BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the Application of)		
Talk America Services, LLC for)		
Certificate of Service Authority to)	Case No.	
Provide Interexchange and Resold)		
Local Exchange Telecommunications)		
Services in the State of Missouri)		

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY TO PROVIDE INTEREXCHANGE AND RESOLD LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES IN MISSOURI

Comes now Talk America Services, LLC ("TAS"), pursuant to Sections 392.361, 392.410, 392.420, 392.430, 392.440, and 392.470, RSMo, and 4 CSR 240-2.060 and 240-3.510, and in support of its Application for a certificate of service authority as an interexchange and resold local exchange telecommunications service carrier to provide telecommunication services in the State of Missouri and to classify said services as competitive, states to the Missouri Public Service Commission ("Commission") as follows:

- TAS is a limited liability company duly organized and existing under and by virtue of the laws of Delaware. Its headquarters and principal place of business are located at 4001 N. Rodney Parham Road, Little Rock, AR 72212, and its telephone number is (501) 748-4491. A copy of the Applicant's Certificate of Formation from the Delaware Secretary of State's Office is attached as Appendix A, please see Attachment A for further information. A copy of its Certificate of Registration to do business in Missouri is attached as Appendix B.
- 2. All inquiries, correspondence, communications, pleadings, notices, orders, and decisions relating to the case should be addressed to:

Edward Cadieux Senior Regulatory Counsel 1390 Timberlake Manor, Ste. 200 Chesterfield, MO 63017

With a copy to:

Jeffery Small
SVP – Corporate Development & Operations
Talk America Services, LLC
4001 N. Rodney Parham Road
Little Rock, AR 72212
Jeffery.W.Small@windstream.com

- 3. TAS will provide local exchange service, interexchange service and broadband services to residential customers. Specifically, TAS intends to provide Missouri Telecommunications Services within the service areas currently serviced by McLeodUSA Telecommunications Services, LLC, Paetec Communications, Inc., Talk America, Inc., Windstream KDL, Inc., Windstream Norlight, Inc. and Windstream NuVox Missouri, Inc. (collectively, "Windstream CLECs").
- 4. TAS seeks Commission certification to provide telecommunications service in Missouri. Specifically, TAS seeks authority as an interexchange and resold local exchange telecommunications service carrier to offer and provide telecommunication services, pursuant to Sections 392.430 and 392.440, RSMo.
- 5. The Commission may grant TAS a certificate of service authority as an interexchange and resold local exchange telecommunications service carrier to provide telecommunication services if the Commission finds such authority to be in the public interest. Approval of this Application will serve the public interest because TAS proposed Services are consistent with the public interest and with the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 RSMo. Approval

- of this Application will expand the availability of innovative, high quality, and reliable telecommunications services to residential customers within the State of Missouri.
- 6. TAS seeks classification of itself and its services as competitive. TAS submits that the services it provides are subject to sufficient competition to justify competitive classification and promote the public interest. See Section 392.361. An expeditious grant of this Application will further competition and allow TAS to compete with other companies, consistent with the Commission's policies and the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 RSMo. TAS submits that the public interest will be served by Commission approval of this application because TAS' proposed services will create and enhance competition and expand customer service options. Approval will also expand the availability of innovative, high quality, and reliable telecommunication services to residential customers within the state of Missouri. Accordingly, all the services by which TAS proposes to provide should be designated as competitive, and TAS should be designated as a competitive telecommunication company.
- 7. TAS will not unjustly discriminate among its customers as is prohibited by Section 392.200 RSMo. Applicant will comply with all applicable Commission rules, except those which are specifically waived by the Commission. Consistent with the Commission's treatment of other certificated interexchange telecommunications carriers, TAS requests that the following statutes and regulations be waived for TAS with respect to its interexchange service offerings, pursuant to Sections 392.361.5 and 392.420, RSMo.

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 stocks, bonds, notes, etc.)
- 392.340 Company reorganization

Rules:

- 4 CSR 240-3.520 Applications to sell or transfer assets
- 4 CSR 240-3.525 Applications to merge or consolidate
- 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) 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 Services
- 4 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
- 8. TAS does not have any pending action or final unsatisfied judgment or decisions against it from any state or federal agency or court which involves customer service or rates, which action, judgment, or decision has occurred within three (3) years of the date of application.
- 9. TAS does not have any overdue annual reports or assessment fees due to the Missouri Public Service Commission.
- 10. TAS possesses the necessary financial resources to provide the requested services. Initially, TAS will be funded by Communications Sales & Leasing, Inc., as described in Attachment A through new debt to be issued in the public markets. With this financing, TAS will be well-qualified financially to operate within the State of Missouri. As a newly formed company, TAS does not currently have historical financial statements. Therefore, TAS submits Appendix C, pro forma financial statements. As shown in the information provided, TAS is financially qualified to operate within the State of Missouri.
- 11. TAS elects to provide its retail services by means of a Commission-approved tariff and accordingly request a temporary waiver of 4 CSR 240-3.510(1)(C), which requires that an application for a certificate of service authority as an interexchange telecommunications carrier to provide telecommunications services shall include a proposed tariff with a 45-day effective date, but allows applicants the option of postponing tariff submittal. TAS will file a tariff in a manner consistent with the Commission's practices in similar cases before providing service.
- 12. TAS states that it will undertake all necessary measures to ensure its contracts with other companies and carriers do not contain provisions preventing delivery of traffic to any telephone exchange area, and that such measures include but are not limited to:

- **a.** Prevention of call blocking and/or call gapping based on the cost of traffic termination.
- **b.** Preventing the alteration or stripping of Calling Party Number Identification.
- **c.** Ensuring sufficient network capacity exists to process all traffic according to industry accepted practices.

WHEREFORE, applicant TAS respectfully requests that the Commission grant it a certificate of service authority as an interexchange and resold local exchange telecommunications service carrier to provide telecommunication services as herein requested, grant competitive status to TAS and TAS' requested services, grant a waiver of the aforesaid statutes and regulations set forth in this Application, and grant such other relief as the Commission deems appropriate.

Respectfully submitted,

Edward Cadieux MO Bar # 29468

Senior Regulatory Counsel

1390 Timberlake Manor, Ste. 200

Chesterfield, MO 63017

(636) 537-5743 telephone

Edward.Cadieux@windstream.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent by electronic submission, hand delivered or sent by U.S. Mail, postage paid, this 12th Day of September, 2014:

Office of the Public Counsel P.O. Box 7800 Jefferson City, MO 65102 General Counsel P.O. Box 360 Jefferson City, MO 65102

Edward Cadieux

MO Bar # 29468 Senior Regulatory Counsel

1390 Timberlake Manor, Ste. 200

Chesterfield, MO 63017 (636) 537-5743 telephone

Edward.Cadieux@windstream.com

VERIFICATION

I, Jeffery W. Small, state that I am the Senior Vice President - Corporate Development and Operations of Talk America Services, LLC, that I am authorized to make this Verification on behalf of Talk America Services, LLC that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

- 1. TAS will offer resold services within the footprint of the Windstream CLECs'. This includes the ILEC exchanges of AT&T and CenturyLink.
- 2. TAS possesses sufficient technical, financial, and managerial resources and abilities to provide basic local telecommunications service. TAS, its parent companies, affiliates, and principals have not defaulted on any of their financial obligations within the last three (3) years. TAS has access to capital sufficient for the start-up operations of the applicant please see <u>Appendix C</u>. TAS possess sufficient technical and managerial resources and abilities to provide local telecommunications services, please see <u>Appendix D</u>.
- 3. TAS will satisfy the minimum standards established by the commission.
- 4. TAS will be providing resold services only; by virtue of this designation it will not offer access services to other carriers.
- 5. TAS will provide bundled services including local, long distance, calling features and broadband service to residential customers. TAS will not offer standalone local service.
- 6. TAS will provide equitable access to all Missourians, regardless of where they live within TAS' service area or their income, to affordable telecommunications services.

Jeffey W. Small Senior Vice President-

Corporate Development and Operations

Talk America Services, LLC

Sworn and subscribed before me this 11th day of September, 2014.

Notary Public

My commission expires April 8, 2021

NICOLE WINTERS MY COMMISSION # 12381509 EXPIRES: April 8, 2021 Saline County

ATTACHMENT A

This Application is being filed in connection with a transaction involving Windstream Holdings, Inc. ("Windstream"). Windstream, and certain of its indirect subsidiaries (the "Windstream CLECs"), are planning to undertake a corporate transaction (the "Transaction") under which the business will be divided into two independent units: an operating unit that will continue to provide telecommunications and related services, and a real estate investment trust that will hold title to certain distribution plant assets (the "Subject Assets") and lease those assets exclusively to the Windstream CLECS on a long term basis. The Subject Assets of the Windstream CLECs, including copper, fiber, real estate and other network assets, will be transferred to Communications Sales and Leasing, Inc. ("CSL"), a newly established corporation, and CSL will lease them back to Windstream on a long term basis for the exclusive use and benefit of the Windstream CLECs. Under the terms of the exclusive lease from CSL, the Windstream CLECs will continue to be responsible for the operation and maintenance of the Subject Assets and also continue to have responsibility for meeting all relevant quality of service standards and all other regulatory obligations, just as they do today. Separately, the Windstream CLECs intend to transfer all of their residential local exchange and long distance customers to Applicant. Applicant requests that the Commission associate this Application with the Transfer Notice filed by the Windstream CLECs concerning the Transaction.

The Transaction is not being undertaken as a means of market entry as the entity that will be obtaining the Subject Assets will not be providing telecommunications services, but will rather be leasing those assets to the Windstream CLECs in order for them to continue providing such services. Further, the transfer of customers to TAS will be undertaken only after TAS has obtained proper authority from the Commission in order to provide resold local exchange and interexchange telecommunications services to residential customers currently subscribed to the Windstream CLECs in Missouri.

List of Appendices

Appendix A: Certificate of Formation in Delaware
Appendix B: Certificate to Operate in Missouri
Appendix C: Financial Information
Appendix D: Managerial and Technical Information