## NEWMAN, COMLEY & RUTH

Robert K. Angstead Robert J. Brundage Mark W. Comley Cathleen A. Martin Stephen G. Newman John A. Ruth PROFESSIONAL CORPORATION ATTORNEYS AND COUNSELORS AT LAW MONROE BLUFF EXECUTIVE CENTER 601 MONROE STREET, SUITE 301 P.O. BOX 537 JEFFERSON CITY, MISSOURI 65102-0537 www.ncrpc.com

August 31, 2004

TELEPHONE: (573) 634-2266 FACSIMILE: (573) 636-3306

The Honorable Dale Hardy Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102-0360

FILED

AUG 8 1 2004

## Misseuri Public Bervice Commission

Re: FullTel, Inc.

Dear Judge Roberts:

Please find enclosed for filing in the referenced matter the original and five copies of an Application for Certificate of Service Authority to Provide Basic Local Exchange, Non-Switched Local Exchange and Interexchange Telecommunications Services and for Competitive Classification.

Would you please bring this filing to the attention of the appropriate Commission personnel.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

Mark W. Comley

comleym@ncrpc.com

MWC:ab

Enclosure

cc: Office of Public Counsel General Counsel's Office Roger Baresel

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#### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

AUG 8 1 2004

In the Matter of the Application of ) FullTel, Inc. for a Certificate of Service ) Authority to Provide Basic Local Exchange, ) Non-Switched Local Exchange and ) Interexchange Telecommunications Service ) In the State of Missouri and to Classify Said ) Services and the Company as Competitive )

Auto Commission

Case No. \_\_\_\_\_

#### APPLICATION FOR A CERTIFICATE OF SERVICE AUTHORITY TO PROVIDE BASIC LOCAL EXCHANGE, NON-SWITCHED LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES AND FOR COMPETITIVE CLASSIFICATION

Comes now, FullTel, Inc. ("FullTel, Inc." or "Applicant"), through the undersigned counsel, and hereby files this verified application pursuant to 4 CSR 240-2.060 and 4 CSR 240-3.510, and respectfully requests that the Missouri Public Service Commission ("Commission") issue an order that (a) grants Applicant a Certificate of Authority to provide resold Basic Local Exchange, Non-Switched Local Exchange and Interexchange Telecommunications Service in the State of Missouri, (b) grants competitive status to Applicant and (c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMo 2000.

In support of its application FullTel, Inc. states as follows:

1. Applicant is a corporation duly organized and existing under and by virtue of the laws of the state of Oklahoma with authority to do business in the state of Missouri as reflected in the certificate attached as **Exhibit A**. The legal name and principal office or place of business of applicant is:

FullTel, Inc. 201 Robert S. Kerr Avenue, Suite 210 Oklahoma City, Oklahoma 73102 405/236-8200 405/236-8201

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2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case should be addressed to:

Mark W. Comley Newman, Comley & Ruth P.C. 601 Monroe Street, Suite 301 P.O. Box 537 Jefferson City, MO 65102 Telephone (573) 634-2266 Facsimile (573) 636-3306

and

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Roger P. Baresel President FullTel, Inc. 201 Robert S. Kerr Avenue, Suite 210 Oklahoma City, OK 73102 (405) 236-8200 ext 102 (voice) (405) 236-8201 (fax)

3. FullTel, Inc. proposes to provide competitive facilities-based and resold basic local exchange telecommunications services, interexchange services and nonswitched local services. Specifically, FullTel, desires to be able to provide all forms of switched basic service in defined exchange areas, and dedicated local and interexchange telecommunications services throughout the State of Missouri.

4. With respect to the geographic coverage area for its basic local telecommunications services, FullTel requests authority to operate as a competitive basic local exchange carrier in all areas defined by the existing exchange areas in which SWBT, CenturyTel, Spectra Communications and Sprint are authorized to operate in Missouri. The SWBT, CenturyTel, Spectra Communications and Sprint exchanges in which Applicant seeks authority to provide basic local exchange services in Missouri are set forth in the tariffs of SWBT, CenturyTel, Spectra Communications and Sprint respectively.

5. FullTel, Inc. proposes to provide non switched local and interexchange telcommunications services throughout the state of Missouri.

6. FullTel, Inc. possesses the financial, managerial and technical ability to provide local and interexchange telecommunication service in the state of Missouri.

A. <u>Financial Qualifications:</u>

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7. In support of its financial qualifications, Applicant submits (12) months of historical financial statements including a balance sheet and an income statement (**Exhibit B**), and, on a pro forma basis, twelve (12) months of financial statements to include a balance sheet and an income statement (**Exhibit C**). **Exhibits B and C** are being submitted under seal as confidential and proprietary information herewith. This data has been prepared to reflect Missouri specific information and illustrates that: FullTel's debt to total capital ratio is no greater than 62% and its pretax interest coverage is at least 2.3x. and that FullTel has a cash balance of four months operating expenses inclusive of interest expense and taxes. FullTel, Inc. asserts that is has the financial resources necessary to operate as a CLEC or any other authorized classification of telecommunications carrier in Missouri.

#### B. <u>Managerial and Technical Ability:</u>

8. As shown in <u>Exhibit D</u> to this Application, FullTel, Inc. has the managerial and technical expertise to successfully operate a telecommunications enterprise in Missouri. The officers of FullTel, Inc. have been involved directly in providing telecommunication services to end users in Oklahoma since January, 2001.

9. FullTel, Inc. seeks classification of itself and its services as competitive. Applicant believes that its proposed services will be subject to sufficient competition to justify a

lesser degree of regulation. Granting the application will allow greater price and service options for end users.

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10. FullTel, Inc. will sell basic local telecommunications service as a separate and distinct service in accordance with applicable law. FullTel, Inc. will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in FullTel, Inc.'s proposed service areas in accordance with applicable law.

11. FullTel, Inc. submits, notwithstanding the provisions of Section 392.500 RSMo., as a condition of certification and competitive classification, FullTel, Inc. agrees that, unless otherwise ordered by the Commission, FullTel Inc.'s originating and terminating switched exchange access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each ILEC within whose service area(s) FullTel, Inc. seeks authority to provide service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, FullTel, Inc. agrees that if the ILEC in whose service area FullTel, Inc. is operating decreases its originating and/or terminating access service rates, FullTel, Inc. shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

12. FullTel, Inc. is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to billing, quality of service, and tariff filing and maintenance in a manner consistent with the Commission's requirements for incumbent local exchange carrier(s) with whom FullTel, Inc. seeks authority to compete. Additionally, FullTel, Inc. requests that, pursuant to Section 392.420, RSMo 2000,

that the Commission waive the application of the following rules and statutory provisions as it relates to Applicant:

<u>Statutes</u>	Missouri Public Service Commission Rules
392.210.2	4 CSR 240-10.020
392.240.1	4 CSR 240-3.545 (2)(C)
392.270	4 CSR 240-30.040
392.280	4 CSR 240-3.550 (5)(C)
392.290	4 CSR 240-33.030
392.300.2	
392.310	
392.320	
392.330	
392.340	

13. The above statutes and regulations have been waived previously for other applicants seeking certification as competitive local exchange carriers and interexchange telecommunications carriers. These rules and statutory provisions are principally designed to apply to non-competitive telecommunications carriers. As a result, it would be inconsistent with the goal and purpose of federal and state statutes to apply these rules and statutes to a competitive company such as FullTel.

14. FullTel further requests a temporary waiver of 4 CSR 240-3.510 (1) (C). This rule requires an application for certificate of service authority to provide telecommunications services shall include a tariff(s) with a forty-five day effective date. FullTel finds it impossible at this time to develop tariffs to fully comply with this rule since primarily it has not yet executed or received Commission approval of any interconnection agreements with incumbent local exchange carriers. At such time as all facts necessary for the development of its basic local, non-switched local and interexchange tariffs are known to FullTel, it will promptly file said tariffs bearing no less than a forty-five day effective date with the Commission in a manner consistent with the Commission's practice in similar cases. In any circumstance, FullTel will file its

proposed basic local exchange telecommunications service and switched exchange access tariffs no later than thirty days after Commission approval of the applicant's interconnection agreement(s).

15. FullTel, Inc. submits that the public interest will be served by Commission approval of this application because FullTel, Inc.'s proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the Federal Telecommunications Act of 1996 and Chapter 392 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the state of Missouri.

16. FullTel, Inc. has no pending action or final unsatisfied judgment or decisions against it from any state, federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within 3 years of the date of application.

17. FullTel, Inc. has no overdue annual reports or assessment fees.

18. FullTel, pursuant to Section 386.570 RSMo, will comply with all applicable Commission rules except those specifically waived by the Commission pursuant to FullTel's request.

WHEREFORE, applicant, FullTel, Inc. respectfully requests that the Commission grant it a certificate of service authority to provide basic local, non switched local and interexchange telecommunications services as herein requested, classify FullTel, Inc. and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

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Mark W. Comley #28847 Newman, Comley & Ruth P.C. 601 Monroe Street, Suite 301 P.O. Box 537 Jefferson City, MO 65102 (573) 634-2266 (573) 636-3306 FAX

Attorney for FullTel, Inc.

## Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 3/4 day of August, 2004, to General Counsel's Office at gencounsel@psc.state.mo.us; Office of Public Counsel at opcgervice@ded.state.mo.us.

Jup A. Conley

#### **VERIFICATION**

#### STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA)

I, Roger P. Baresel, being first duly sworn upon oath, do hereby depose and state that I am the President of FullTel, Inc., an Oklahoma corporation, and am authorized to execute this verification; that I have read the above and foregoing application and know the contents thereof; that the contents are true in substance and in fact, except as those matters which are stated upon information and belief, and as to those, I believe the same to be true.

Roger P. Baresel, President

Subscribed and sworn to before me, a Notary Public, on this  $3^{\circ}$  day of , 2004.

Notary Public Con # 02020953

My commission exprés Jonnary 19,2007

# <u>EXHIBIT A</u>

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# Matt Blunt Secretary of State

## CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

MATT BLUNT, Secretary of the State of Missouri, do hereby certify that the records in my fice and in my care and custody reveal that

## FULLTEL, INC.

ing in Missouri the name

## FULLTEL, INC. F00606712

OKLAHOMA entity was created under the laws of this State on the 19th day of August, 04, and is in good standing, having fully complied with all requirements of this office.

TESTIMONY WHEREOF, I have set my nd and imprinted the GREAT SEAL of the ate of Missouri, on this, the 26th day of ugust, 2004

att

Secretary of State



## <u>EXHIBIT B</u>

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## FINANCIAL STATEMENTS FILED UNDER SEAL

## EXHIBIT C

# FINANCIAL STATEMENTS FILED UNDER SEAL

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## <u>EXHIBIT D</u>

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#### FullTel, Inc. Executive Management Team

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Timothy J. Kilkenny has served as our Chief Executive Officer and Chairman of the Board of Directors since our inception in January 1998. Prior to that time, he spent 14 years in the financial planning business as a manager for both MetLife and Prudential. Mr. Kilkenny is a graduate of Central Bible College in Springfield, Missouri.

Roger P. Baresel became one of our directors and our Chief Financial Officer on November 9, 2000, and our President on October 13, 2003. Mr. Baresel is an accomplished senior executive and consultant who has served at a variety of companies in numerous industries. Mr. Baresel has the following degrees from Central State University in Edmond, Oklahoma: BA Psychology, BS Accounting and MBA Finance, in which he graduated Summa Cum Laude. Mr. Baresel is also a certified public accountant.

Jason C. Ayers has been our Vice President of Operations since December 8, 2000 and prior to that served as President of Animus, a privately-held web hosting company. Mr. Ayers received a BS degree from Southern Nazarene University in Bethany, Oklahoma in May 1996 with a triple major in Computer Science, Math and Physics. Upon graduating, he was a co-founder of Animus.

Michael D. Tomas has been our Vice President of Technology since September 2003. Prior to that he was our Information Systems Manager since June 1999 and our employee since January 1998. Mr. Tomas currently is completing his studies at the University of Oklahoma for a degree in Management Information Systems. Mr. Tomas has formal training with Cisco and Telica as well as LAN, WAN, telephone softswitch and light-wave equipment setup and operations, and is Lucent certified.