

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

In the Matter of the Application of TCG St. Louis    )  
To Expand its Certificate of Basic Local Exchange    )    Case No. \_\_\_\_\_  
Telecommunications Service Authority                    )

**TCG ST. LOUIS' APPLICATION FOR EXPANSION  
OF BASIC LOCAL EXCHANGE  
TELECOMMUNICATIONS SERVICE AUTHORITY**

**I.     Introduction**

TCG St. Louis respectfully files this Application to expand its certificate of basic local exchange telecommunications service authority to additional exchanges and to classify the Company and its services in those exchanges as competitive.<sup>1</sup> TCG St. Louis has been certificated by the Missouri Public Service Commission ("Commission") to provide basic local exchange telecommunications services in a number of Missouri exchanges. TCG St. Louis now seeks the expansion of this service authority to additional exchanges. TCG St. Louis also requests, to the extent it is necessary to do so, that the statutory and rule waivers it currently holds be extended to TCG St. Louis' offering of service in these additional exchanges.

**II.    Application for Service Authority and Competitive Classification and Request for Waiver Of, and/or Notice of Election to be Exempt From, Certain Statutes/Rules/Waivers**

**A.     Description of the Applicant**

1.     TCG St. Louis, a New York general partnership with its principal office at One AT&T Way, Bedminster, New Jersey 07921, is authorized to do business in Missouri.<sup>2</sup> TCG St. Louis is a "local exchange telecommunications company" and a "public utility," and is duly authorized to provide "telecommunications service" within the State of Missouri, as each of

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<sup>1</sup> TCG St. Louis submits this application pursuant to the Federal Telecommunications Act of 1996 ("the Act"); Sections 392.361, 392.410, 392.420, 392.430, 392.440, 392.450 and 392.455 RSMo; and 4 CSR 240-2.060 and 4 CSR 240.3.510.

<sup>2</sup> A copy of TCG St. Louis' partnership agreement was filed with the Commission in Case No. TA-96-345.

those phrases is defined in Section 386.020, RSMo. 2000. The partners of TCG St. Louis are Teleport Communications Group Inc. (“Teleport Group”), a Delaware corporation, TCG Joint Venture Holdings, Inc., a Delaware corporation, and TCG Partners, a New York general partnership. Each of TCG Joint Venture Holdings, Inc. and TCG Partners is a subsidiary of Teleport Group. Teleport Group is a wholly owned subsidiary of AT&T Corp., which, in turn, is a wholly owned subsidiary of AT&T Inc. The partnership interests in TCG St. Louis are not publicly traded.

2. TCG St. Louis already has been certificated by the Commission to provide basic local exchange telecommunications services in many Missouri exchanges.<sup>3</sup> TCG St. Louis now seeks the expansion of this service authority to additional exchanges.<sup>4</sup>

3. All correspondence, pleadings, orders, decisions, and communications regarding this proceeding should be sent to:

Leo J. Bub  
Robert J. Gryzmala  
Attorneys for TCG St. Louis  
One AT&T Center, Suite 3520  
St. Louis, Missouri 63101

## **B. Qualifications**

4. TCG St. Louis remains managerially and technically qualified to provide basic local telecommunication services in the state of Missouri, as found in Case Numbers TA-96-345

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<sup>3</sup> TCG St. Louis is presently certificated to provide basic local exchange telecommunications services in the Missouri exchanges of Southwestern Bell Telephone Company, d/b/a AT&T Missouri, in the 520 Local Access and Transport Area (“LATA”), in certain Missouri exchanges of Century Telephone of Missouri, LLC, and the Jefferson City, Missouri Exchange of Embarq Missouri, Inc. (since acquired by Century Telephone of Missouri, LLC), *See*, Order Granting Certificate to Provide Basic Local Telecommunications Services, issued May 9, 2008, in Case No. CA-2008-0320; *see also*, Order Granting Certificate to Provide Basic Local Telecommunications Services, issued December 18, 1997, in Case No. TA-97-446; Report and Order, issued February 11, 1997, in Case No. TA-96-345.

<sup>4</sup> The additional exchanges are Aurora, Ava, Branson, Buffalo, Cameron, Cassville, Columbia, Cuba, Foristell, Forsyth, Houston, Kimberling City, Macon, Marshfield, Mountain Grove, Mountain View, Ozark, Potosi, Reeds Spring, Shell Knob, St. James, Thayer, Troy, Warrenton, and West Plains.

and TA-97-446. It has been successfully providing basic local service in Missouri since it commenced operations in 1996.

5. TCG St. Louis remains financially qualified to provide telecommunications services in the state of Missouri, as found in Case Numbers TA-96-345 and TA-97-446. It has been successfully providing basic local service in Missouri since it commenced operations in 1996. TCG St. Louis' financials are reflected in the Annual Reports that it has filed with the Commission each year. In addition, TCG St. Louis is providing on a Highly Confidential basis its income statement for the twelve months ending December 31, 2011, and its balance sheet as of December 31, 2011, as Attachments 1 and 2, respectively.

**C. Description of Services**

6. As noted, TCG St. Louis is currently authorized to, and does, provide basic local exchange telecommunications services in certain Missouri exchanges. *See*, note 3, *supra*. With respect to its service offerings, on March 30, 2012, TCG St. Louis provided notice to the Commission of its election, made pursuant to §392.461, RSMo (enacted on August 28, 2011 by House Bill No. 338), both to be exempt from the requirement that it offer retail telecommunications services to end users only through tariff, and to withdraw its retail tariff (Local Exchange Services Tariff, P.S.C. MO No. 6). TCG St. Louis now makes the rates, charges, terms and conditions for its retail telecommunications services available on its website at [www.att.com/servicepublications](http://www.att.com/servicepublications).

7. At this time, TCG St. Louis plans to offer its PrimeConnect PRI service in the new service territory to meet customer demand. TCG St. Louis will update its website to reflect the availability of additional service offerings in the new service territory as requested and as facilities permit.

8. The additional basic local exchange service area for which TCG St. Louis seeks certification would be no different than that presently served by the incumbent local exchange telecommunications companies (“ILECs”) serving the area in that it will follow the boundaries of these companies, and would be no smaller than an exchange. TCG St. Louis will continue to offer basic local service as a separate and distinct service, including in the new service area where facilities permit, and will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications service in the new service area, in accordance with applicable law.

9. TCG St. Louis presently intends to negotiate suitable interconnection agreements with the incumbent local exchange carriers which serve the additional exchanges in which TCG St. Louis plans to offer service. Each such agreement will be submitted to the Commission for its approval, when consummated, and before TCG St. Louis provides service in the exchange(s) to which the agreement is applicable.

10. TCG St. Louis seeks continued classification as a competitive telecommunications company, including classification of its basic local exchange telecommunications service in the new service area as competitive, pursuant to Section 392.361 RSMo. and 4 CSR 240-3.510(1)(A). In the Commission’s orders granting TCG St. Louis a certificate of service authority, the Commission previously classified TCG St. Louis and its services as competitive.

**D. Compliance with Rules and Request for Waiver**

11. Pursuant to Sections 386.570 and 392.455(2), RSMo, TCG St. Louis will comply with all applicable statutes and Commission rules and minimum standards to the extent that they

may be applicable to TCG St. Louis, except such statutes, rules and standards as have been waived or may be waived.

12. TCG St. Louis and all other AT&T-affiliated companies certificated to provide telecommunications services in Missouri have elected to waive the application and enforcement of several telecommunications-related statutes and rules, both as a consequence of HB 1779 enacted in 2008 (and subsequent proceedings implementing the legislation)<sup>5</sup> and as a consequence of HB 338 enacted in 2011 (and subsequent proceedings implementing the legislation).<sup>6</sup> In March, 2012, the Commission summed up the status of these waivers:

“The AT&T Companies have elected waiver of the following statutes and regulations:

Statutes:

- 392.210.2 Accounting requirements (system of accounts)
- 392.240.1 Reasonableness of rates
- 392.270 Accounting requirements (valuation of property)
- 392.280 Accounting requirements (depreciation rates/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 Accounting requirements (proceeds of sales of stock, bonds, notes, etc.)
- 392.340 Company reorganization

Regulations:

- 4 CSR 240-3.520 Applications to sell or transfer assets
- 4 CSR 240-3.525 Applications to merge or consolidate

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<sup>5</sup> See, Order Concerning Request for Waivers on Behalf of the AT&T Joint Petitioners Pursuant to Section 392.420, RSMo., as Amended by HB 1779, issued November 6, 2008 in Case No. TO-2009-0064. As a result of this legislation and subsequent Commission proceedings, while the Commission generally has jurisdiction over certain corporate transactions such as mergers, consolidations and reorganizations pursuant to Sections 392.300, and 392.340, the Commission has waived the applicability of the statute to the TCG companies and the other AT&T-affiliated companies certificated to provide telecommunications services in Missouri.

<sup>6</sup> See, Notice Acknowledging the AT&T Companies’ Election of Waivers of Certain Rules and Statutes, issued March 19, 2012 in File No. TE-2012-0073. As a result of this legislation and subsequent Commission proceedings, the TCG companies are subject to neither 4 CSR240-3.560 (the “ceasing operations” rule) nor 4 CSR240-33.150 (the “anti-slamming” rule) and therefore do not need to seek a waiver of the applicability of these rules in this particular proceeding. Likewise inapplicable is 4 CSR 240-3.525, which relates to the filing requirements (including customer notice) for applications for authority to merge or consolidate. Nevertheless, as indicated earlier, the TCG companies plan to provide a notice of the transaction to its customers. See, Exhibit 5, attached hereto.

- 4 CSR 240-3.530 Applications to issue stocks, obtain loans
- 4 CSR 240-3.535 Applications to acquire stock
- 4 CSR 240-3.545(8)(C) Listing of waivers in tariff
- 4 CSR 240-3.550 Telco records and reports (except (5)(B), (D), and (E))
- 4 CSR 240-3.555 Residential customer inquiries
- 4 CSR 240-3.560 Procedure for ceasing operations
- 4 CSR 240-10.020 Depreciation records
- 4 CSR 240-30.020 Residential telephone underground systems
- 4 CSR 240-30.040 Uniform system of accounts
- 4 CSR 240-32.010 General provisions
- 4 CSR 240-32.040 Metering, inspections and tests
- 4 CSR 240-32.050 Customer services
- 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 240-32.090 Connection of equipment and inside wiring
- 4 CSR 240-32.100 Provision of basic local and interexchange services4 CSR 240-32.130-170 Prepaid calling cards (except 32.140 and 32.150(1))
- 4 CSR 240-32.180-190 Caller ID blocking requirements
- 4 CSR 240-33.010 Service and billing practice general provisions
- 4 CSR 240-33.040 Billing and payment standards
- 4 CSR 240-33.045 Clear identification and placement of charges on bills
- 4 CSR 240-33.050 Deposits
- 4 CSR 240-33.060 Residential customer inquiries
- 4 CSR 240-33.070 Discontinuance of service
- 4 CSR 240-33.080 Disputes by residential customers
- 4 CSR 240-33.090 Settlement agreements with residential customers
- 4 CSR 240-33.130 Operator service requirements
- 4 CSR 240-33.140 Payphone requirements (except (2))
- 4 CSR 240-33.150 “Anti-slamming” requirements
- 4 CSR 240-33.160 Customer proprietary network information”

In doing so, the Commission acknowledged that “[t]he AT&T Companies do not need the permission of the Commission to elect those waivers and the waivers took effect at the time they filed their notice.”<sup>7</sup>

13. TCG St. Louis respectfully submits that once the Commission grants it the certification requested by this Application, TCG St. Louis is no less entitled to the same above-listed statutory and rule waivers with respect to the additional exchanges referenced herein as TCG St. Louis in the exchanges it currently serves, as well as the other AT&T companies and

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<sup>7</sup> *Id.*, at 1.

many other companies providing telecommunications services in Missouri (all of which companies are referenced in EFIS File No. TE-2012-0073). TCG St. Louis, therefore, hereby notifies the Commission of its election to waive and be exempt from the application and enforcement of the above statutes and rules as to the above-referenced additional exchanges, effective on the same date as the effective date of the Commission's order granting the relief sought by this Application.

14. Subject to the FCC's recent *Connect America Fund* order, which requires all local exchange companies to file to reduce intrastate switched access rates,<sup>8</sup> and notwithstanding the provisions of Section 392.500 and 392.510 RSMo, as a condition of the requested certification and competitive classification, TCG St. Louis agrees that, unless otherwise ordered by the Commission, TCG St. Louis' originating and terminating switched exchange access rates in the new service area will be no greater than the lowest Commission-approved corresponding access rate in effect for the ILEC within that service area in which TCG St. Louis provides local exchange telecommunications service. Additionally, pursuant to the Commission's Report and Order in Case No. TO-99-596, TCG St. Louis agrees that if the ILEC decreases its current originating and/or terminating switched access service rates, TCG St. Louis shall file an appropriate tariff amendment to reduce its corresponding originating and/or terminating switched access rates within thirty (30) days of the ILEC's reduction of its originating and/or terminating access rates in order to maintain the cap on switched exchange access rates.

15. TCG St. Louis has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve Missouri retail customer

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<sup>8</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*"), *Pets. for review pending*, *Direct Communications Cedar Valley, LLC vs. FCC*, No. 11-9581 (10<sup>th</sup> Cir. filed Dec. 18, 2011) (and consolidated cases).

service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.

16. TCG St. Louis does not have any overdue annual reports or regulatory assessment fees.

**E. Public Interest Considerations**

17. TCG St. Louis submits that the public interest will be served by Commission approval of this application because the proposed services will create and enhance competition and expand customer service options consistent with the legislative goals of the Telecommunications Act of 1996, and Chapter 392 RSMo 2000. Prompt approval of this application will further expand the availability of innovative, high quality, and reliable telecommunication services within the state of Missouri.

**III. Conclusion**

WHEREFORE, TCG St. Louis respectfully requests the Commission grant this Application by:

1. expanding TCG St. Louis' certificate of service authority to include the provision of basic local telecommunications services in the additional exchanges of Aurora, Ava, Branson, Buffalo, Cameron, Cassville, Columbia, Cuba, Foristell, Forsyth, Houston, Kimberling City, Macon, Marshfield, Mountain Grove, Mountain View, Ozark, Potosi, Reeds Spring, Shell Knob, St. James, Thayer, Troy, Warrenton, and West Plains;
2. classifying TCG St. Louis and its basic local service in the new service territory as competitive;

3. waiving the application and enforcement of the statutes and rules referenced herein (to the extent necessary); and
4. granting such further and other relief as the Commission deems necessary.

Respectfully submitted,

TCG ST. LOUIS

BY 

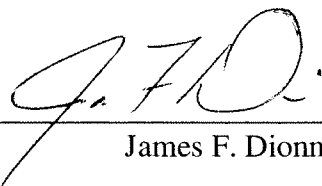
LEO J. BUB	#34326
ROBERT J. GRYZMALA	#32454

Attorneys for TCG St. Louis  
One AT&T Center, Room 3516  
St. Louis, Missouri 63101  
314-235-6060 (Telephone)/314-247-0014(Facsimile)  
robert.gryzmala@att.com

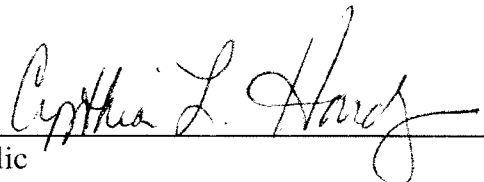
**VERIFICATION**

STATE OF NEW JERSEY   )  
  )     SS  
COUNTY OF SOMERSET   )

I, James F. Dionne, a natural person, do hereby swear and affirm that I am the Chief Financial Officer of TCG St. Louis and Teleport Communications America, LLC; that I am authorized to make this Verification on behalf of TCG St. Louis; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
James F. Dionne

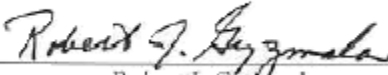
SWORN TO AND SUBSCRIBED before me this 18<sup>th</sup> day of July, 2012.

  
\_\_\_\_\_  
Notary Public

**Cynthia L Hardy  
Notary Public of New Jersey  
My Commission Expires  
November 18, 2014**

## **CERTIFICATE OF SERVICE**

Copies of this document were served on the following parties by e-mail on July 18, 2012.

  
Robert J. Gryzmala

General Counsel  
Kevin Thompson  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
[gencounsel@psc.mo.gov](mailto:gencounsel@psc.mo.gov)  
[kevin.thompson@psc.mo.gov](mailto:kevin.thompson@psc.mo.gov)

Public Counsel  
Office Of The Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)  
[mike.dandino@ded.mo.gov](mailto:mike.dandino@ded.mo.gov)

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**ATTACHMENT 2**

**IS**

**HIGHLY CONFIDENTIAL**

**IN ITS ENTIRETY**