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October 27, 1997

FILED

OCT 27 1997

**MISSOURI
PUBLIC SERVICE COMMISSION**

Mr. Cecil Wright
Public Service Commission
P.O. Box 360
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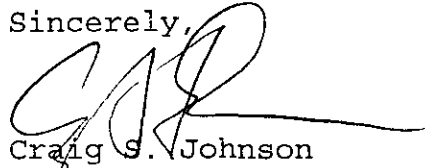
Re: TW-97-333

Dear Mr. Wright:

Enclosed please find an original and 14 copies of the Mid-Missouri Group's request for clarification, rehearing, further proceedings, or a new docket with respect to preserving revenue neutrality for companies involved with the provisioning of COS after that service's elimination.

A copy of this letter and a copy of the enclosed motion have been served upon all attorneys of record. Thank you for seeing this filed.

Sincerely,



Craig S. Johnson

CSJ:skl

Enclosure

cc: All Attorneys of Record
Oral Glasco
William Biere
Mike Staudt/John West

David Jones
Donald D. Stowell
Ray Ford/Gary Godfrey
Sandy Bosserman

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED
OCT 27 1997
MISSOURI
PUBLIC SERVICE COMMISSION

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

MID MISSOURI GROUP
APPLICATION FOR CLARIFICATION, REHEARING,
OR THE ESTABLISHMENT OF A NEW DOCKET

For its application for rehearing, clarification, or the establishment of a new docket with respect to preserving revenue neutrality, the Mid-Missouri Group of local exchange companies states as follows:

1. The Commission's Report and Order dated October 16, 1997 eliminates the provision of community optional calling service in Missouri not later than March 31, 1998.

2. This Order will result in the elimination of 159 COS routes, as identified in Schedule 1 to the direct testimony of Gay Smith, Exhibit 32. Of these 159 COS routes to be eliminated, approximately 17 involve the Mid-Missouri Group companies (Chariton Valley - 2, Mid-Missouri - 9, Modern Telephone Company - 1, Northeast Missouri Rural - 4, and Peace Valley - 1). There are other SCs members in the Small Telephone Company Group also involved in COS routes.

3. Most of the COS routes were implemented in 1993 or 1994. As was the undisputed evidence in this case, SC access rates were reduced on a revenue neutral basis to reflect the stimulation in toll

100.

calling created by the COS service. Upon the elimination of COS the stimulation will be completely or partially eliminated. This may or will have an adverse financial effect on companies if no provisions are made to continue to assure revenue neutrality.

4. The Commission's Order of October 16 makes no mention of, and gives no direction to, the parties with respect to this aspect of elimination of COS.

5. For small company secondary carriers, the extent of customer subscription to COS was significant and substantial. Because the stimulated calling was also significant and substantial, these companies have previously reduced their access rate significantly. Unless some provision is made to preserve revenue neutrality prior to elimination of the service, the elimination of COS will eliminate or reduce company revenues without the consideration of the the financial effects, and will be an unconstitutional taking or confiscation of property without due process of law in violation of the Constitution of the State of Missouri.

6. Possible methods of preserving revenue neutrality range from a simple reversal of the prior access rate reduction to a study period of six months following termination of COS to identify the destimulation occurring, and to thereafter true up access rates. This could be ordered in a rehearing/clarification order in this docket, delegated to an implementation committee for resolution and submission back to the Commission for its consideration and decision prior to March 1, 1998, or a separate docket could be established for

this purpose.

7. The MMG disagrees with the notion that this docket does not constitute contested case, and did not require a hearing on the record. To the extent the Commission's Order declares, or attempts to declare, that this docket is not a contested case, the Report and Order is unlawful. As reflected by the Order establishing the docket, and the Commission's October 16 Report and Order, this docket considered the rights of 17,000 customers to continuation of a valuable telecommunications service established in contested case proceedings. This docket concerned and impacted the revenues and cost of service for many toll carriers/local exchange companies, as well as impacting the price and availability of service to customers. This case did involve company revenues and costs, therefore did involve specific legal rights and duties required by law to be determined after hearing.

WHEREFORE, on the basis of the foregoing, the Mid-Missouri Group respectfully requests this Commission issue an order of clarification, or granting rehearing, to give direction to the parties as to what mechanisms to utilize in preserving revenue neutrality, or for a technical conference to be conducted under the auspices of this docket in order to effect same, or that a new docket be created to address this issue.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing was mailed first class, postage prepaid this 27th day of October, 1997, to all known attorneys of record.

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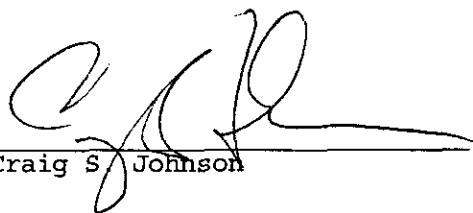
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