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OCT 29 2010

Missouri Public
Service Commission

Robin Carnahan
Secretary of State

**Administrative Rules Division
Rulemaking Transmittal Receipt**

Rule ID: 12169
Date Printed: 10/28/2010
Rule Number: 4 CSR 240-3.510
Rulemaking Type: Proposed Amendment
Date Submitted to Administrative Rules Division: 10/28/2010
Date Submitted to Joint Committee on Administrative Rules: 10/28/2010

Name of Person to Contact with questions concerning this rule:

Content: Morris Woodruff	Phone: 1-2849	Email: morris.woodruff@psc.mo.gov	Fax: 6-6010
RuleDataEntry:	Phone:	Email:	Fax:

Included with Rulemaking:

Cover Letter	10/28/2010
Affidavit for public cost	10/28/2010

Robin Carnahan
Secretary of State
Administrative Rules Division
RULE TRANSMITTAL

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SECRETARY OF STATE
ADMINISTRATIVE RULES

Rule Number 4 CSR 240-3.510

Use a "SEPARATE" rule transmittal sheet for EACH individual rulemaking.

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Name of person to call with questions about this rule:

Content Morris Woodruff Phone 573-751-2849 FAX 573-526-6010

Email address morris.woodruff@psc.mo.gov

Data Entry Morris Woodruff Phone 573-751-2849 FAX 573-526-6010

Email address morris.woodruff@psc.mo.gov

Interagency mailing address Governor Office Bldg., Suite 900, 200 Madison St., Jefferson City, MO 65102

TYPE OF RULEMAKING ACTION TO BE TAKEN

- Emergency rulemaking, include effective date
 Proposed Rulemaking
 Withdrawal Rule Action Notice In Addition Rule Under Consideration
 Order of Rulemaking
Effective Date for the Order _____
 Statutory 30 days OR Specific date _____

Does the Order of Rulemaking contain changes to the rule text? NO

YES—LIST THE SECTIONS WITH CHANGES, including any deleted rule text:

Small Business Regulatory
Fairness Board (DED) Stamp

SMALL BUSINESS
REGULATORY FAIRNESS BOARD

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JOINT COMMITTEE ON

OCT 28 2010

ADMINISTRATIVE RULES



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Missouri Public Service Commission

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Director, Utility Operations

STEVEN C. REED
Secretary/General Counsel

KEVIN A. THOMPSON
Chief Staff Counsel

October 28, 2010

Robin Carnahan
Secretary of State
Administrative Rules Division
600 West Main Street
Jefferson City, Missouri 65101

Re: 4 CSR 240-3.510 Filing Requirements for Telecommunications Company Applications for Certificates of Service Authority to Provide Telecommunications Services, Whether Interexchange, Local Exchange or Basic Local Exchange

Dear Secretary Carnahan,

CERTIFICATION OF ADMINISTRATIVE RULE

I do hereby certify that the attached is an accurate and complete copy of the proposed rulemaking lawfully submitted by the Missouri Public Service Commission.

The Public Service Commission has determined and hereby certifies that this proposed rulemaking will not have an economic impact on small businesses. The Public Service Commission further certifies that it has conducted an analysis of whether there has been a taking of real property pursuant to section 536.017, RSMo 2000, that the proposed rulemaking does not constitute a taking of real property under relevant state and federal law, and that the proposed rulemaking conforms to the requirements of 1.310, RSMo, regarding user fees.

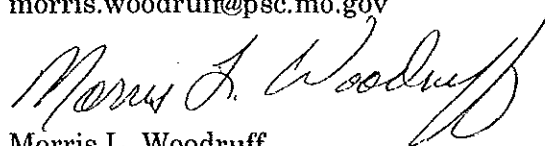
The Public Service Commission has determined and hereby also certifies that this proposed rulemaking complies with the small business requirements of 1.310, RSMo, in that it does not have an adverse impact on small businesses consisting of fewer than twenty-five full or part-time employees or it is necessary to protect the life, health, or safety of the public, or that this rulemaking complies with 1.310, RSMo, by exempting any small business consisting of fewer than twenty-five full or part-time employees from its coverage, by implementing a federal mandate, or by implementing a federal program administered by the state or an act of the general assembly.

Robin Carnahan
Secretary of State
October 28, 2010
Page Two

Statutory Authority: sections 386.250, 392.450, 392.451, and 392.455, RSMo 2000

If there are any questions regarding the content of this proposed rulemaking, please contact:

Morris L. Woodruff, Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102
(573) 751-2849
morris.woodruff@psc.mo.gov

A handwritten signature in cursive script that reads "Morris L. Woodruff". The signature is written in black ink and is positioned above the printed name and title.

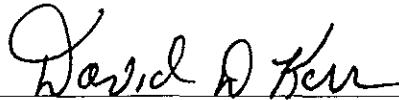
Morris L. Woodruff
Chief Regulatory Law Judge

AFFIDAVIT

PUBLIC COST

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, David Kerr, Director, Missouri Department of Economic Development, first being duly sworn, on my oath, state that it is my opinion that the cost of the proposed amendment to rule, 4 CSR 240-3.510, is less than five hundred dollars in the aggregate to this agency, any other agency of state government or any political subdivision thereof.



David Kerr
Director
Department of Economic Development

Subscribed and sworn to before me this 26th day of Oct, 2010. I am commissioned as a notary public within the County of Cole, State of Missouri, and my commission expires on 17 July 2011.



ANNETTE KEHNER
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: July 17, 2011
Commission Number: 07492656

COPY

Title 4 – DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 3 – Filing and Reporting Requirements

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OCT 28 2010

SECRETARY OF STATE
ADMINISTRATIVE RULES

PROPOSED AMENDMENT

4 CSR 240-3.510 Filing Requirements for Telecommunications Company Applications for Certificates of Service Authority to Provide Telecommunications Services, Whether Interexchange, Local Exchange or Basic Local Exchange

PURPOSE: This rule is being amended to simplify the submission of financial documentation with applications for certification as a provider of basic local telecommunications services.

(1) In addition to the requirements of 4 CSR 240-2.060(1), applications for a certificate of service authority to provide telecommunications services, whether interexchange, local exchange or basic local exchange, shall include:

(D) If the application is for basic local exchange service authority, the application shall also include the following:

[1. A statement that the applicant possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.

A. The application shall contain supportive financial information that includes twelve (12) months of historical financial statements comprised of a balance sheet and an income statement for any applicant that has been engaged in previous business operations and any company that will be providing financial support to the applicant. Entities with no prior business operations or any relationship with a company that will be providing financial support to the applicant will not be expected to provide any historical financial information.

B. Applicant shall submit on a pro forma basis, at least twelve (12) months of financial statements comprised of a balance sheet and an income statement.

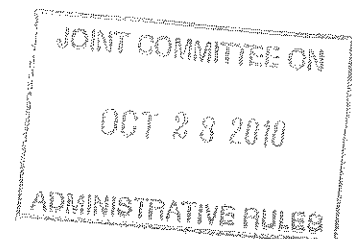
C. Financial data shall reflect Missouri specific information to the extent such information is available. Company-wide financial information may be substituted in the event that Missouri specific information is not available.

D. Pro forma financial information must demonstrate the following:

(I) The applicant has a debt to total capital ratio no greater than sixty-two percent (62%) and a pretax interest coverage of at least 2.3x; and/or

(II) The applicant has a cash or cash equivalent balance of at least four (4) months operating expenses inclusive of interest expense and taxes.

(a) If the pro forma for the applicant demonstrates the requirement set forth in subparagraph D. above, only the pro forma for the applicant need be submitted. If the pro forma for the applicant does not demonstrate the requirement in subparagraph D., the applicant must submit a combined pro forma for the



applicant and the company that will be providing support for the applicant, that meets the requirement in subparagraph D.

(b) If any of the items required under this rule have been submitted by applicant in a previous application within a year of this application, the same may be incorporated by reference to the case number in which the information was furnished, so long as such applicable information is current and correct;]

1. An affidavit, signed by an officer of the applicant stating that the applicant possesses sufficient technical, financial and managerial resources, and abilities to provide basic local telecommunications service. This affidavit shall also affirm that the applicant, its parent company, affiliates, and principals have not defaulted on any of their financial obligations within the last three years. If the applicant and/or its parent company have no historical credit experience, then the affidavit shall state that the applicant has access to capital sufficient for the start-up operations of the applicant. The affidavit shall be accompanied by adequate documentation to demonstrate that the applicant possesses sufficient technical, financial and managerial resources, and abilities to provide basic local telecommunications service.

2. A statement that the applicant will satisfy the minimum standards established by the commission;

3. A statement that sets forth the geographic area in which the applicant proposes to offer service and demonstrates that such area follows exchange boundaries of the incumbent local exchange telecommunications company and is no smaller than an exchange;

4. A statement that the applicant will offer basic local telecommunications service as a separate and distinct service; and

5. A statement that the applicant will give equitable access to all Missourians, regardless of where they live or their income, to affordable telecommunications services.

PUBLIC COST: Adoption of this proposed amendment will not cost affected state agencies or political subdivisions more than \$500 in the aggregate.

PRIVATE COST: Adoption of this proposed amendment will not cost affected private entities more than \$500 in the aggregate.

*AUTHORITY: sections 386.250, 392.450, 392.451 and 392.455, RSMo 2000. * Original rule filed Aug. 16, 2002, effective April 30, 2003. Amended: Filed March 19, 2004, effective Nov. 30, 2004. *Original authority: 386.250, RSMo 1939, amended 1963, 1967, 1977, 1980, 1987, 1988, 1991, 1993, 1995, 1996; 392.450, RSMo 1987, amended 1996; 392.451, RSMo 1996; and 392.455, RSMo 1996.*

NOTICE TO SUBMIT COMMENTS AND NOTICE OF PUBLIC HEARING: Anyone may file comments in support of or in opposition to this proposed amendment with the Missouri Public Service Commission, Steven C. Reed, Secretary of the Commission, P.O. Box 360, Jefferson City, MO 65102. To be considered, comments must be received at the Commission's offices on or before January 3, 2011, and should include a reference to Commission Case No. TX-2010-0099. Comments may also be submitted via a filing using the Commission's electronic filing and information system at <<http://www.psc.mo.gov/case-filing-information>>. A public hearing regarding this proposed rule is scheduled for January 4, 2011 at 10:00 a.m. in the commission's offices in the Governor Office Building, 200 Madison Street, Jefferson City, Missouri, Room 305. Interested persons may appear at this hearing to submit additional comments and/or testimony in support of or in opposition to this proposed rule, and may be asked to respond to commission questions. Any persons with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one (1) of the following numbers: Consumer Services Hotline 1-800-392-4211 (voice) or Relay Missouri at 711.

Small Business Regulatory Fairness Board

Small Business Impact Statement

Date: 10-07-2010

Rule Number: 4 CSR 240-3.510(1)(D)1

Name of Agency Preparing Statement: Public Service Commission

Name of Person Preparing Statement: John Van Eschen

Phone Number: 573-751-5525

Email: John.Vaneschen@psc.mo.gov

Name of Person Approving Statement:

Please describe the methods your agency considered or used to reduce the impact on small businesses (examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).

Simplification. This proposal attempts to simplify the application process for a certificate of service authority to provide basic local exchange service.

Please explain how your agency has involved small businesses in the development of the proposed rule.

Feedback was obtained from the industry whereby portions of the proposed rule were based on suggested revisions from the industry.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

No additional fees will be collected specifically associated with this rulemaking.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

This rulemaking only pertains to companies applying for a certificate of service authority to provide basic local telecommunications service. The proposed rule will simplify and clarify the application process for this type of authority.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

No additional direct or indirect costs are anticipated from this proposed rulemaking.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

This rulemaking only directly affects companies applying for a certificate of service authority to provide basic local telecommunications service.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes___ No_X_

If yes, please explain the reason for imposing a more stringent standard.

For further guidance in the completion of this statement, please see §536.300, RSMo.