

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Company Name: Embarq Missouri, Inc.
Tariff File No. YI-2008-0303 Case No. TO-2008-0147

From: Adam McKinnie
Telecommunications Department

John Van Eschen / 11-19-07 William K Haas / 11-19-07
Utility Operations Division/Date General Counsel's Office/Date

Subject: Recommendation for approval

Date: 11-19-07

Summary:

Staff recommends granting the Application of Embarq Missouri, Inc. (Embarq) requesting competitive classification of its business services and / or residential services (other than exchange access service) in four exchanges and letting the accompanying tariff filing go into effect. Staff concludes Embarq meets the requirements of Section 392.245.5 RSMo (2005): there exists at least one nonaffiliated wireless carrier and one qualifying nonaffiliated wireline carrier serving customers within these exchanges.

Body:

On November 6th, 2007, Embarq filed an "Application for Competitive Classification". Embarq is seeking competitive classification for all business services and / or residential services, other than exchange access services, offered in the exchanges below pursuant to Section 392.245.5.

Embarq amended their Application on Friday, November 16, to remove Holt from their competitive classification request and file a substituted tariff sheet reflecting this change.

Embarq has also subsequently amended their Application again today (Monday, November 19) to remove the exchanges of Henrietta, Lone Jack, Odessa, and Pleasant Hill.

The current Embarq request for competitive classification is:

Services requested to be classified as competitive	Exchanges
Residential (other than exchange access)	Fort Leonard Wood, St. Robert, and Waynesville
Business (other than	Warrensburg

exchange access)	
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The thirty day track in 392.245.5(6) requires, for a grant of competitive classification, two non-affiliated carriers providing local voice service to residential and / or business customers within the exchange, depending on whether competitive classification is being sought for residential services, business services, or both. Only one carrier may be a wireless carrier; the second carrier must be providing service in whole or in part over its own facilities.

Through information provided by Embarq and as a result of Staff's investigation, Staff concludes there is at least one nonaffiliated wireline carrier serving in whole or in part over its own facilities with telephone numbers rated as local within the various exchanges.

Through information provided by Embarq and as a result of Staff's investigation, Staff concludes there is at least one wireless carrier unaffiliated with Embarq providing local service to customers geographically located within the various exchanges with numbers rated as local to the various exchanges.

Staff has received verified affidavits from the aforementioned wireline and wireless carriers in the exchanges and verified line counts for wireline carriers. These affidavits are attached as Schedule 1. The line counts as provided by the competitive local exchange carriers (CLECs) are classified as highly confidential.

The specific companies serving the exchanges are summarized in the following table:

Exchange	Type of Request	Wireline Carrier	Wireless Carrier
Ft Leonard Wood	Residential	Fidelity I (CLEC)	US Cellular
St. Robert	Residential	Fidelity I (CLEC)	US Cellular
Warrensburg	Business	Socket	Verizon Wireless
Waynesville	Residential	Fidelity I (CLEC)	US Cellular

In addition, in its "Order Directing Notice, Establishing Procedural Schedule, and Reserving Hearing Date", the Missouri Public Commission (Commission) wrote:

Accordingly, the Commission will direct its Staff to investigate this matter and to file a verified pleading stating, for each exchange under consideration in this proceeding, whether the wireless and the facilities-based carriers have at least two residential and two business customers whose addresses are located within that exchange. In addition, Staff shall

state whether Embarq has local numbers available to those customers in the various exchanges.

Staff notes that of the two wireless carriers who have provided affidavits, one company official, that of US Cellular, affirms they have two or more residential customers within the exchanges. However, the second wireless carrier, Verizon Wireless, does not distinguish between residential and business customers. Thus, for the exchange of Warrensburg, Staff cannot state that Verizon Wireless has two or more business customers.

Staff also notes that in the exchange of Warrensburg, a Socket representative affirms that Socket only has one business customer in the Warrensburg exchange.

In all other exchanges the criteria (including local telephone numbers) in the excerpted paragraph are met.

Conclusion:

Staff recommends the Commission grant Embarq's Application for "Competitive Status" in the instant case (as twice amended) and allow the accompanying tariff filing (as twice amended) to go into effect. Through a combination of information provided by Embarq and Staff's investigation, Staff is satisfied that the requirements of Section 392.245.5 RSMo (2005) are satisfied, and that Embarq's residential and business services (other than exchange access service) should be classified as competitive in the various exchanges.

- ☒ Embarq is not delinquent in filing an annual report and paying the PSC assessment.
- ☐ The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.
- (☐ No annual report ☐ Unpaid PSC assessment. Amount owed:)