

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

Nexus Communications, Inc.,)	
Complainant)	
vs.)	File No. TC-2011-0132
Southwestern Bell Telephone Company d/b/a)	
AT&T Missouri,)	
Respondent)	

STAFF REPORT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and respectfully reports the preliminary results of its investigation in this matter:

1. As to the procedural posture of the complaint, the Staff notes that the contract between the parties as approved by the Commission, requires that they engage in at least some level of alternative dispute resolution, and the parties have not done that.

2. The Staff’s reading of the complaint resulted in the Staff’s opinion that the only instances in which Nexus may not have received the appropriate discount are those instances in which the cash back¹ equaled or exceeded the cost of service. The Staff issued DRs to the parties, and there were promotions during the time period covered by the complaint in which the cash back exceeded the monthly rate for service, and no contract was required.²

3. The Staff is of the opinion that there are essentially these two factual matters to be determined at hearing: 1) Did the parties engage in the requisite attempts at dispute resolution, and 2) Did AT&T improperly reduce the promotional cash back to Nexus in those instances in which the cash back equaled or exceeded the cost of service.

WHEREFORE, the Staff respectfully submits this Report.

¹ In this document, “cash back” refers to any sort of cash or cash equivalent paid at any point in the transaction.

² The reason a contract is relevant is that, for the sake of making the necessary computations, the entire length of the contract is the “cost of service” against which the cash back amount is compared. Only in those instances in which the cash back exceeded the cost of service does the Staff believe there is an issue.

Respectfully submitted,



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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 29th day of April, 2011.

