

CENTURYTEL OPERATING COMPANIES

TARIFF F.C.C. No. 2 and 3

MID-YEAR PRICE CAP ACCESS FILING

September 17, 2007

TRANSMITTAL NO. 58

DESCRIPTION AND JUSTIFICATION

Purpose of Filing

The CenturyTel Operating Companies (CTOCs) hereby provide their Description and Justification for the changes proposed under Transmittal No. 58 to the CTOC F.C.C. Tariff Nos. 2 and 3. Information in this filing is provided for all four COSAs associated with CenturyTel of Alabama, LLC and CenturyTel of Missouri, LLC. Exhibit 1 lists the COSAs associated with each company. In this filing, CTOC proposes to file a revised TRP with updated exogenous cost which reflect the revised Telecommunications Relay Service factor of .0072, released by the FCC on June 29, 2007. Rate detail for services in which rates are proposed to change can be found in Exhibit 2.

Telecommunications Relay Service

The TRP guidelines provide for consideration of exogenous cost changes between filing periods. Exogenous cost changes include the telecommunications relay service expense. (TRS). The prescribed TRS factor is multiplied against Form 499 revenues to determine amounts owed for the exogenous assessment. None of the TRS cost has been allocated to the Traffic Sensitive (other than 800 DB and BNA) and Trunking baskets to avoid recovery by the Average Traffic Sensitive rate per Commission rule 61.45(d)(3).

The Telecommunication Relay Service exogenous cost change is allocated to the Common Line Basket and the Special Access Basket.

On June 29, 2006, the Federal Communications Commission (FCC) released Public Notice DA 06-1345 (CG Docket No. 03-123) adopting a TRS factor of .00535. This factor was employed as the basis of the TRS exogenous cost change in the 2007 Annual Access Filing filed on June 15, 2007 in Transmittal No. 55. Subsequently, on June 29, 2007, the FCC released DA 07-2904 (CD Docket No 03-123) which adopted a TRS factor of .0072. Based on this subsequent change, CTOC has revised its estimation of the total TRS contribution amount for the ensuing tariff period.

The methodology employed by CTOC calculates the annual expense related to the difference in the TRS factor released June 29, 2006 and the factor released June 29, 2007. This “difference” is then “grossed up” to ensure recovery of a full twelve months over a nine month period. The development of the TRS exogenous cost for this filing is provided on Exhibit 3.

Universal Service Contribution Factor

End user tariff changes are being updated to reflect the new quarterly FUSC contribution factor of 11.0% in accordance with DA 07-3928, released September 13, 2007.

Conclusion

The CenturyTel Operating Companies hereby submit the accompanying TRPs and exhibits consistent with the Commission’s price cap regulations for local exchange

carriers. The proposed adjustments are supported as just and reasonable, and are in compliance with universal service decisions as demonstrated by the filed information.