

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

In the Matter of the Application of Netelligent)
Corporation for a Certificate of Service)
Authority to Provide Resold Basic Local) Case No. CA-2009-0141
Telecommunications Service in Portions of)
the State of Missouri and to Classify Said)
Services and the Company as Competitive)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its recommendation respectfully states as follows:

1. On October 17, 2008, Netelligent Corporation (“Netelligent” or “Company”) filed with the Missouri Public Service Commission (“Commission”) an Application¹ for authority to provide resold basic local telecommunications services in portions of Missouri, and to classify those services and the Company as competitive. Netelligent also requests that the Commission waive the application of certain statutory provisions and Commission rules.

2. On October 20, 2008, the Commission issued its Notice Of Applications For Intrastate Certificates Of Service Authority And Opportunity To Intervene (“Notice of Applications”), wherein the Commission, among other things, set a deadline of November 4, 2008 for applications to intervene in this proceeding. No applications to intervene have been filed.

3. In an order issued November 5, 2008, the Commission directed the Staff to file a recommendation concerning this matter no later than November 26, 2008.

4. In the attached Memorandum (Appendix A), the Staff recommends that the Commission grant Netelligent a certificate to provide basic local telecommunications services in

¹ The Company supplemented its Application with additional information filed on November 19, 2008.

the service areas of AT&T Missouri, Embarq, CenturyTel of Missouri, and Spectra. The Commission's Order should include the two access rate conditions set out in the Staff Memorandum. The Order should also state that the authority conferred by the certificate shall be null and void unless exercised within a period of one year from the issuance thereof.

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. (Sections 392.430 and 392.440 RSMo).

5. The Staff also recommends that the Commission classify the Applicant and the services it proposes to offer 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. (Section 392.361.4 RSMo). The majority of the services a competitive company provides must be classified as competitive. (Section 392.361.3 RSMo.²)

6. The Staff further recommends that the Commission grant the waivers for competitive basic local exchange carriers listed in the Commission's October 20, 2008 Notice Of Applications.

Upon request, the Commission may waive the application of its rules and certain statutes if the Commission determines that waiver is consistent with the purposes of Chapter 392, and shall waive certain statutes and rules. (Sections 392.185, 392.361.5² and 392.420² RSMo).

WHEREFORE, Staff recommends that the Commission issue an Order: a) granting Netelligent a certificate to provide basic local exchange telecommunications services in the service areas of AT&T Missouri, Embarq, CenturyTel of Missouri, and Spectra, as well as in the service areas of the thirty-eight (38) additional incumbent local exchange companies set forth in

² as amended by HB 1779, effective August 28, 2008

paragraph 4 of the Netelligent's Application, and including the two rate access conditions described in the Staff Memorandum; b) stating that the authority conferred by the certificate shall be null and void unless exercised within a period of one year from the issuance thereof; c) classifying Netelligent and the services it proposes to offer as competitive; and d) granting the waivers for competitive basic local exchange carriers listed in the Commission's Notice of Applications.

Respectfully submitted,

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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 21st day of November 2008.

/s/ Dennis L. Frey