BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

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In the Matter of the Cancellation of the Certificates of Public Convenience and Necessity and Tariffs of GTE Midwest Incorporated, d/b/a Verizon Midwest, and GTE Arkansas Incorporated.

Case No. ID-2005-0430

ORDER CANCELING CERTIFICATES AND TARIFF

Issue Date: June 15, 2005

Effective Date: June 25, 2005

Syllabus:

This order cancels the certificates of public convenience and necessity granted to GTE Midwest Incorporated, d/b/a Verizon Midwest, and GTE Arkansas Incorporated, and cancels the sole remaining tariff of GTE Arkansas Incorporated, PSC MO. NO. 4.

Staff's Motion to Cancel Certificates of Public Convenience and Cancel Tariff:

On May 19, 2005, the Staff of the Missouri Public Service Commission filed its motion to open a case and cancel GTE Midwest's certificate of public convenience and necessity. Staff stated that the Commission issued a *Report and Order* on December 8, 1992, in Case No. TM-93-1 authorizing (A) the transfer of assets from GTE North Incorporated to GTE Midwest Incorporated, and (B) the merger of (1) Contel of Missouri, Inc., d/b/a GTE Missouri; (2) Contel System of Missouri, Inc., d/b/a GTE Systems of Missouri; (3) Contel of Iowa, Inc., d/b/a GTE Iowa (Contel of Iowa); and (4) The Kansas State Telephone Company, d/b/a GTE of Eastern Missouri, into GTE Midwest Incorporated.¹ In that same order, the Commission also approved a transfer of the certificates of public convenience and necessity

¹ See 1 M.P.S.C.3d 445 (1992).

of those applicants to GTE Midwest Incorporated.² In July 2000 in Case No. TO-2001-29, the Commission approved GTE Midwest Incorporated's use of the fictitious name Verizon Midwest.

Staff also states that in April 2000, the Commission approved the transfer of some Missouri assets to Spectra Communications Group, LLC, in Case No. TM-2000-182. The Commission subsequently approved the transfer of the remaining Missouri assets of GTE Midwest Incorporated, including all remaining Missouri customers, to CenturyTel of Missouri LLC, in Case No. TM-2002-232. In Case No. TM-2002-232, the Commission noted that GTE Midwest Incorporated's certificates should be canceled upon receipt of notice that the contemplated transaction had closed. Staff indicates that although the transfer was subsequently completed, GTE Midwest Incorporated chose not to have the Commission cancel its certificate of public convenience and necessity at that time. The company's tariffs, however, were canceled.

In addition, the Commission issued an Order Approving Merger in Case No. TM-93-128, approving the merger of Contel of Arkansas, Inc., d/b/a GTE Arkansas, and Contel of Kansas, Inc., d/b/a GTE Systems of Arkansas, into GTE Arkansas Incorporated.³ In that same order, the Commission approved a transfer of the certificates of public convenience and necessity of Contel of Arkansas to GTE Arkansas Incorporated.⁴

In June 2000, the Commission approved the transfer of the Missouri assets of GTE Arkansas Incorporated, including all of its Missouri customers, to CenturyTel of Northwest Arkansas LLC, in Case No. TM-2000-471. The Commission authorized GTE Arkansas

⁴ Id.

² Id.

³ See 1 M.P.S.C.3d 448 (1992).

Incorporated to discontinue offering telecommunications services in its Missouri exchanges when the transfer took place. Although the transfer was subsequently completed, GTE Arkansas Incorporated did not surrender its certificate at that time. Moreover, the company's General and Local Exchange Tariff, PSC MO. NO. 4, remained uncanceled after the transaction was completed.

Staff further states that on May 6, 2005, the Vice President and Associate General Counsel of both GTE Midwest Incorporated and GTE Arkansas Incorporated sent letters to the Commission. In the letters, attached as Appendices A and B to Staff's motion, the companies' officer indicated the companies were no longer providing services in the state of Missouri and now wanted the certificates of service authority canceled.

Discussion:

The Commission has the authority to cancel a telecommunications corporation's

certificate of public convenience and necessity under Section 392.410, RSMo Supp. 2004,

which provides in part:

4. Any certificate of public convenience and necessity granted by the commission to a telecommunications company prior to September 28, 1987, shall remain in full force and effect unless modified by the commission....

5. The commission may review and modify the terms of any certificate of public convenience and necessity issued to a telecommunications company prior to September 28, 1987, in order to ensure its conformity with the requirements and policies of this chapter. Any certificate of service authority may be altered or modified by the commission after notice and hearing, upon its own motion or upon application of the person or company affected....

However, the Commission need not hold a hearing if, after proper notice and opportunity to intervene, no party requests a hearing.⁵

On May 19, 2005, the Office of the Public Counsel filed a statement that it has no objection to the cancellation of the certificates and tariffs of GTE Midwest Incorporated. Public Counsel also indicates that it will not request a hearing in this case.

The Commission has reviewed the pleadings and finds that it is reasonable to cancel the certificates of public convenience and necessity that it has granted to GTE Midwest Incorporated, d/b/a Verizon Midwest, and GTE Arkansas Incorporated. In addition, the Commission finds that it is in the public interest to cancel the remaining tariff of GTE Arkansas Incorporated, PSC MO. NO. 4. Therefore, the certificates of public convenience and necessity granted to GTE Midwest Incorporated, d/b/a Verizon Midwest, d/b/a Verizon Midwest, and GTE Arkansas Incorporated, psc MO. NO. 4. Therefore, the certificates of public convenience and necessity granted to GTE Midwest Incorporated, d/b/a Verizon Midwest, and GTE Arkansas Incorporated, along with the remaining tariff granted to GTE Arkansas Incorporated, will be canceled.

IT IS THEREFORE ORDERED:

1. That the certificates of public convenience and necessity granted to GTE Midwest Incorporated, d/b/a Verizon Midwest, and GTE Arkansas Incorporated, along with the remaining tariff of GTE Arkansas Incorporated, PSC MO. NO. 4, are canceled.

⁵ State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App., W.D. 1989).

2. That this order will become effective on June 25, 2005.

BY THE COMMISSION



Colleen M. Dale Secretary

(SEAL)

Vicky Ruth, Senior Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri, on this 15th day of June, 2005.