

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

In the Matter of the Application of	)	
<b>Xspedius Management Co.</b>	)	
<b>of Kansas City, LLC</b>	)	
for a Certificate of Service Authority	)	Case No. CA-2007-0473
to provide Basic Local Telecommunications	)	
Services in portions of the State of Missouri	)	
and to Classify Said Services and the	)	
Company as Competitive	)	

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY  
AND FOR COMPETITIVE CLASSIFICATION**

**COMES NOW Xspedius Management Co. of Kansas City, LLC** ("Applicant" or "Xspedius KC"), by its undersigned counsel and, pursuant to Sections 392.361, 392.410, 392.420, 392.430, and 392.450 RSMo, the Federal Telecommunications Act of 1996, and 4 CSR 240-2.060 and 4 CSR 240-3.510, files this verified Application requesting that the Missouri Public Service Commission (hereinafter, "the Commission") issue and order that:

- (a) grants Applicant certificate of service authority to provide basic local exchange telecommunications services, pursuant to Chapter 392 RSMo;
- (b) grants competitive status to Applicant and Applicant's requested services; and
- (c) waives certain Commission rules and statutory provisions pursuant to Sections 392.420 and 392.361 RSMo, consistent with the Commission's past treatment of other certificated providers of competitive telecommunications services.

The instant Application is being filed in concert with a Joint Application filed by Xspedius KC and its affiliated, sister company, Xspedius Management Co. Switched Services, LLC, ("Xspedius Switched Services"), seeking Commission approval of a merger of the two entities into Xspedius KC. Since both companies are wholly-owned subsidiaries of Time Warner Telecom, the Joint Application also requests Commission approval of a change of name of the surviving company to "Time Warner Telecom of Kansas City LLC."

Thus, the object of the instant Application is for Xspedius KC, as the surviving entity following the merger, to have the certificate of service authority to be able to assume and provide all basic local exchange services currently provided by its affiliated company, Xspedius Switched Services, under the latter's existing basic local exchange certificate of service authority (Case No. CA-2002-1153, order issued March 20, 2003, effective March 30, 2003).

In support of its Application, Applicant states the following:

1. Applicant is a limited liability company formed under the laws of Delaware and is duly authorized to conduct business in the State of Missouri. The nature of the Applicant's business is telecommunications. A copy of Xspedius KC's Certificate of Authority to Transact Business in Missouri is on file as a matter of public record with this Commission in Case No. XA-2002-1154. Applicants respectfully request that the Commission take official notice of that certificate and incorporate it herein by reference pursuant to 4 CSR 240-2.060(1)(G). Applicant's principal place of business is 10475 Park Meadows Drive, Suite 400, Littleton, Colorado (CO) 80124. Its telephone number is 1-800-937-7473. Applicant currently holds interexchange and non-switched local exchange certificate of service authority from this Commission. (Case No. XA-2002-1154, Order effective February 8, 2003.)

2. Applicant is a wholly-owned subsidiary of Time Warner Telecom, headquartered in Littleton, Colorado. Time Warner Telecom is a leading provider of managed networking solutions to a wide array of businesses and organizations in 75 markets spanning 30 states and the District of Columbia. As one of the country's premier competitive service providers, Time Warner Telecom integrates data, dedicated Internet access, and local and long distance voice services for long distance carriers, wireless

communications companies, incumbent local exchange carriers, and enterprise organizations in healthcare, finance, higher education, manufacturing, and hospitality industries, as well as for military, state and local government.

3. Time Warner Telecom began its business in 1993 as a joint venture with Time Warner Cable (now a unit of Time Warner Inc.). Since 1997, Time Warner Telecom has focused on delivering services to business customers, including carriers and governmental entities, and on expanding from dedicated services into Voice Services, Internet and data.

4. In July 1998, Time Warner Telecom became a separate entity apart from Time Warner Cable and was reorganized into Time Warner Telecom LLC. In May 1999, Time Warner Telecom LLC issued an IPO and became Time Warner Telecom Inc.

5. All correspondence, communications, pleadings, notices, order, and decisions relating to this Application should be addressed to:

William D. Steinmeier  
Mary Ann (Garr) Young  
WILLIAM D. STEINMEIER, P.C.  
P.O. Box 104595  
Jefferson City, Missouri 65110-4595  
Telephone: (573) 659-8672  
Facsimile: (573) 636-2305  
Email: wds@wdspc.com  
myoung@wdspc.com

Pamela Sherwood  
Vice President of Regulatory  
Midwest Region  
Time Warner Telecom  
4625 W. 86<sup>th</sup> Street, Suite 500  
Indianapolis, Indiana (IN) 46268  
Telephone: 317-713-8977  
Facsimile: 317-713-8937  
Email: Pamela.sherwood@twtelecom.com

6. By this Application, Xspedius KC requests certificate of service authority to provide competitive facilities-based and resold basic local exchange services to business customers throughout all exchanges served by Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri ("AT&T Missouri"), CenturyTel, Spectra and Embarq. The exchanges in which Xspedius KC seeks authority are listed in the approved tariffs of the aforementioned Incumbent Local Exchange Carriers (ILEC's), and are listed in the basic local exchange service tariff of Xspedius Management Co. Switched Services, LLC, which tariff Xspedius KC proposes to adopt herein. Xspedius KC's proposed service areas will follow the respective exchange boundaries of the stated incumbent ILEC's and shall be no smaller than an exchange as required by Section 392.455(3) RSMo.

7. Pursuant to this Application, Xspedius KC seeks authority to offer and provide all forms of facilities-based and resold basic local telecommunications service to customers within Missouri as defined in Section 386.020(4) RSMo.

8. Xspedius KC understands the importance of effective customer service for local service consumers. Xspedius KC 's toll free customer service telephone number will be available with live operator response 24 hours per day, 7 days per week, as Xspedius Switched Services' is presently. Xspedius KC 's toll free telephone number for customer inquiries, complaints and repair is 1-800-937-7473.

9. Applicant possesses the technical and managerial resources and abilities necessary to provide the services it proposes as required by Section 392.455(1) RSMo. Applicant's technical and managerial personnel are well qualified to direct the delivery and billing of the proposed services. A listing of Applicant's principal management employees and their qualifications is attached hereto and incorporated herein as **Appendix A**.

10. Applicant possesses sufficient financial resources and abilities to provide the services it proposes, as required by Section 392.455(1) RSMo, and has the necessary capital to conduct its proposed operations in Missouri. As indicated previously, Xspedius KC and Xspedius Switched Services are both wholly-owned subsidiaries of Time Warner Telecom Inc., a publicly-held Delaware corporation whose stock is traded on the NASDAQ under the symbol "TWTC". A copy of Time Warner Telecom's most recent SEC Form 10-K can be found at:

[http://www.twtelecom.com/Documents/Announcements/Financial\\_Docs/2006/10K\\_TWTC\\_as\\_filed-2006.pdf](http://www.twtelecom.com/Documents/Announcements/Financial_Docs/2006/10K_TWTC_as_filed-2006.pdf)

11. Neither Xspedius KC nor Time Warner Telecom is a start-up company, and neither is new to the Commission. Applicant has been an affiliated entity (sister corporation)

to Xspedius Management Co. Switched Services, LLC since their initial certificates of service authority were first sought from this Commission in 2002. While both Xspedius entities hold certificates of service authority to provide interexchange and non-switched local exchange service, only Xspedius Switched Services holds a basic local certificate.

12. The basic local telecommunications service that Applicant will be providing will be exactly the service already being provided by Xspedius Switched Services, with which it is in the process of merging. Xspedius Switched Services previously demonstrated its financial capability to provide basic local telecommunications service in Case No. CA-2002-1153. Upon the approval of the merger of Xspedius Switched Services into Xspedius KC, the existing basic local exchange telecommunications service being provided by Xspedius Switched Services will simply be absorbed into Xspedius KC, the Applicant herein. No other change will occur in how basic local service is provided. However, since certificate of service authority cannot be transferred in Missouri, the surviving company, Xspedius KC, requires its own certificate of service authority to provide basic local telecommunications service.

13. Pursuant to this Application, Applicant seeks classification of itself and its basic local telecommunications service offerings as competitive, with accompanying reduced regulation pursuant to Section 392.361 and 392.420 RSMo. and 4 CSR 240-3.510(1)(A). Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation and that granting this request will allow greater price and service options for telephone users.

14. Applicant will offer its basic local telecommunications service as a separate and distinct service in accordance with Section 392.455(4) RSMo. Applicant will provide equitable access for all customers in Missouri, without regard to their income or where they

might reside, to affordable telecommunications services in Applicant's proposed service areas in accordance with Section 392.455(5) RSMo.

15. Applicant is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards including, but not limited to, quality service, billing, and tariff filing and maintenance. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, Applicant requests that, at minimum, the following statutes and regulations for Xspedius Management Co. of Kansas City d/b/a Time Warner Telecom of Kansas City LLC, and its basic and non-basic local exchange service offerings, be waived at this time:

### **STATUTES**

- |           |  |
|-----------|--|
| 392.210.2 | - Uniform System of Accounts             |
| 392.240.1 | - Just and Reasonable Rates              |
| 392.270   | - Ascertain Property Values              |
| 392.280   | - Depreciation Accounts                  |
| 392.290   | - Issuance of Securities                 |
| 392.300.2 | - Acquisition of Stock                   |
| 392.310   | - Issuance of Stock & Debt               |
| 392.320   | - Stock dividend payment                 |
| 392.330   | - Issuance of securities, debt and notes |
| 392.340   | - Reorganization(s)                      |

### **COMMISSION RULES**

- |                       |   |
|-----------------------|---|
| 4 CSR 240-3.550(5)(C) | - File exchange boundary maps with Commission |
| 4 CSR 240-10.020      | - Depreciation fund income                    |
| 4 CSR 240-30.040      | - Uniform System of Accounts                  |

16. Applicant submits that the public interest will be served by Commission approval of this Application because Applicant's proposed service will maintain and enhance competition and expand customer service options, consistent with the legislative goals set forth in the 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. Customers will benefit by retaining alternatives from which to choose and from general improvements in price, features and options that are generated by competitive market pressures.

17. Applicant acknowledges 4 CSR 240-3.510(1)(C), which requires that a tariff and any applicable interconnection agreements must be filed with the Commission and approved before service can be provided. Applicant will be adopting the basic local exchange tariff of Xspedius Management Co. Switched Services, LLC. A sample, proposed Adoption Notice is being filed contemporaneously with this Application, as a separate document. In light of the desire of Applicant to adopt the new name of Time Warner of Kansas City LLC immediately upon approval of both this Application and the accompanying Joint Application for approval of the merger of Xspedius KC and Xspedius Switched Services and of the name change, the Adoption Notice reflects the new name (Time Warner Telecom of Kansas City LLC).

18. Pursuant to the requirements of 4 CSR 240-2.060(K), Applicants state that they do not have any pending action or unsatisfied final judgments or decisions against them in any state or federal agency or court which involve customer service or rates, which action, judgment or decision occurred within the last three (3) years.

19. Pursuant to the requirements of 4 CSR 240-2.060(L), Applicants state that, to the best of their knowledge, they have no annual report or assessment fees that are overdue.



**WHEREFORE**, Applicant Xspedius Management Co. of Kansas City, LLC, respectfully requests that the Commission grant it a certificate of service authority to provide facilities-based and resold basic local telecommunications service as herein requested, classify Applicant and Applicant's proposed basic local services as competitive, grant waivers of aforesaid statutes and regulations, and approve the separately-filed adoption notice and tariff cover sheet.

Respectfully submitted,

*/s/ William D. Steinmeier*

William D. Steinmeier  
Mary Ann (Garr) Young  
WILLIAM D. STEINMEIER, P.C  
P.O. Box 104595. 2031 Tower Drive  
Jefferson City MO 65110-4595  
Telephone: 573-659-8672  
Facsimile: 573-636-2305  
Email: wds@wdspsc.com  
myoung@wdspsc.com

ATTORNEYS FOR APPLICANT  
Xspedius Management Co. of Kansas City, LLC

**Dated:** June 7, 2007

## CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been served electronically on the Office of Public Counsel at [opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov), and on the General Counsel's office at [gencounsel@psc.mo.gov](mailto:gencounsel@psc.mo.gov) this 7<sup>th</sup> day of June 2007.

*/s/ William D. Steinmeier*

---

William D. Steinmeier

**XSPEDIUS MANAGEMENT CO. OF KANSAS CITY, LLC**

**APPENDIX A**

**Management Profiles**

**Larissa L. Herda**

**Chairman, President and CEO  
Time Warner Telecom Inc.  
(Nasdaq: TWTC)**

Ms. Larissa Herda took the helm of Time Warner Telecom Inc., as President and CEO, on June 22, 1998. She was elected Chairman of the Time Warner Telecom Inc. Board of Directors effective June 7, 2001, and currently holds the title of Chairman, President and CEO. Ms. Herda served as the company's Senior Vice President of Sales and Marketing from March 1, 1997 until her appointment as chief executive.

Under Ms. Herda's direction, Time Warner Telecom introduced comprehensive data, voice over IP and metro Ethernet products; expanded its optical network footprint and regional connectivity between cities; launched switched telephone services; built a national IP backbone; and made three acquisitions -- a regional Internet service provider and two competitive local exchange carriers (CLECs). Ms. Herda has raised approximately \$5 billion in the public and debt markets, including a \$290 million IPO, since becoming Time Warner Telecom President and CEO.

Recognized for her business efforts and leadership in the community, Ms. Herda was named Ernst & Young Entrepreneur of the Year for the Rocky Mountain Region and the Denver Business Journal CEO of the Year. She also received the "Swede" Johnson Hope Award presented by the Colorado Chapter of the National Multiple Sclerosis Society and the Women of Distinction Award from the Girl Scouts of America. Most recently, she was named Telecom Executive of the Year by the Denver Telecom Professionals and 2007 North American Business Communications Services CEO of the Year by Frost and Sullivan.

Ms. Herda was named to the Economic Advisory Council of the Federal Reserve Board of Kansas City in 2006. She is a member of the advisory board at the Leeds School of Business at the University of Colorado and is also a member of the community advisory board of SungateKids, a local children's advocacy center helping abused children and their families. Ms. Herda is a graduate of the University of Colorado.

**John T. Blount**

John Blount was appointed Chief Operating Officer in June 2005. Mr. Blount oversees the company's business goals, operational efficiencies, and market development. In addition, Mr. Blount is responsible for new product development, sales and customer service. Prior to then, he was Executive Vice President Field Operations and was responsible for double digit enterprise growth and implementation of our Internet strategy and data product portfolio. From 1998 to 2000, Mr. Blount was the company's Senior Vice President of Sales. From January 1997 he was Regional Vice President for the Midwest and Southwest regions; and Milwaukee's Vice President and General Manager from January 1996. Before joining the company, Mr. Blount held various sales positions at US WEST, Inc., starting in 1988, including Director of Sales for US WEST Enterprise in Minneapolis, and Sales and Service Manager for South Dakota.

#### **Mark A. Peters**

Mark Peters is Executive Vice President and Chief Financial Officer. He joined Time Warner Telecom in 1998 and became CFO in 2005.

Mr. Peters is responsible for the company's finance functions, including tax, financial planning, treasury, accounting, capital allocation, procurement, internal audit, human resources, and investor relations. Mr. Peters' prior experience includes serving in executive financial positions at public and private telecommunications, Internet, and wireless service providers. Early in his career, Mr. Peters was a Certified Public Accountant at an independent accounting firm and was an internal auditor at a large media company. Mr. Peters is a graduate of the University of South Dakota.

#### **Paul B. Jones**

Paul Jones is Executive Vice President -- General Counsel and Regulatory Policy for Time Warner Telecom Inc.

Mr. Jones previously served as Senior Vice President – Corporate Development for Time Warner Cable Ventures and was Senior Vice President and General Counsel for Warner Cable Communications. Prior to joining Warner Cable, Mr. Jones served as Vice President, Strategy and Development for CBS, Inc.'s publishing group. In 2004, President George W. Bush nominated Mr. Jones to serve a 5 year term on the IRS Oversight Board as one of the Board's "private life members." In 2006, the IRS Oversight Board elected Mr. Jones to serve as its Chairman.

A native of Worthington, Ohio, Mr. Jones earned a Bachelor of Arts degree from Yale University in 1968 and a Juris Doctorate degree from Yale in 1972.

#### **Michael A. Rouleau**

Michael Rouleau serves as Senior Vice President - Business Development and Strategy, and has been with Time Warner Telecom since November 1999. His extensive experience in the telecom and data communications industries resulted in the successful implementation and delivery of many advanced and innovative products. In his current position, Mr. Rouleau is responsible for developing Time Warner Telecom's strategic direction and integrating new services and technologies over the next several years. Prior to joining the company, he spent 15 years with US WEST where he was responsible for the development, deployment and management of data, Internet and DSL businesses.

**Robert W. Gaskins**

Robert Gaskins has served as Senior Vice President - Corporate Development and Strategy since January 2003. In this position, he oversees the company's business strategy evolution and goals formation, and the development of strategic business opportunities. Mr. Gaskins was previously Vice President of Corporate Development from 2001 through 2002; Vice President of Operations Planning, Development and Implementation from 1998 through 2000; and Vice President of New Operations from 1993 through 1997. From 1979 to 1993, he held various financial management positions with Time Warner Cable.

**Jill R. Stuart**

Jill Stuart was appointed Sr. Vice President Accounting and Finance, and Chief Accounting Officer in April 2005. Ms. Stuart is responsible for all aspects of accounting, financial planning and analysis. Prior to then, she was Vice President Accounting and Finance, and Chief Accounting officer. Ms. Stuart joined the company in 1994 with more than 20 years of financial management experience with communications and cable companies. Earlier in her career Ms. Stuart was a Certified Public Accountant with a Big 4 Public Accounting firm.

## OFFICERS' VERIFICATIONS

VERIFICATION

I, Rochelle D. Jones, being duly sworn according to law, depose and say that I am an officer of Time Warner Telecom Holdings Inc and its subsidiaries; that I am authorized to and do make this verification for it; and that the facts set forth in the above Application are true and correct to the best of my knowledge, information and belief.

SIGNATURE: Rochelle D. Jones

TITLE: Senior Vice President - Regulatory

SUBSCRIBED AND SWORN to me this 1st day of JUNE, 2007.

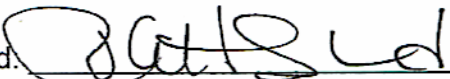
SANDRA BOOKER  
Notary Public, State of New York  
Qualified in Kings County  
Commission Expires: 01-31-2010  
No. 24-4713771

Sandra Booker  
Notary Public



VERIFICATION

I, Pamela H. Sherwood, being duly sworn according to law, depose and say that I am Vice President of Regulatory of Time Warner Telecom, which includes its subsidiaries Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Kansas City, LLC; that I am authorized to, and do, make this verification on their behalf; and that the facts set forth in the above Joint Application are true and correct to the best of my knowledge, information and belief.

Signed:   
Pamela H. Sherwood

SUBSCRIBED AND SWORN to me this 5<sup>th</sup> day of June, 2007.

ANDREA B. MOORE, PUBLIC NOTARY  
MY COMMISSION EXPIRES: 02/02/13  
COUNTY OF RESIDENCE: HAMILTON

Andrea B. Moore

Notary Public

