

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

In the Matter of the Application of Peerless Network of)
Missouri, LLC to Expand its Certificate of Basic Local)
Exchange Telecommunications Service Authority to) **File No. TA-2010-0223**
Include All Exchanges throughout the State of Missouri)
and to Continue to Classify the Company and its)
Services as Competitive)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation, states as follows:

1. On January 25, 2010, Peerless Network of Missouri, LLC (“the Company”) filed its Application in this case. It seeks to expand its basic local telecommunications authority to include all Missouri exchanges and to classify the company and its services in those exchanges as competitive.

2. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Missouri Public Service Commission (Commission) grant the Company’s request to expand its basic local telecommunications authority. 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. §§392.430 and 392.440 RSMo 2000.

3. Staff also recommends that the Commission classify the Company’s newly extended 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 and that such lesser regulation is consistent with the protection of ratepayers and promotes public interest. §392.361.4. RSMo Supp. 2009. A majority of the services a competitive company provides must be classified as competitive. §392.361.3. RSMo Supp. 2009.

4. The Staff further recommends that the Commission state in its order that, pursuant to § 392.410 RSMo 2000, the authority conferred by the certificate of service authority shall be null and void unless it is exercised within one year of its issuance. As the Company has not filed a tariff to expand its service territory, the Staff recommends that the Commission’s Order note

that the Company may not offer service in the new areas until an effective tariff identifying those exchanges is on file with the Commission.

5. The Company is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.

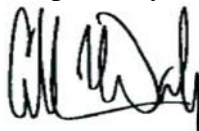
6. The Staff recommends that the application be granted with the following conditions:

a. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to Sections 392.361.6 and 392.370 RSMo.

b. 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.

WHEREFORE, Staff recommends that the Commission grant Peerless Network of Missouri, LLC's Application to expand its basic local telecommunications authority to include all Missouri exchanges and to classify the company and its services in those exchanges as competitive.

Respectfully submitted,



Colleen M. Dale
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Missouri Public Service Commission
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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 18th day of February, 2010.

A handwritten signature in black ink, appearing to be "All Day".

M E M O R A N D U M

To: Missouri Public Service Commission Official Case File
Case No: TA-2010-0223
Applicant: Peerless Network of Missouri, LLC

From: Sara Buyak
Telecommunications Department
William Voight 2-11-10
Utility Operations Division/Date

Subject: Staff Recommendation to Expand Service Area

Date: February 10, 2010

Filing Deadline: NA

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

☒ certificate to extend basic local exchange telecommunications services in the following service areas.

- ☐ All of AT&T Missouri
- ☐ All of CenturyLink
- ☐ All of Spectra
- ☒ Statewide
- ☐ Other:

☐ 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 partial approval of the waivers listed in the Notice. In its application, Peerless Network of Missouri, LLC requests statute 392.300 in its entirety.

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

1. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to Sections 392.361.6 and 392.370 RSMo.
2. 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 Missouri P.S.C. No. 1, Effective Date: February 12, 2010
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); 392.455(3), (4); 392.515(1) and 392.500(2) 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.

Additional Comments:

☒ The Company is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.

☐ 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:
☐ Unpaid MoUSF ☐ Unpaid Relay Missouri)

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Network of Missouri, LLC To Expand its) Case No. TA-2010-0223
Certificate of Basic Local Exchange)
Telecommunications Service Authority to)
Include All Exchanges Throughout the)
State of Missouri.)

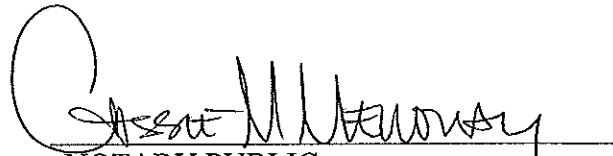
AFFIDAVIT OF Sara Buyak

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Sara Buyak, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that she has participated in preparing the accompanying staff recommendation and that the facts therein are true and correct to the best of her knowledge and belief.


SARA BUYAK

Subscribed and affirmed before me this 10th day of February, 2010.


NOTARY PUBLIC



CASSIE M. MELLOWAY
My Commission Expires
October 30, 2011
Cole County
Commission #07337959