

**BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION**

Cancellation of Certificate of Service                     )  
Authority and Cancellation of Tariff of                    ) **File No. XD-2011-0199**  
ExteNet Systems, Inc.   )

**ExteNet Systems, Inc. Opposition To Staff Motion**  
**For Cancellation And Request For Hearing**

COMES NOW ExteNet Systems, Inc. (“ExteNet”) in response to Commission Notice and by its undersigned counsel, respectfully submits its Opposition to the Staff Motion for Cancellation, and if necessary to preserve its certificate, requests a hearing on this matter. In support of its Opposition and request, ExteNet hereby states as follows:

1. On December 22, 2006, ExteNet Systems, Inc. (the Company) was granted authority to provide interexchange telecommunications services in File No. XA-2007-0170. Its tariff remains in effect.

2. On December 30, 2010, the Staff of the Missouri Public Service Commission submitted a Motion for Cancellation of ExteNet’s interexchange Certificate of Service Authority and tariff. The basis for the Staff’s Motion is the lack of Missouri jurisdictional revenue for the years 2008 and 2009.

3. On January 19, 2011, the Commission issued an Order Directing Notice and set a deadline of January 31, 2011 for the filing of objections and/or requests for a hearing on this matter.

4. While ExteNet did not have Missouri revenues in 2008 and 2009, it has been working diligently to generate revenues in Missouri, and as explained below, anticipates doing so this year. ExteNet provides point-to-point circuits which will carry Radio Frequency (“RF”) traffic in areas where Wireless Services Providers have

insufficient coverage or capacity. Given the highly individualized nature of ExteNet's service offering, it has taken a significant amount of time for it identify potential wireless carriers in need of ExteNet's services, and to negotiate a service arrangement that meets those carriers' unique needs.

5. During 2010, ExteNet began negotiations with two wireless carriers. On January 14, 2011, ExteNet received a proposed contract from one of the carriers for one of two projects being negotiated. Although ExteNet is still reviewing the contract, ExteNet anticipates that the contract will be executed and the project will be started in 2011. In addition, ExteNet anticipates actively negotiating with the second carrier for an outdoor network project in Missouri that will get underway this year.

6. In addition, ExteNet has been actively negotiating with utilities in Missouri to obtain the necessary agreements to attach facilities on their utility poles. ExteNet has obtained such agreements with four utilities.

7. Further, ExteNet has been actively negotiating with municipalities in Missouri to obtain permission to place equipment in the right of way and attach the necessary equipment to existing utility poles and street lights.

8. ExteNet appreciates the Staff's desire to remove inactive carriers from its database in order to reduce administrative tasks and costs associated with such carriers. As explained above, however, ExteNet cannot be fairly characterized as an inactive carrier because it has been negotiating with wireless customers and now has in hand a contract through which it anticipates initiating service this year.

9. One condition of the customer contract is that ExteNet must have in place a certificate to operate in Missouri. If the Commission were to cancel ExteNet's

certificate, it is extremely likely that the customer would refuse to go forward with its planned network and instead turn to a competitor or go without the needed capacity improvements that ExteNet can provide.

10. In addition, a cancellation of ExteNet's certificate will likely jeopardize its ability to obtain a contract from the second customer with whom it is actively negotiating.

11. ExteNet respectfully submits that its operations will benefit the citizens of Missouri by providing additional capacity, and increasing competition through the deployment of competitive facilities. In addition, the networks that ExteNet builds frequently enhance the capacity of wireless networks to carry emergency 911 traffic, and bandwidth-intensive new data services.

12. It would be counterproductive to cancel ExteNet's certificate when it is on the verge of having an active customer. ExteNet should not be penalized simply because there is a long period of ramp up required for ExteNet to assist customers in identifying capacity gaps and to determine the best way to design and build new networks to meet the unique needs of those wireless customers.

WHEREFORE, ExteNet submits this Objection to the Staff Motion for Cancellation, and it requests a hearing if the Commission believes it is necessary to reach a decision regarding ExteNet's certificate. ExteNet respectfully submits, however, that the issues raised in its Opposition are straightforward and should not require a hearing to determine that it is appropriate to leave in place ExteNet's certificate.

Respectfully submitted,

/s/ Carl J. Lumley

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Carl J. Lumley, #32869  
Curtis, Heinz, Garrett & O'Keefe, P.C.  
130 S. Bemiston, Suite 200  
St. Louis, Missouri 63105  
Phone: (314) 725-8788  
Fax: (314) 725-8789  
Email: clumley@lawfirmemail.com

Attorneys for ExteNet Systems, Inc.

### **CERTIFICATE OF SERVICE**

A true and correct copy of the foregoing document was either emailed, faxed, or mailed by U.S. Mail postage paid on the 31<sup>st</sup> day of January, 2011, to the persons listed on the attached list.

/s/ Carl J. Lumley

General Counsel Office  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O.Box 360  
Jefferson City, MO 65102  
[gencounsel@psc.mo.gov](mailto:gencounsel@psc.mo.gov)

Office of Public Counsel  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)

Cully Dale  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
P.O.Box 360  
Jefferson City, MO 65102  
[cully.dale@psc.mo.gov](mailto:cully.dale@psc.mo.gov)