

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:      Thomas E. Wright, Chairman  
                                 Michael C. Moffet  
                                 Joseph F. Harkins

In the Matter of the Application of Southwestern      )  
Bell Telephone Company for Price Deregulation      )  
of Residential and Business Telecommunications      )      Docket No. 09-SWBT-936-PDR  
Services in the Kinsley and Erie, Kansas Exchanges) )  
Pursuant to K.S.A. 2008 Supp. 66-2005(q)(1)(C)      )  
and (D).      )

**ORDER APPROVING IN PART AND DENYING IN PART APPLICATION  
FOR PRICE DEGRULATION OF BUSINESS AND RESIDENTIAL  
TELECOMMUNICATIONS SERVICES IN THE ERIE KANSAS EXCHANGE**

The above-captioned matter comes on before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission grants in part and denies in part the Application of Southwestern Bell Telephone Company d/b/a AT&T Kansas (AT&T) for Price Deregulation of Business and Residential Telecommunications Services in the Erie Kansas Exchange (Application).

1. AT&T filed its Application on June 5, 2009.
2. On June 12, 2009, the Commission granted the petition for intervention of Citizens' Utilities Ratepayer Board (CURB).
3. Commission staff (Staff) filed its Report and Recommendation on June 24, 2009, recommending approval of the Application.
4. CURB filed its response to the Report and Recommendation on June 25, 2009, stating that it could not identify with specificity any entity other than Cox

Communications that was providing single-line residential and business service in the Erie exchange.

5. The Commission granted AT&T's price deregulation request for the Kinsley exchange, but suspended for 30 days AT&T's price deregulation request for the Erie exchange to provide additional time for investigation.

6. On July 10, 2009, AT&T filed its response to the Commission's Order, identifying Cox Communications as a facilities-based carrier providing residential and single-line business services. AT&T claimed that Alltel and US Cellular were significant wireless service providers who market to residential and business customers in the Erie exchange. AT&T explained that wireless carriers, like Alltel and US Cellular, do not differentiate between residential and business customer traffic. AT&T attached several e-mails from persons and businesses in the Erie exchange who claimed to be served by Alltel.

7. Staff attempted to contact the persons and businesses identified by AT&T to confirm they are served by Alltel. Staff advised the Commission that it was unable to secure contact with the residential customers identified by AT&T, but did confirm that Alltel provided wireless services to Neosho County government and its employees and confirmed that US Cellular provided wireless service needs to the Kansas Department of Transportation in Neosho County.

8. Staff was of the opinion that the verified information provided by AT&T pertaining to business telecommunications services fulfilled the statutory requirements of K.S.A. 2008 Supp. 66-2005(q)(1)(C) and recommended approval. However, because

competitors in the residential telecommunications service market in the Erie exchange could not be verified, Staff recommended that this portion of the Application be denied.

9. The Commission has reviewed Staff's Report and Recommendation and finds it thorough and reasonable. The Commission adopts the Report and Recommendation as if fully set out herein and concludes that the request for price deregulation for business telecommunications services in the Erie exchange should be granted but that the request for price deregulation for residential telecommunications services in that exchange should be denied due to lack of verification.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Business telecommunications services provided by AT&T in the Erie exchange are hereby price deregulated.

B. AT&T's request for price deregulation of residential telecommunications services in the Erie exchange is denied due to lack of verification.

C. If any party wishes to have the Commission reconsider a final issue determined here in, it must file a petition for reconsideration within 15 days of the service of this Order. If this Order is mailed, service is complete upon mailing and the petitioning party may add three days to the 15-day suspense period. All petitions for reconsideration must be served on the Commission's executive director.

D. The Commission retains jurisdiction over the parties and the subject matter of this docket for the purpose issuing such additional orders that it deems necessary.

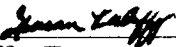
**BY THE COMMISSION IT IS SO ORDERED.**

Wright, Chmn.; Moffet, Com.; Harkins, Com.

Dated: JUL 24 2009

**ORDERED MAILED**

JUL 24 2009

  
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Susan K. Duffy, Executive Director

EXECUTIVE  
DIRECTOR

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