

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

In the Matter of the Petition for)	
Waivers of Certain Rules and Statutes on)	File No. XE-2011-0154
Behalf of Zone Telecom, Inc.)	Tariff No. YX-2011-0269

STAFF RECOMMENDATION

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

1. On November 29, 2010, Zone Telecom, Inc. (the “Company”), filed an application for waiver of certain Commission rules and statutes, requesting that the Commission waive certain rules and statutory provisions pursuant to §392.420 RSMo Supp. 2009 and a proposed tariff listing the requested waivers.

2. Section 392.420, as amended by H.B. 1779, states in relevant part that

The commission is authorized, in connection with ... a certificate of interexchange ... service authority ... to entertain a petition to suspend or modify the application of its rules or the application of any statutory provision contained in sections 392.200 to 392.340 if such waiver or modification is otherwise consistent with the other provisions of sections 392.361 to 392.520 and the purposes of this chapter.

3. Section 392.245.5(8) provides that the Commission shall retain the authority to hear and resolve customer complaints based upon certain federal regulations and standards, the company’s tariff, or Commission rules “other than those related to customer billing, network engineering and maintenance, and service objectives and surveillance levels or a failure to provide service in a manner that is safe, adequate, usual and customary in the telecommunications industry.”

4. In addition to that retention of authority, the Staff notes that these waivers do not relieve the Company of any reporting or other obligations that arise from a source other than the waived rules or statutory provisions, such as undertakings made in a Stipulation or Agreement or as a merger or other condition.

5. The Company is an interexchange telecommunications company as that term is used in the statutory provisions recited above. In the attached Memorandum, labeled Appendix A, the Staff recommends the Commission grant the following waivers:

392.210.2 Accounting (system of accounts)

392.240.1 Rates
392.270 Accounting (valuation)
392.280 Accounting (depreciation/accounts)
392.290 Issuance of stocks, bonds and other indebtedness
392.300 Transfer of property and ownership of stock
392.310 Approval of issuing stocks, bonds and other indebtedness
392.320 Certificate of Commission to be recorded stock dividends
392.330 Disposition of proceeds of sales of stocks, bonds, notes, and other indebtedness
392.340 Reorganization
4 CSR 240-3.550(4) and (5)(A) Held order records, Quality of service reports.
4 CSR 240-32.060 Engineering and maintenance
4 CSR 240-32.070 Quality of Service
4 CSR 240-32.080 Service objectives and surveillance levels
4 CSR 240-33.040 (1) through (3) and (5) through (10) Billing and payment standards
4 CSR 240-33.045 Clear identification and placement of charges on bills
4 CSR 240-33.080 (1) Toll-free number for billing disputes
4 CSR 240-33.130 (1), (4), and (5) Operator service billing requirements

6. The Company is currently compliant in obligations relating to Commission assessment, Missouri Universal Service Fund, Relay Missouri, and the submission annual reports.

WHEREFORE, the Staff recommends that the Commission grant the Company the waivers requested in its Application and either approve the tariff changes that reflect the granted waivers or allow them to take effect by operation of law.

Respectfully submitted,



Colleen M. Dale
Senior Counsel
Missouri Bar No. 31624
Attorney for the Staff of the
Missouri Public Service Commission
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Jefferson City, MO 65102
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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 15th day of December, 2010.

A handwritten signature in black ink, appearing to be "All the way" or similar, written in a cursive style.

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. XE-2011-0154 File No. YX-2011-0269
Company Name: Zone Telecom, Inc.

From: Lisa Mahaney
Telecommunications Department

William Voight 12/13/10
Utility Operations Division/Date

Subject: Request for Waivers

Date: 12/13/10

Zone Telecom, Inc. (Company), a competitive long distance telecommunications service provider, filed a Petition for Waivers of Commission Rules and Statutes pursuant to 4 CSR 240-2.060 and Section 392.420, RSMo, as amended by House Bill 1779, effective August 28, 2008. The Commission Staff (Staff) has no objections to the requested waivers identified in the filing. Company also filed 2nd Revised Page 2 effective 12/29/10 to include the requested waivers in its tariff. Staff has no objection to the tariff page.

Company requests the Commission waive the following:

COMMISSION RULES

- 4 CSR 240-3.550 (4) and (5)(A)
- 4 CSR 240-32.060
- 4 CSR 240-32.070
- 4 CSR 240-32.080
- 4 CSR 240-33.040 with the exception of subsection (4)
- 4 CSR 240-33.045
- 4 CSR 240-33.080(1)
- 4 CSR 240-33.130(1), (4) and (5)

STATUTES

392.210.2

392.240.1

392.270

392.280

392.290

392.300

392.310

392.320

392.330

392.340

Staff recommends the Commission grant to Company all of the waivers listed above.
Company has filed a tariff sheet to list these waivers in its tariff.

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

☐ The Company is delinquent: (☐ No annual report ☐ Unpaid PSC assessment.
Amount owed:)

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

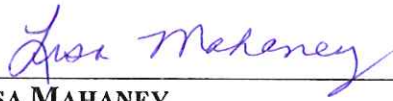
In The Matter of the Petition for Waivers)
of Certain Rules and Statutes On Behalf of)
Zone Telecom, Inc.)

Case No. XE-2011-0154

AFFIDAVIT OF LISA MAHANEY

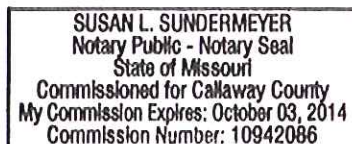
STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Lisa Mahaney, 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 memorandum, and that the facts therein are true and correct to the best of her knowledge and belief.



LISA MAHANEY

Subscribed and affirmed before me this 13th day of December 2010.





NOTARY PUBLIC