

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

In the Matter of the Application of Inter-)
Tel NetSolutions, Inc. for Certificates of)
Service Authority to Provide Basic Local)
Exchange, Non-switched Local Exchange,)
and Exchange Access)
Telecommunications Services in the State)
of Missouri and for Competitive)
Classification.)

Case No. CA-2004-0485
Tariff No. YC-2006-0206

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and states:

1. On June 17, 2004, the Commission granted Inter-Tel NetSolutions, Inc. (“Applicant”) a certificate of service authority to provide basic local exchange, non-switched local exchange, and exchange access telecommunications services. The Commission ordered that the certificate would become effective when the Applicant’s tariff becomes effective.

2. On September 16, 2005, the Applicant filed its Missouri Local Exchange Service Telecommunications Tariff No. 2 with the Commission for approval. On October 3, 2005, the Applicant submitted substitute original pages pursuant to Staff’s request. The Applicant’s tariff was given Tariff Tracking Number YC-2006-0206.

3. In the attached Staff Memorandum labeled “Appendix A,” the Staff states that it has no objections to the Applicant’s tariff taking effect on October 20, 2005.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Marc Poston

Marc Poston
Senior Counsel
Missouri Bar No. 45722

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8701 (Telephone)
(573) 751-9285 (Fax)
marc.poston@psc.mo.gov

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 5th day of October 2005.

/s/ Marc Poston

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No: CA-2004-0485 File No: YC-2006-0206
Applicant: Inter-Tel Netsolutions, Inc.

From: Sara Buyak
Telecommunications Department
William Voight / 10-5-05 Marc Poston 10-5-05
Utility Operations Division/Date General Counsel's Office/Date

Subject: Staff Recommendation for Approval of Certificate and/or Initial Tariff

Date: 10-5-05
Filing Deadline: 10-11-05

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 provide basic local exchange telecommunications services in the following service areas.

- All of SBC
- All of Sprint
- All of CenturyTel
- All of Spectra
- Other _____ (please describe)

Granting the certificate should be based on the following conditions:

1. The applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area the applicant seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo.
2. The certificate and service classification for switched access service is conditioned on the continued applicability of Section 392.200 RSMo, and the requirement that any increases in switched access services rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 RSMo, and not Sections 392.500 and 392.510 RSMo.
3. 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.

The Company is not delinquent in filing an annual report and paying the PSC assessment.

certificate to provide interexchange telecommunications services.

certificate to provide local exchange telecommunications services.*

*local exchange authority should be restricted to dedicated, private line services.

- No objection to tariff taking effect PSC MO No. 2, October 20, 2005 (indicate PSC MO numbers) Effective Date
- 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.

Staff recommends the applicant and its services receive competitive classification. In addition, Staff recommends approval of the waivers listed in the Notice.

- There is an attachment to this recommendation.

Review Items for IXC, Non-switched Local and CLEC Certificate Applications (as required by 4 CSR 240-2.060):

- Proper Secretary of State authorization
- Statement of character of business performed.
- Statement declaring no pending action or final unsatisfied judgments
- Statement declaring no overdue annual reports/assessment fees
- Application includes an affidavit.

- The applicant is requesting waivers of rules or statutes previously granted to a competitively classified company

(as required by 392.430/.440):

- Application shows that grant of authority is in the public interest.

Additional Review Items for CLEC Applications (as required by 392.455):

- Possesses sufficient technical, financial and managerial resources and abilities.
- Identifies geographic area (no smaller than an exchange).
- Statement that applicant will offer basic local service as a separate and distinct service.
- Statement that applicant will give equitable access to all Missouriians.

Tariff Review Items (applicable for all competitively classified companies):

- Properly formatted: (Company name, PSC MO No., Page #, Page revision #, proposed effective date)
- Identifies competitive classification.
- Identifies waivers granted.
- ICB pricing, if proposed, limited for private line, special access or Centrex-like services. (392.200(8)).
- Proposed rates do not establish geographic deaveraged rates (if not checked, explain in attachment). (392.200(4)).
- If an alternative operator service provider (receives more than 40% of revenues from traffic aggregators) operator service rates do not exceed: Person-to-Person (\$12.50), Station-to-Station/card (\$7.50). (392.515(1)).

Tariff Review Items (applicable only for CLECs):

- Interconnection agreement approved (if not checked, explain in attachment).
**Inter-Tel has represented to Staff that CLEC will sell service of other CLECS.
- Tariff clearly indicates areas offering local service (392.455(3)). Tariff identifies by exchange the areas where it offers basic local telecommunications service.
- Tariff offers local service as a separate and distinct service. (392.455(4))
- NA Switched access rates capped at ILEC's rates.