



GTE Service
Corporation

601 Monroe Street
Suite 304
Jefferson City, MO 65101

FILED

JAN - 7 1999

Missouri Public
Service Commission

January 7, 1999

Mr. Dale Hardy Roberts
Executive Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 W. High Street, Room 530
Jefferson City, MO 65101

Subject: PETITION OF GTE MIDWEST INCORPORATED REGARDING PRICE
CAP REGULATION UNDER SECTION RSMo § 392.245 (1996)
CASE NO. 10-99-294

Dear Mr. Roberts:

Enclosed for filing are an original and fourteen (14) copies of GTE Midwest Incorporated's Petition regarding Price Cap Regulation Under RSMo § 392.245 (1996).

Thank you for your assistance in this matter.

Sincerely,

Tracy D. Pagliara

TDP:fem

Enc.

c: C. Little/D. Evans - Jefferson City, MO

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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

Missouri Public
Service Commission

Petition of GTE Midwest Incorporated)
Regarding Price Cap Regulation)
Under RSMo § 392.245 (1996))

Case No. 70-99-294

PETITION

COMES NOW, GTE Midwest Incorporated ("GTE") and in support of its Petition regarding price cap regulation under RSMo § 392.245 states as follows:

1. GTE is a provider of basic local telecommunications services in various exchanges throughout Missouri, including the exchanges of Lewiston and LaBelle. GTE provides basic local telecommunications services pursuant to tariffs filed with and approved by the Commission.

2. Senate Bill 507(SB 507), which was passed by the General Assembly in the 1996 session, substantially changed the nature of basic local telecommunications service competition and the regulatory regime for incumbent local exchange telecommunications companies. The legislation revised RSMo § 392.450 to permit competition in the provision of basic local telecommunications service. In addition, SB 507 requires a shift in the form of regulation which applies to large incumbent local telecommunications companies to price cap regulation upon the Commission's determination that certain events have occurred.

3. Section 392.245 provides clear and unambiguous direction requiring a large local exchange telecommunications company to be regulated pursuant to price caps when specific events have occurred. In relevant part, § 392.245.2 provides:

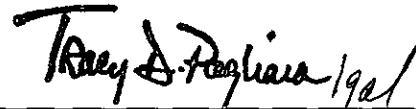
A large incumbent local exchange telecommunications company shall be subject to regulation under this section upon a determination by the commission that an alternative local exchange telecommunications company has been certified to provide basic local telecommunications service and is providing such service in any part of the large incumbent company's service area.

4. On May 19, 1998, Mark Twain Communications Corporation (MTCC) was certified to provide basic local telecommunications service within the GTE exchanges in the state of Missouri. On June 16, 1998, the Commission approved an interconnection agreement between GTE and MTCC related to GTE's exchanges in Missouri. On April 29, 1998, MTCC filed tariffs with the Commission for providing local service in GTE's exchanges. These tariffs were approved on July 23, 1998. MTCC is now providing basic local telecommunications services in GTE's Lewiston and LaBelle exchanges. These facts require the Commission to determine that an alternative local exchange telecommunications company has been certified to provide basic local telecommunications service and is providing such service in a part of GTE's service area. Therefore, GTE is now subject to price cap regulation.

WHEREFORE, for all the foregoing reasons, GTE Midwest Incorporated respectfully requests this Commission to expeditiously make the determination required by Section 392.245.2 that an alternative local exchange telecommunications company has been certified to provide basic local telecommunications service and is providing such service in any part of GTE's service area.

Respectfully submitted,

GTE MIDWEST INCORPORATED

A handwritten signature in dark ink, appearing to read "Tracy D. Pagliara / 921", is written over a horizontal line.

Tracy D. Pagliara, Bar #40126
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Attorney for GTE Midwest Incorporated

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document was delivered to Dale Hardy Roberts, Executive Secretary/Chief Regulatory Law Judge, Missouri Public Service Commission, 301 W. High Street, Room 530, Jefferson City, MO 651 01 and was mailed, postage prepaid, this 7th day of January, 1999 to the following:

Office of the Public Counsel
PO Box 7800
Jefferson City, MO 65102



Gail Luecke