

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Application for Certificate of Service Authority to)
Provide Basic Local Exchange and Interexchange) **Case No. TA-2008-0273**
Telecommunications Service and for Competitive) Tariff Nos. JX-2008-0503
Classification) and JX-2008-0504

ORDER APPROVING BASIC LOCAL EXCHANGE AND INTRASTATE
INTEREXCHANGE CERTIFICATES OF SERVICE AUTHORITY AND
ORDER APPROVING TARIFFS

Issue Date: May 13, 2008

Effective Date: May 18, 2008

Syllabus: This order grants Preferred Long Distance, Inc. (“PLD”) a certificate of service authority to provide basic local exchange telecommunications services throughout all exchanges currently served by Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri (“AT&T”); Embarq Missouri, Inc. d/b/a Embarq (“Embarq”); and CenturyTel of Missouri, LLC d/b/a CenturyTel (“CenturyTel”). It also grants PLD a certificate of service authority to provide intrastate interexchange telecommunications services, and approves the company’s proposed tariffs.

On February 20, 2008, PLD applied to the Missouri Public Service Commission for a certificate of service authority to provide basic local exchange telecommunications services on a facilities and resold basis throughout the exchanges of certain incumbent local exchange carriers, including AT&T, Embarq and CenturyTel, under Section 392.410, RSMo Cum. Supp. 2005 and Sections 392.410 through 392.450, RSMo 2000,¹ as well as the

¹ Unless otherwise indicated, all statutory references are to RSMo 2000.

pertinent administrative regulations. In the same application, PLD also sought a certificate of service authority to provide intrastate interexchange telecommunications services between and among locations within the State of Missouri on a resold basis. PLD further asked the Commission to classify it and its services as competitive and to waive certain statutes and Commission rules as authorized by sections 392.361 and 392.420. PLD, whose principal office is located at 16830 Ventura Boulevard, Suite 350, Encino, California 91436, is a California corporation domiciled in California and duly authorized to do business in Missouri as a foreign corporation.

The Commission issued a Notice of Applications for Intrastate Certificates of Service Authority and Opportunity to Intervene on February 26, 2008, directing parties wishing to intervene to file their requests by March 12, 2008. No requests for intervention were filed.

Along with the application, PLD filed two proposed tariffs (which were designated as Tariff Nos. JX-2008-0503 and JX-2008-0504), both of which bore an effective date of April 5, 2008. By order dated April 4, 2008, the Commission suspended both proposed tariffs until May 18, 2008 to give Staff sufficient time to complete its investigation and prepare its recommendation regarding PLD's application. On April 22, 2008 and again on May 5, 2008, PLD filed substitute tariff sheets reflecting various changes requested by Staff. These tariffs describe the rates, rules, and regulations PLD intends to use, identify PLD as a competitive company, and list the waivers requested. PLD intends to provide basic local exchange and interexchange telecommunications services to commercial and residential retail subscribers, as well as switched exchange access services to interconnecting carriers.

In its verified Memorandum filed on May 7, 2008, the Staff of the Commission

recommended that the Commission grant PLD a certificate of service authority to provide basic local telecommunications services in the service areas of AT&T, Embarq and CenturyTel, conditioned upon certain access rate provisions. The Commission's Staff also recommended that the Commission grant PLD a certificate of service authority to provide interexchange telecommunications services in Missouri. Staff recommended that the Commission classify PLD and its services as competitive, and that the Commission waive the statutes and rules listed in the Notice. Staff further recommended that the Commission approve the proposed tariffs to become effective on May 18, 2008.

The Commission finds that competition in the basic local exchange and intrastate interexchange telecommunications markets is in the public interest and PLD shall be granted the requested certificates of service authority. The Commission finds that the services PLD proposes to offer are competitive and PLD shall be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest.

The Commission finds that PLD's proposed tariffs detail the services, equipment, and pricing it proposes to offer, and are similar to tariffs approved for other Missouri-certificated basic local exchange and intrastate interexchange carriers. The Commission finds that the proposed tariffs filed on February 20, 2008, as amended by PLD on April 22, 2008 and May 5, 2008, shall be approved to become effective on May 18, 2008.

The Commission reminds the company that failure to comply with its regulatory obligations may result in the assessment of penalties against it. These regulatory obligations include, but are not limited to, the following:

A) The obligation to file an annual report, as established by Section 392.210. Failure to comply with this obligation will make the utility liable to a penalty of \$100 per day for each day that the violation continues. Commission Rule 4 CSR 240-3.540 requires telecommunications utilities to file their annual report on or before April 15 of each year.

B) The obligation to pay an annual assessment fee established by the Commission, as required by Section 386.370.

C) The obligation to comply with all relevant laws and regulations, as well as orders issued by the Commission. If the company fails to comply, it is subject to penalties for noncompliance ranging from \$100 to \$2,000 per day of noncompliance, pursuant to Section 386.570.

D) The obligation to keep the Commission informed of its current address and telephone number.

Furthermore, the company is reminded that, as it is a corporation, non-attorneys may not represent the company before the Commission. Instead, the corporation must be represented by an attorney licensed to practice law in Missouri.

Finally, the company is reminded that Section 392.410.5, RSMo Cum. Supp. 2005, renders the company's certificate of service authority null and void one year from the date of this order unless it has exercised its authority under that certificate.

IT IS ORDERED THAT:

1. Preferred Long Distance, Inc. is granted a certificate of service authority to provide basic local telecommunications services in the service areas of Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri; Embarq Missouri, Inc. d/b/a Embarq; and CenturyTel

of Missouri, LLC d/b/a CenturyTel, subject to the conditions and recommendations contained in the Memorandum filed by the Commission's Staff on May 7, 2008, and also subject to all applicable statutes and Commission rules except as specified in this order.

2. Preferred Long Distance, Inc. is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the State of Missouri subject to all applicable statutes and Commission rules except as specified in this order.

3. The certifications granted herein are conditioned upon Preferred Long Distance, Inc.'s compliance with the regulatory obligations in this order.

4. Preferred Long Distance, Inc. is classified as a competitive telecommunications company. Application of the following statutes and administrative regulations shall be waived:

Statutes

- 392.210.2 - Uniform System of Accounts
- 392.240.1 - Rates-Rentals-Service & Physical Connections
- 392.270 - Valuation of Property (Ratemaking)
- 392.280 - Depreciation Accounts
- 392.290 - Issuance of Securities
- 392.300.2 - Acquisition of Stock
- 392.310 - Stock and Debt Issuance
- 392.320 - Stock Dividend Payment
- 392.330 - Issuance of Securities, Debts and Notes
- 392.340 - Reorganization(s)

Commission Rules

- 4 CSR 240-3.550(5)(C) - Exchange Boundary Map
- 4 CSR 240-10.020 - Depreciation Fund Income
- 4 CSR 240-30.040 - Uniform System of Accounts

5. The tariffs filed by Preferred Long Distance, Inc. on February 20, 2008, as amended by the company on April 22, 2008 and May 5, 2008, are approved to become effective on May 18, 2008. The tariffs approved, which have been designated as Tariff Nos. JX-2008-0503 and JX-2008-0504, respectively, are:

Missouri P.S.C. Tariff No. 1

Original Title Sheet

Original Sheet Nos. 1- 82

Missouri P.S.C. Tariff No. 2
Original Title Sheet
Original Sheet Nos. 1- 42

6. This order shall become effective on May 18, 2008.
7. This case may be closed on May 19, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Benjamin H. Lane, Regulatory
Law Judge, by delegation of authority
under Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 13th day of May, 2008.