

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

In that Matter of the Application of Granite)	
Telecommunications, LLC for Expanded Local)	
Exchange Service Authority to Provide Local)	Case No. TA-2006-0382
Exchange Services in the Missouri Service Territory)	Tariff File No. YL-2006-0751
Served by Alltel Missouri)	

STAFF RECOMMENDATION

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

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission grant Granite Telecommunications, LLC (Applicant) a certificate to provide basic local exchange telecommunications services throughout all exchanges served by incumbent local exchange telecommunications company ALLTEL Missouri, Inc. The recommendation to grant the basic local certificate is based upon a number of access rate conditions. 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 (2000).

2. ALLTEL Missouri is a small incumbent local exchange telecommunications company (ILEC). Section 392.451.1 RSMo directs the Commission to approve an application to provide basic local telecommunications service in a small ILEC's area only upon a showing by the applicant and a finding by the Commission that (1) the applicant shall, throughout the service area of the ILEC, offer all telecommunications services which the commission has determined are essential for purposes of qualifying for state universal service fund support, and (2) the applicant shall advertise the availability of such essential services and the charges therefore using

media of general distribution. At paragraph 6 of its verified Application, Granite avers compliance with these statutory obligations.

3. Staff also recommends that the Commission classify the Applicant and its 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. Section 392.361.4. All the services a competitive company provides must be classified as competitive. Section 392.361.3.

4. Staff further recommends that the Commission approve the waivers listed in the Notice of Applications. 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. Sections 392.185, 392.361.5 and 392.420.

5. The Applicant submitted proposed tariff sheets (Tariff File No. YL-2006-0751), to add ALLTEL Missouri's exchanges to its service area. The Staff has no objection to the tariff sheets.

WHEREFORE, Staff recommends that the Commission grant Applicant a certificate to provide basic local exchange telecommunications services throughout all exchanges served by ALLTEL Missouri, contingent upon the listed conditions; direct Granite to comply with the provisions of Section 392.451.1 RSMo; grant Applicant and its services a competitive classification; approve waivers listed in the Notice of Applications; and approve the revised tariff sheets, effective May 19, 2006.

Respectfully submitted,

/s/ William K. Haas

William K. Haas

Deputy General Counsel

Missouri Bar No. 28701

Attorney for the Staff of the
Missouri Public Service Commission

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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 9th day of May 2006.

/s/ William K. Haas

MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No: TA-2006-0382 File No: YL-2006-0751
Applicant: Granite Telecommunications, LLC

From: Sherri Kohly
Telecommunications Department
William L. Voight 05/05/06 /s/ William K. Haas 05/05/06
Utility Operations Division/Date General Counsel's Office/Date

Subject: Staff Recommendation for Approval of Expanded Certificate of Service
Authority and Proposed Tariff Revisions

Date: May 5, 2006
Filing Deadline: May 10, 2006 (by 4:00 pm 7 working days prior to proposed effective date)

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

- ☐ All of Southwestern Bell Telephone, L.P. d/b/a AT&T Missouri
- ☐ All of Sprint
- ☐ All of CenturyTel
- ☐ All of Spectra
- ☒ Other All of Alltel (please describe)

Granting the certificate should be based on the following conditions:

1. The applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area the applicant seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo.
2. The certificate and service classification for switched access service is conditioned on the continued applicability of Section 392.200 RSMo, and the requirement that any increases in switched access services rates above the maximum switched access service rates set forth herein shall be made pursuant to Sections 392.220 and 392.230 RSMo, and not Sections 392.500 and 392.510 RSMo.
3. 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.

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

☐ 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:)

- ☐ certificate to provide interexchange telecommunications services.
☐ certificate to provide local exchange telecommunications services.*
*local exchange authority should be restricted to dedicated, private line services.

- ☒ No objection to revised tariff pages taking effect May 19, 2006
☐ 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.

Staff recommends the applicant and its services receive competitive classification. In addition, Staff recommends approval of the waivers listed in the Notice.

- ☒ There is an attachment to this recommendation.

Attachment:

Granite Telecommunications, LLC was granted authority to provide basic local exchange service in the exchanges of Southwestern Bell Telephone, L.P. d/b/a SBC Missouri, CenturyTel of Missouri, LLC, Spectra Communications Group, LLC, and Sprint Missouri, Inc. d/b/a Sprint in Case No. LA-2004-0124. The Commission's Order also granted Granite statewide authority to provide interexchange and local exchange telecommunications service. Granite's pending application requests expanded local exchange and basic local exchange authority to include the exchanges currently served by Alltel Missouri, Inc. (Alltel), which is a small incumbent local exchange telecommunications company as defined under Missouri law. Pursuant to Section 392.451(1), Granite must comply with certain obligations for the provision of service in the Alltel exchanges. Granite states that it will comply with these obligations. Since Granite was granted local exchange authority on a statewide basis, Staff does not believe it is necessary for the Commission to expand Granite's local exchange authority to include Alltel exchanges.

Granite proposes to amend its existing Missouri P.S.C. Tariff No. 1 to include the Alltel exchanges.

According to the application, Granite will submit its interconnection agreement with Alltel to the Commission for review and approval after the Commission approves its pending request for expanded certification.

Review Items for IXC, Non-switched Local and CLEC Certificate Applications (as required by 4 CSR 240-2.060):

- ☒ Proper Secretary of State authorization
- ☒ Statement of character of business performed.
- ☒ Statement declaring no pending action or final unsatisfied judgments
- ☒ Statement declaring no overdue annual reports/assessment fees
- ☒ Application includes an affidavit.

- ☒ The applicant is requesting waivers of rules or statutes previously granted to a competitively classified company

(as required by 392.430/.440):

- ☒ Application shows that grant of authority is in the public interest.

Additional Review Items for CLEC Applications (as required by 392.455):

- ☒ Possesses sufficient technical, financial and managerial resources and abilities.
- ☒ Identifies geographic area (no smaller than an exchange).
- ☒ Statement that applicant will offer basic local service as a separate and distinct service.
- ☒ Statement that applicant will give equitable access to all Missourians.

Tariff Review Items (applicable for all competitively classified companies):

- ☒ Properly formatted: (Company name, PSC MO No., Page #, Page revision #, proposed effective date)
- ☒ Identifies competitive classification.
- ☒ Identifies waivers granted.
- ☒ Customer specific pricing, if proposed, limited for private line, special access or Centrex-like services or to business customers in exchanges where the incumbent local exchange company has had its business services declared competitive pursuant to Section 392.245. (392.200(8))
- ☒ Proposed rates do not establish geographic deaveraged rates (if not checked, explain in attachment). (392.200(4)).
- ☒ If an alternative operator service provider (receives more than 40% of revenues from traffic aggregators) operator service rates do not exceed: Person-to-Person (\$12.50), Station-to-Station/card (\$7.50). (392.515(1)).

Tariff Review Items (applicable only for CLECs):

- ☐ Interconnection agreement approved (if not checked, explain in attachment).
- ☒ Tariff clearly indicates areas offering local service (392.455(3)). Tariff identifies by exchange the areas where it offers basic local telecommunications service.
- ☒ Tariff offers local service as a separate and distinct service. (392.455(4))
- ☐ Switched access rates capped at ILEC's rates.

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OF THE STATE OF MISSOURI**

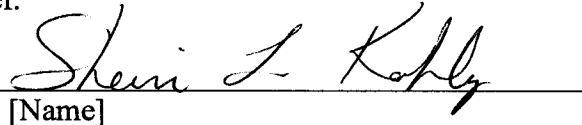
In the Matter of the Application of Granite)
Telecommunications, LLC for Expanded)
Local Exchange Service Authority to)
Provide Local Exchange Services in the
Missouri Service Territory Served by Alltel
Missouri

Case No. **TA-2006-0382**

AFFIDAVIT OF SHERRI L. KOHLY

STATE OF MISSOURI)
) ss:
COUNTY OF COLE)

Sherri L. Kohly, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that she has participated in the preparation of the accompanying Memorandum, and that the facts therein are true and correct to the best of her knowledge and belief.


[Name]

Subscribed and affirmed before me this 5th day of May 2006

I am commissioned as a notary public within the County of Cole, State of Missouri

and my commission expires on September 11, 2006


NOTARY PUBLIC

