 | $0.1895 |
| McDonald County Telephone | $0.0424 | $0.0726 | $0.0386 | $0.0196 | $0.0662 | $0.0336 | $0.0118 | $0.0149 | $0.0143 | $0.0820 | $0.1970 | $0.1868 |
| Miller Telephone | $0.0986 | $0.1690 | $0.0400 | $0.0017 | $0.0686 | $0.0029 | $0.0118 | $0.0149 | $0.0124 | $0.0782 | $0.3458 | $0.1868 |
| Ozark Telephone Co. | $0.0299 | $0.0714 | $0.0299 | | $0.0714 | | $0.0282 | $0.0049 | $0.0054 | $0.0770 | $0.1783 | $0.1783 |
| GTE Midwest, Inc. | $0.0299 | $0.0714 | $0.0299 | | $0.0714 | | $0.0282 | $0.0049 | $0.0054 | $0.0770 | $0.1783 | $0.1783 |
| Modern Telephone Co. | $0.0299 | $0.0714 | $0.0299 | | $0.0714 | | $0.0282 | $0.0049 | $0.0054 | $0.0770 | $0.1783 | $0.1783 |
| Cass County Telephone | $0.0299 | $0.0714 | $0.0299 | | $0.0714 | | $0.0282 | $0.0049 | $0.0054 | $0.0770 | $0.1783 | $0.1783 |
| Peace Valley Telephone | $0.0715 | $0.1226 | $0.0273 | $0.0160 | $0.0468 | $0.0274 | $0.0118 | $0.0149 | $0.0241 | $0.1016 | $0.2957 | $0.1757 |
| Mark Twain Rural Telephone | $0.0492 | $0.0842 | $0.0329 | $0.0144 | $0.0564 | $0.0246 | $0.0118 | $0.0149 | $0.0139 | $0.0812 | $0.2146 | $0.1705 |
| Farber Telephone | $0.0335 | $0.0574 | $0.0263 | $0.0202 | $0.0451 | $0.0346 | $0.0118 | $0.0149 | $0.0226 | $0.0986 | $0.1895 | $0.1700 |
| Granby Telephone | $0.0317 | $0.0543 | $0.0350 | $0.0229 | $0.0600 | $0.0392 | $0.0118 | $0.0149 | $0.0106 | $0.0746 | $0.1606 | $0.1696 |
| MoKan Dial, Inc. | $0.0842 | $0.1443 | $0.0332 | $0.0007 | $0.0569 | $0.0012 | $0.0118 | $0.0149 | $0.0112 | $0.0758 | $0.3043 | $0.1659 |
| Fidelity Telephone | $0.0333 | $0.0570 | $0.0333 | | $0.0570 | | $0.0111 | $0.0051 | $0.0208 | $0.0740 ** | $0.1643 | $0.1643 |
| Missouri Telephone | $0.0478 | $0.0818 | $0.0271 | | $0.0557 | | $0.0118 | $0.0149 | $0.0139 | $0.0812 | $0.2108 | $0.1640 |
| Goodman Telephone | $0.0686 | $0.1175 | $0.0263 | $0.0005 | $0.0451 | $0.0009 | $0.0118 | $0.0149 | $0.0195 | $0.0924 | $0.2785 | $0.1638 |
| Lathrop Telephone | $0.0491 | $0.0841 | $0.0304 | $0.0015 | $0.0521 | $0.0026 | $0.0118 | $0.0149 | $0.0133 | $0.0800 | $0.2132 | $0.1625 |
| Chariton Valley Telephone | $0.0440 | $0.0754 | $0.0322 | $0.0180 | $0.0552 | $0.0309 | $0.0118 | $0.0149 | $0.0104 | $0.0742 | $0.1936 | $0.1616 |
| Orchard Farms Telephone | $0.0468 | $0.0802 | $0.0361 | $0.0269 | $0.0619 | $0.0461 | $0.0118 | $0.0149 | $0.0046 | $0.0626 | $0.1896 | $0.1606 |
| Bourbeuse Telephone | $0.0315 | $0.0540 | $0.0315 | | $0.0540 | | $0.0111 | $0.0051 | $0.0208 | $0.0740 ** | $0.1596 | $0.1595 |
| Choctaw Telephone | $0.0597 | $0.1022 | $0.0317 | $0.0074 | $0.0543 | $0.0127 | $0.0118 | $0.0149 | $0.0035 | $0.0604 | $0.2223 | $0.1464 |
| Kingdom Telephone | $0.0384 | $0.0659 | $0.0247 | $0.0038 | $0.0422 | $0.0065 | $0.0118 | $0.0149 | $0.0115 | $0.0764 | $0.1807 | $0.1433 |
| Stoutland Telephone | $0.0500 | $0.1538 | $0.0239 | | $0.0407 | | $0.0118 | $0.0149 | $0.0126 | $0.0786 | $0.2824 | $0.1432 |
| Green Hills Telephone | $0.0100 | $0.0530 | $0.0100 | | $0.0530 | | $0.0118 | $0.0149 | $0.0100 | $0.0734 | $0.1364 | $0.1364 |
| Craw-Kan Telephone | $0.0347 | $0.0595 | $0.0216 | $0.0017 | $0.0371 | $0.0029 | $0.0118 | $0.0149 | $0.0081 | $0.0696 | $0.1638 | $0.1283 |
| Alma Telephone | $0.0302 | $0.0518 | $0.0145 | $0.0024 | $0.0249 | $0.0041 | $0.0118 | $0.0149 | $0.0137 | $0.0808 | $0.1628 | $0.1202 |
| New London Telephone | $0.0394 | $0.0675 | $0.0100 | | $0.0100 | | $0.0118 | $0.0149 | $0.0115 | $0.0764 | $0.1833 | $0.0964 |
| Southwestern Bell Telephone | $0.0100 | $0.0181 | $0.0100 | | $0.0181 | | $0.0085 | | $0.0077 | $0.0324 ** | $0.0605 | $0.0605 |

Attachment A

*** Totals calculated for the respective jurisdictions as follows: [(Orig. CCL+ Term. CCL) + 2 (LS2 + LT + Transport)].**
**(Note: IntraLATA totals assume premium CCL levels.)**

**** These companies have a mileage sensitive local transport rate structures.**
***(Rate reflects 1-25 mileage band.)***