

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

In the Matter of the Application of Qwest Communications)
Company, LLC to Expand its Certificate of Service) **File No. CA-2011-0263**
Authority to Provide Basic Local Exchange)Tariff No. YC-2011-0414
Telecommunications Service in the State of Missouri and to)
Classify said Service and the Company as Competitive)

STAFF RECOMMENDATION

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

1. On February 16, 2011, Qwest Communications Company, LLC (“the Company”) filed its Application in this case. It seeks to expand its basic local telecommunications authority to include all Missouri exchanges and to classify the company and its services in those exchanges as competitive. It also filed the necessary tariffs to accomplish that expansion, which bear an effective date of April 2, 2011.

2. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Missouri Public Service Commission (Commission) grant the Company’s request to expand its basic local telecommunications authority. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. §§392.430 and 392.440 RSMo 2000. In addition, the Staff recommends that the Commission either approve the submitted tariff sheets or allow them to become effective by operation of law.

3. Staff also recommends that the Commission classify the Company’s newly extended services as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation and that such lesser regulation is consistent with the protection of ratepayers and promotes public interest. §392.361.4. RSMo Supp. 2009. A majority of the services a competitive company provides must be classified as competitive. §392.361.3. RSMo Supp. 2009.

4. The Staff further recommends that the Commission state in its order that, pursuant to § 392.410 RSMo 2000, the authority conferred by the certificate of service authority shall be null and void unless it is exercised within one year of its issuance.

5. The Company is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.

6. The Staff recommends that the application be granted with the following conditions:

a. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to Sections 392.361.6 and 392.370 RSMo.

b. 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.

7. The Staff recommends that the "standard" waivers, listed below, be granted, as required by §392.420 RSMo. The Company shall list the waivers in its tariff as long as they are effective.

- 4 CSR 240-3.550 (4) and (5)(A) Quality of service reports
- 4 CSR 240-10.020 Depreciation Records
- 4 CSR 240-30.040 Uniform System of Accounts
- 4 CSR 240-32.060 Engineering and maintenance
- 4 CSR 240-32.050(4)(B) White Pages Distribution Partial Exemption
- 4 CSR 240-32.070 Quality of Service
- 4 CSR 240-32.080 Service objectives and surveillance levels
- 4 CSR 240-33.040(1-3) and (5-10) Billing and payment standards
- 4 CSR 240-33.045 Clear identification and placement of charges on bills
- 4 CSR 240-33.080(1) Identify company name and toll-free number on bills
- 4 CSR 240-33.130(1), (4) and (5) Operator service requirements
- 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

WHEREFORE, Staff recommends that the Commission grant Qwest Communications Company, LLC's Application to expand its basic local telecommunications authority to include all Missouri exchanges and to classify the company and its services in those exchanges as competitive.

Respectfully submitted,



Colleen M. Dale
Senior Counsel
Missouri Bar No. 31624
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4255 (Telephone)
cully.dale@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 11th day of March, 2011.



MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No: CA-2011-0263 File No: YC-2011-0414
Applicant: Qwest Communications Company, LLC

From: Kari Salsman
Telecommunications Department
William Voight 3-10-11
Utility Operations Division/Date

Subject: Staff Recommendation to Expand Service Area

Date: 3-10-11
Filing Deadline: 3-14-11

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

- ☐ All of AT&T Missouri
- ☐ All of CenturyLink
- ☐ All of Spectra
- ☒ Statewide
- ☐ Other _____ (please describe)

☐ certificate to provide interexchange telecommunications services.

☐ certificate to provide local exchange telecommunications services.*

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

Staff recommends the applicant and its services receive competitive classification. Staff further recommends a Commission order granting certification state that pursuant to Section 392.410 RSMo, unless exercised within a period of one year from the issuance thereof, authority conferred by a certificate of service authority shall be null and void.

Granting a certificate to provide basic local exchange telecommunications services should be based on the following two conditions:

1. The applicant's originating and terminating access rates shall not exceed the access rates of the incumbent local exchange company against whom the applicant is competing pursuant to Sections 392.361.6 and 392.370 RSMo.
2. 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.

☒ No objection to tariff taking effect MO PSC No.5 effective 4-2-11
The Staff states that the tariff meets the requirements of all applicable statutes, specifically, one or more of the following: Sections 392.200(8), (12); 392.455(3), (4); and 392.500(2) RSMo. In addition, the tariff filing does not conflict with the following Commission rules: 4 CSR 240-3.545 (4), (6), (7), (8 C,G,H), (9), (15), (16), (19); 4 CSR 240-31.065(1), (2), (3); 4 CSR 240-32.150(5), 32.160(1), (2), 32.190; 4 CSR 240-33.040(4), 33.045(2), 33.050(4) and 33.070(2).

☐ 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.

Additional Comments:

In addition, Staff recommends approval of the following waivers:

392.240.1
392.300
4 CSR 240-3.550(4)
4 CSR 240-3.550(5)(A)
4 CSR 240-32.060
4 CSR 240-32.070
4 CSR 240-32.080
4 CSR 240-33.040 (1-3) and (5-10)
4 CSR 240-33.045
4 CSR 240-33.080(1)
4 CSR 240-33.130(1)(4) and (5)
4 CSR 240-32.050(4)(B) **white pages partial exemption

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

☐ The Company 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:
☐ Unpaid MoUSF ☐ Unpaid Relay Missouri)

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

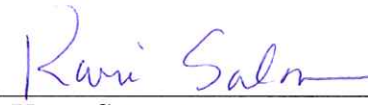
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Case No. CA-2011-0263

AFFIDAVIT OF KARI SALSMAN

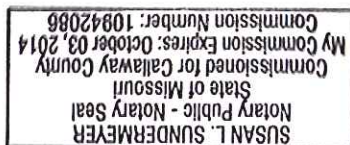
STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Kari Salsman, 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 Staff recommendation, and that the facts therein are true and correct to the best of her knowledge and belief.



KARI SALSMAN

Subscribed and affirmed before me this 10th day of March 2011.





NOTARY PUBLIC