

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

In the Matter of the Joint Application of)	
NOSVA Limited Partnership and Red)	
River Networks, LLC for Approval of the)	Case XM-2006-0185
Acquisition of Certain Assets of Red)	
River Networks, LLC by NOSVA Limited)	
Partnership)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Public Service Commission, and for its recommendation in this matter, states:

1. On October 31, 2005, NOSVA Limited Partnership (NOSVA) and Red River Networks, LLC (RRN) jointly filed an Application ("Joint Application") seeking authority from the Commission for NOSVA to acquire certain Missouri assets of RRN.

2. NOSVA holds a certificate to provide intrastate, interexchange telecommunications services in Missouri under Case No. TA-94-153.

3. The transfer of assets is governed by Section 392.300 and 4 CSR 240-3.520. Applicable case law provides that the Commission may "not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest." *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo.App. E.D. 1980), citing to *State ex rel. City of St. Louis v. Public Serv. Comm'n of Mo.*, 73 S.W.2d 393, 400 (Mo. banc 1934).

4. In the attached Memorandum, the Staff summarizes its review of the transaction between NOSVA and RRN and concludes that the transfer of assets will not be detrimental to the public interest.

5. In the *Joint Application*, the parties state “upon completion of the Transaction, RRN will no longer be offering telecommunications services in Missouri and RRN, therefore, request that the Commission grant it authority to discontinue service upon the transfer of its customers to NOVSA.” Representatives of RRN have reported that there are no Missouri customers currently served by RRN and therefore Staff recommends that RRN’s certificate and tariff be cancelled.

WHEREFORE, Staff recommends that the Commission enter an order approving the transfer of telecommunications assets from Red River Network, LLC to NOVSA Limited Partnership as proposed in the Joint Application, and canceling Red River Network LLC’s certificate of service authority and tariff.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/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 30th day of December 2005.

/s/ William K. Haas

Memorandum

To: Missouri Public Service Commission Official Case File
Case No. **XM-2006-0185**

From: A. P. Kuss, Telecommunications Department

William Voight 12/30/05

Utility Operations Division/Date

/s/ William K. Haas 12/30/05

General Counsel's Office/Date

**Subject: Staff Recommendation for Application Seeking Commission Approval of
Competitive Company Transaction**

Date: December 30, 2005

The Telecommunications Department Staff (Staff) recommends the Commission (check, as applicable):

☐ Approve Merger ☐ Approve Consolidation ☒ Approve Sale of Assets ☐ Approve Name Change

☒ Cancel Certificate(s) & Tariff(s)

☐ Approve Certificate(s) & Tariff(s)

According to Commission rules, competitively classified companies are required to provide minimal information in applications to merge, consolidate or sell/transfer assets. Based on the information provided to Staff, Staff does not believe this particular transaction will be detrimental to the public interest. This transaction involves competitively classified companies and is not detrimental to the public interest since a customer has / will receive advance notice and can freely switch to another provider. The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
NOSVA Limited Partnership (NOSVA)	X	X		X					
Red River Networks, LLC (RRN)			X		C			PSC 1	

* See attachment to Staff Recommendation for further details associated with approving certificates or tariffs.

Merger, Consolidation, Sell or Transfer Assets

Will affected customers be switched to a different company? (See Attachment). ☐ No ☐ Yes

☐ Customers have been adequately notified of the transaction and a copy of the notification has been attached to the Application.

Company Name Change Notification

☐ Company has notified its customers of the name change. A copy of the customer notice is attached.

☐ Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy?

☒ No

☐ Yes

If yes, a copy of the bankruptcy order is attached.

Competitive Company Transaction Review Items**Administrative:**

☒ Application solely involves competitively classified companies.

☒ No applications to intervene filed.

Noteworthy Transaction Application Requirements of 4 CSR 240-3.520 and 4 CSR 240-3.525:

☒ Will have no impact on tax revenues pursuant to 4 CSR 240-3.520(F) or 4 CSR 240-3.525(F)

☒ Appropriate Secretary of State authorization has been submitted for any applicant (or if previously submitted, reference to prior case number). Case Nos. TA-94-153 (NOSVA) and XA-2003-0576 (RRN).

Missouri corporations: A Certificate of Good Standing.

Foreign corporations: Authorization to do business in Missouri.

If business conducted under a fictitious name: A copy of registration of the fictitious name.

☒ No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).

☒ A statement that no annual report or assessment fees are overdue for any applicant.

Are there additional recommendations or special considerations?

☒ No

☐ Yes

If yes, explain in an attachment.

☒ The Companies are not delinquent in filing annual reports or paying PSC assessments.

☐ RRN is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

☐ No annual report

☐ Unpaid PSC assessment. Amount owed:

Attachment:

1. NOSVA Limited Partnership (NOSVA) is a Competitive Interexchange Carrier (IXC), certificated to provide Interexchange and nonswitched local service in Missouri under Case No. TA-94-153.
2. Red River Networks, LLC (RRN) is an IXC, certificated to provide Interexchange and nonswitched local exchange service in Missouri under Case No. XA-2003-576.
3. NOSVA provides interexchange service under its P.S.C. MO. No. 3 Missouri Interexchange Telecommunications Tariff.
4. RRN offers interexchange service under its Missouri Tariff No. 1 Interexchange Telecommunications Services Tariff.
5. Following this transaction, the Certificate to Provide Service and Tariff of RRN are to be cancelled.
6. RRN representatives report that there are no retail customers currently served by RRN in Missouri. As there are no Missouri customers that will be affected by this transaction, no notification to customers is necessary. Therefore, NOSVA does not propose to adopt RRN rate plans into its Missouri tariff.