

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

In the Matter of the Application of NuVox)	
Communications of Missouri, Inc., for Authority to)	Case No. TF-2006-0408
Provide its Security in Connection with Financing)	

STAFF RECOMMENDATION

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

1. On April 18, 2006, NuVox Communications of Missouri, Inc., filed its Application for Commission approval in connection with various financings being arranged for its parent company, Gabriel Communications Finance Company, or in the alternative for a determination of no jurisdiction.

2. The Application states on page 5 under the heading "*Security*" that "At present, it is expected that the Applicant will give a guarantee and grant a security interest in . . .

(iii) Subject to materiality thresholds, all present and future property and assets, real and personal, including, but not limited to, equipment, accounts receivable, general intangibles, tangible and intangible assets required to own and operate any telecommunications systems, franchises, permits and licenses

3. The Applicant is a telecommunications company certificated by this Commission to provide telecommunications services in Missouri.

4. Section 392.300.1 RSMo directs that no telecommunications company shall mortgage or otherwise encumber the whole or any part of its franchise, facilities or system, necessary or useful in the performance of its duties to the public, without having first secured from the Commission an order authorizing it so to do. This statute further provides that any such mortgage or encumbrance made other than in accordance with the order of the Commission

authorizing the same shall be void. In other words, the Applicant will need Commission approval to grant a security interest in the assets described in the Application if the financing includes such a security interest.

5. The standard for Commission review is whether such a transaction is detrimental to the public interest. See, *In the Matter of the Application of Le-Ru Telephone Company*, 9 Mo. P.S.C. 3d 331, 334 (2000).

6. In the attached Memorandum, labeled Appendix A, the Staff opines that it is not detrimental to the public interest for NuVox to provide its security in connection with the financing.

WHEREFORE, the Staff recommends that the Commission authorize NuVox to participate in the financing transactions described in the Application.

Respectfully submitted,

/s/ William K. Haas

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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 3rd day of May 2006.

/s/ William K. Haas