

SUMMARY OF PRICING EFFECTS FOR IMPLEMENTING MCA-2

By expanding the current MCA to Staff’s proposed MCA-2, MCA subscribers in the following areas would experience the rate increases assuming the revenue neutral recovery is done by adding these increases to existing rates. Pricing impacts may vary depending on the type of rate design. These rate increases to the existing rates paid by MCA subscribers are shown with and without the implementation costs estimated by each individual local exchange carrier. The following estimated rate changes may vary due to the level of implementation costs allowed by the Commission. A further discussion on additional implementation costs is contained in Section 4.7.

For **Southwestern Bell Telephone Company** rates for optional MCA subscribers and “mandatory” customers would increase as follows:¹

All customers residing in the mandatory MCA areas and all optional tier MCA subscribers in the following areas would experience the following estimated rate increases based on the estimated cost assuming that those costs were recovered on a per-line basis for every customer:

	Excludes Implementation Costs		Includes Implementation Costs ²
Springfield	** _____ **	per line	** _____ **
St. Louis	** _____ **	per line	** _____ **
Kansas City	** _____ **	per line	** _____ **

For Verizon Telephone Company :

MCA subscribers in the following areas would experience the following rate increases:

Excludes Implementation Costs	Includes Implementation Costs ³
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¹ Only SWBT spread costs out to include “mandatory” MCA customers, as SWBT is the only carrier who serves such customers. Stated differently, the principal zone and tiers 1 and 2 in St. Louis and Kansas City and the principal zone and tier 1 in Springfield are the only areas where MCA service is included as part of basic local service. As such, MCA service is said to be mandatory in those areas. Given that only SWBT serves these areas, no other incumbent carrier serves “mandatory” MCA customers. Hence, no other carriers spread costs out to include mandatory customers.

² SWBT’s implementation cost estimates include costs for switch translations but no other implementation costs.

³ Verizon’s implementation cost estimates include costs for switch translations, customer notifications and plant additions over a five-year period.

Springfield	** _____ **	per line		** _____ **	per line
St. Louis	** _____ **	per line		** _____ **	per line

For **Orchard Farm Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs			Includes Implementation Costs ⁴	
St. Louis	** _____ **	per line		** _____ **	per line

For **Sprint Missouri Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs			Includes Implementation Costs ⁵	
Kansas City	** _____ **	per line		** _____ **	per line

For **Cass County Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs			Includes Implementation Costs ⁶	
Kansas City	** _____ **	per line		** _____ **	per line

For **Lathrop Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs			Includes Implementation Costs ⁷	
Kansas City	** _____ **	per line		** _____ **	per line

For **ALLTEL Missouri** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs		Includes Implementation Costs ⁸
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⁴ Orchard Farm's implementation cost estimates include costs only for switch translations.

⁵ Sprint's implementation cost estimates include customer notification via bill insert, switch translations, table updates for message processing, and directory update.

⁶ Cass County's implementation cost estimates include switch translations only.

⁷ Lathrop's implementation cost estimates include one-time costs of switch translations and customer notice as well as applying an 11.25% interest rate to the one-time costs over a 60-month recovery period.

Springfield ** _____** per line ** _____** per line

For **Spectra Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs		Includes Implementation Costs ⁹	
Kansas City	** _____**	per line	** _____**	per line

For **Choctaw Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs		Includes Implementation Costs ¹⁰	
Springfield	** _____**	per line	** _____**	per line

For **MoKan Dial Telephone Company** rates for optional MCA subscribers would increase as follows:

	Excludes Implementation Costs		Includes Implementation Costs ¹¹	
Kansas City	** _____**	per line	** _____**	per line

⁸ ALLTEL's implementation cost estimates include an 11.25% interest rate to cover a one-time customer notification cost spread over a 60-month period.

⁹ Spectra's implementation cost estimates include only costs associated with changes to the billing system required to support MCA-2.

¹⁰ Choctaw's implementation cost estimates include switch translations, customer notification, and employee training.

¹¹ MoKan Dial's implementation cost estimates include switch translations, customer notification, and employee training.