

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

Application for Certificate of Service )  
Authority to Provide Basic Local )  
Exchange and Interexchange )  
Telecommunications Service and For )  
Competitive Classification )  
)

Case No. TA-2008-0273  
Tariff File No. JX-2008-0503  
JX-2008-0504

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff) and for its recommendation respectfully states:

1. In the attached Memorandum, labeled Appendix A, Staff recommends that the Missouri Public Service Commission (Commission) grant Preferred Long Distance Service, Inc. (Applicant) a certificate of service authority to provide basic local exchange telecommunications service in the service areas of Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri, Embarq Missouri Inc. and CenturyTel Missouri, LLC. Staff also recommends that the Commission grant Applicant a certificate of service authority to provide interexchange telecommunications services. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. Sections 392.430 and 392.440 RSMo (2000).

2. Staff recommends that the Commission classify Applicant and its services as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is “subject to sufficient competition to justify a lesser degree of regulation.” Section 392.361.2 RSMo (2000). All services provided by a competitive company must be classified as competitive. Section 362.361.3 RSMo (2000).

3. Staff recommends that the Commission approve the waivers listed in the Notice of Applications. The Commission may waive the application of its rules and certain statutes if the Commission determines that waiver is consistent with the purposes of Chapter 392. Sections 392.185, 392.361.5 and 392.420.

4. Staff recommends that the approval of the certificate to provide basic local telecommunications service be based on the 3 conditions listed in Appendix A.

5. Staff has no objection to Applicant's proposed tariff taking effect on May 18, 2008.

**WHEREFORE,** Staff recommends that the Commission grant Preferred Long Distance Service, Inc. certificates of service authority to provide basic local telecommunications services and interexchange telecommunications services and to classify Applicant and its services as competitive. Staff recommends that the Commission grant the waivers listed in the Notice of Application. Staff recommends that the Commission approve Applicant's tariff effective May 18, 2008 or at its earliest convenience.

Respectfully submitted,

/s/ Jennifer Heintz  
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**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 7th day of May 2008.

/s/ Jennifer Heintz

**MEMORANDUM**

**To:** Missouri Public Service Commission Official Case File

Case No.: **TA-2008-0273**

File No.: **JX-2008-0503**  
**JX-2008-0504**

Applicant: **Preferred Long Distance Service, Inc.** (Preferred)

**From:** A.P. Kuss  
Telecommunications Department

Wm L Voight 05/07/08  
Utility Operations Division/Date

\_\_\_\_\_  
General Counsel's Office/Date

**Subject:** Staff Recommendation for Approval of Certificate to Provide Service

**Date:** May 07, 2008

**Filing Deadline:** N/A

The Telecommunications Department Staff (Staff) recommends the applicant be granted the certificate(s) as indicated below, to be effective on the same date the tariff becomes effective:

- Certificate to provide basic local exchange telecommunications services in the following service areas:
  - All of Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri (AT&T Mo)
  - All of Embarq Missouri Inc. d/b/a Embarq (Embarq)
  - All of CenturyTel of Missouri, LLC (CenturyTel Mo)
  - All of Spectra Communications Group, LLC d/b/a CenturyTel (Spectra)
  - Other (please describe):
- Certificate to provide Interexchange telecommunications services.
- Certificate to provide local exchange telecommunications services.\*  
\*Local exchange authority should be restricted to dedicated, private line services.

Staff recommends the applicant and its services receive competitive classification. Staff further recommends a Commission order granting certification state that pursuant to Section 392.410 RSMo, unless exercised within a period of one year from the issuance thereof, authority conferred by a certificate of service authority shall be null and void. In addition, Staff recommends approval of the waivers listed in the Notice.

Granting the certificate to provide basic local exchange telecommunications services should be based on the following conditions:

1. The applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area the applicant seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo.
2. The certificate and service classification for switched access service is conditioned on the continued applicability of Section 392.200 RSMo, and the requirement that any

increases in switched access services rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 RSMo, and not Sections 392.500 and 392.510 RSMo.

- 3. If the directly competing ILEC, in whose service area the applicant is operating, decreases its originating and/or terminating access service rates, the applicant shall file an appropriate tariff amendment to reduce its originating and/or terminating access rates in the directly competing ILEC's service area within 30 days of the directly competing ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap.

No objection to tariff taking effect (see below):

PSC ID: Missouri P.S.C. Tariff No. 1  
Missouri P.S.C. Tariff No. 2

Effective Date: May 18, 2008

The Staff states that the tariff meets the requirements of all applicable statutes, specifically, one or more of the following:

Sections 392.200(8), (12); 392.245; 392.455(3), (4); 392.500(2); and 392.515(1) RSMo.

In addition, the tariff filing does not conflict with the following Commission rules:

4 CSR 240-3.545 (4), (6), (7), (8 C,G,H), (9), (15), (16), (19); 4 CSR 240-31.065(1), (2), (3); 4 CSR 240-32.150(5), 32.160(1), (2), 32.190; 4 CSR 240-33.040(4), 33.045(2), 33.050(4) and 33.070(2).

Tariff was not submitted with Application. Pursuant to 4 CSR 240-3.510(1)(C), the applicant cannot lawfully provide service until tariffs are effective (see below).

**Additional Comments:**

The Company is not delinquent in filing an Annual Report or paying the PSC Assessment.

The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

No Annual Report.  Unpaid PSC Assessment. Amount owed: \_\_\_\_\_

**Review Items for IXC, Non-Switched Local and CLEC Certificate Applications:**

(As required by 4 CSR 240-2.060):

- Proper Secretary of State authorization.
- Statement of character of business performed.
- Statement declaring no pending action or final unsatisfied judgments.
- Statement declaring no overdue Annual Reports or Assessment fees.
- Application includes an Affidavit.
- The Applicant is requesting waivers of rules or statutes previously granted to a competitively classified company.

(As required by RSMo 392.430/.440):

- Application shows that grant of authority is in the public interest.

**Additional Review Items for CLEC Certificate Applications:**

(As required by RSMo 392.455 and/or 4 CSR 240-3.510):

- Possesses sufficient technical, financial and managerial resources and abilities.
- Statement that applicant will satisfy the minimum standards of the commission.
- Identifies geographic area (no smaller than an exchange).
- Statement that applicant will offer basic local service as a separate and distinct service.
- Statement that applicant will give equitable access to all Missourians.

**Tariff Review Items (applicable for all competitively classified companies):**

- The tariff meets Staff's review for compliance with rules for competitive company tariff filings.

