BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom for Waiver of Compliance with the Requirement of 4 CSR 240-33.050(4)(B).

Case No.

APPLICATION FOR WAIVER

COMES NOW Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom ("Iowa Telecom" or "Applicant"), pursuant to 4 CSR 240-2.060(4), 4 CSR 240-3.015 and 4 CSR 240-31.040(7), and in support of its application for waiver of compliance with the requirements of 4 CSR 240-33.050(4)(B) respectfully states as follows:

1. Iowa Telecom, an Iowa corporation, is a local exchange

telecommunications company subject to the Missouri Public Service Commission's ("Commission's) jurisdiction under Chapter 392 of the Missouri Revised Statutes. Iowa Telecom provides local exchange telecommunications service to approximately 240,500 incumbent access lines in 293 exchanges located throughout Iowa. Iowa Telecom also provides local exchange telecommunications service to approximately 100 customers located in Missouri that are served from three Iowa exchanges that extend into Clark County, Nodaway County, and Putnam County in northern Missouri (Athens, South Braddyville, and South Seymour, Missouri exchanges). On May 25, 2000, the Commission issued its Order Approving Joint Application To Transfer Assets in Case No. TM-2000-403, which approved Iowa Telecom's joint application to purchase certain assets from GTE Midwest Incorporated, including the Missouri assets that serve the 100 Missouri customers. Iowa Telecom's Certificate to Transact Business as A Foreign

Corporation and Fictitious Name Registration were filed in Case No. TM-2000-403, and

are incorporated herein by reference.

2. The principal place of business of Applicant is:

> Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom 115 S. Second Avenue West Newton, Iowa 50208 Tel: (641) 787-2000 Fax: (641) 787-2347

Correspondence, communications, orders, and decisions of the Commission in

this matter should be sent to:

3.

James M. Fischer Larry W. Dority FISCHER & DORITY, P.C. 101 Madison, Suite 400 Jefferson City, Missouri 65101 Tel: (573) 636-6758 (573) 636-0383 Fax:

Applicant has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three years of the date of the Application. Applicant has no annual reports or regulatory assessment fees that are overdue in Missouri.

4. Iowa Telecom requests that the Commission grant it a waiver from Subsection (4)(B) of 4 CSR 240-33.050 – Deposits and Guarantees of Payment for Residential Customers, which provides as follows:

(B) It shall bear interest at a rate which is equal to one percent (1%) above the prime lending rate as published in the *Wall Street Journal*. This rate shall be adjusted annually on December 1 using the prime lending rate, as published in the Wall Street Journal on the last business day of September of each year, plus one percent (1%). The interest shall be credited

annually upon the account of the customer or paid upon the return of the deposit, whichever occurs first."

5. Iowa Telecom seeks a waiver from the requirement of 4 CSR 240-33.050 for payment of interest at a rate equal to 1% above the prime rate. The Iowa Telecom billing system is designed to provide 7.5% interest on the deposits held as prescribed by the rules set forth in Section 22.4(2)(b) of the rules of the Iowa Utilities Board. 199 IAC 22.4(2)(b)("Interest shall be paid on deposits associated with regulated rates. Interest on such deposits shall be computed at 7.5 percent per annum, compounded annually."). Iowa Telecom has reviewed the system requirements to change its billing system to accommodate billing a different percentage for the approximately 100 access lines served in Missouri. Presently, deposits are held on two Missouri accounts. It is anticipated that such a system update would be unreasonably burdensome for the number of customers involved. Iowa Telecom therefore respectively requests that the company be allowed to compute interest on deposits at a rate of 7.5% per annum compounded annually as prescribed by the Iowa Administrative Code. In accordance with 4 CSR 240-31.040(7), 4 CSR 240-2.060(4) and 4 CSR 240-3.015, Iowa Telecom respectfully submits that good cause exists for granting the waiver as requested herein.

WHEREFORE, Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom respectfully requests that the Commission enter an order granting Iowa Telecom a waiver of compliance from the provisions of Subsection (4)(B) of 4 CSR 240-33.050 – Deposits and Guarantees of Payment for Residential Customers.

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Respectfully submitted,

/s/ James M. Fischer

James M. Fischer # 27543 Larry W. Dority # 25617 FISCHER & DORITY, P.C. 101 Madison, Suite 400 Jefferson City, MO 65101 Telephone: (573) 636-6758 Fax: (573) 636-0383 Email: lwdority@sprintmail.com

Attorneys for Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has

been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this

1st day of March, 2006, to:

Office of the Public Counsel P.O. Box 2230 Jefferson City MO 65102

Kevin Thompson General Counsel Missouri Public Service Commission P.O. Box 360 Jefferson City MO 65102

/s/ James M. Fischer

James M. Fischer

VERIFICATION

State of Iowa)) ss.) ss.County of Jasper)

I, D. Michael Anderson, being duly affirmed according to law, depose and say that I am authorized to make this affidavit on behalf of Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom being the Vice President—External Affairs, and that the facts above set forth are true and correct to the best of my knowledge, information and belief.

D. Michael Anderson

Subscribed and affirmed to before me this $\partial \mathcal{F}^{\underline{*}}$ day of February, 2006.

Darban E. Bouley

Notary Public

1.23.07

My commission expires on the <u>23-ud</u> day of <u>January</u> 2007