

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

Application of PNG Telecommunications, Inc., )	
d/b/a PowerNet Global Communications for )	Case No. XM-2008-0291
Authority to Acquire Certain Assets of )	Tariff File No. JX-2008-0637
GlobalTouch Telecom, Inc. )	

**STAFF RECOMMENDATION**

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

1. On March 5, 2008, PNG Telecommunications, Inc., d/b/a PowerNet Global Communications (PNG), pursuant to Section 392.300.1 RSMo, filed an application seeking approval to acquire a portion of the customer base of Global Touch Telecom, Inc. On April 23, 2008, PNG filed tariff sheets designed (1) to provide service to the affected customers under the same rates, terms and conditions as those customers are currently provided, and (2) to institute full-minute billing. On May 15, 2008, PNG submitted a supplement to its application and a substitute tariff sheet. PNG has requested expedited treatment.

2. Applicable case law provides that the Commission may “not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest.” *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W. 2d 466, 468 (Mo. App. E.D. 1980), citing to *State ex rel. City of St. Louis v. Public Serv. Comm’n of Mo.*, 73 S.W. 2d 392, 400 (Mo. banc 1934).

3. In the attached Memorandum, labeled Appendix A, the Staff states its opinion that the transfer is not detrimental to the public interest and recommends approval of the transfer and tariff sheets at the Commission’s earliest convenience.

WHEREFORE, the Staff recommends the Commission approve the proposed transfer and proposed tariff sheets at its earliest convenience.

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 20th day of May 2008.

/s/ William K. Haas

## Memorandum

To: Missouri Public Service Commission Official Case File  
Case No. XM-2008-0291  
File No. JX-2008-0637

From: Sara Buyak, Telecommunications Department

William Voight 5-19-08

Utility Operations Division/Date

William Haas 5-19-08

General Counsel's Office/Date

**Subject: Staff Recommendation for Application Seeking Commission Approval of  
Competitive Company Transaction**

Date: 5-19-08

**The Telecommunications Department Staff (Staff) recommends the Commission (check, as applicable):**

☐ **Approve Merger**  
4 CSR 240-3.525

☐ **Approve Consolidation**  
4 CSR 240-3.525

☒ **Approve Sale of Assets**  
4 CSR 240-3.520

☐ **Approve Name Change**  
392.410.5 RSMo

☐ **Approve Certificate(s) & Tariff(s)**  
4 CSR 240-3.510

☐ **Cancel Certificate(s) & Tariff(s)**  
392.410.5 RSMo

☐ **Acquire a portion of the customer base**

According to Commission rule 4 CSR 240-2.060 and the rule(s) specifically cited above, competitively classified companies are required to provide information in applications to merge, consolidate or sell/transfer assets. Based on the information provided to Staff, Staff does not believe this particular transaction will be detrimental to the public interest for the following reason(s) (check all that apply):

- ☐ This transaction solely involves competitively classified companies.
- ☒ Customers have/will receive advance notice.
- ☒ Customers can switch to another provider.
- ☒ Customers will continue to receive service at the same rates, terms and conditions.
- ☐ Other:

The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
PNG Telecommunications, Inc. d/b/a PowerNet Global Communications		X							
Global Touch Telecom, Inc.	X								

\*See attachment to Staff recommendation for further details associated with approving certificates or tariffs.

#### Merger, Consolidation, Sell or Transfer Assets

Will affected customers be switched to a different company?

☐ No

☒ Yes

☒ Customers have been notified.

☐ Customers will be notified at least 30 days prior to being switched to a different company.  
(4 CSR 240-3.525)

#### Company Name Change Notification

☐ Company has notified its customers of the name change.

☐ Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy? ☐ Yes ☒ No

If yes, a copy of the bankruptcy order is attached.

#### Competitive Company Transaction Review Items

##### Administrative:

☐ Application solely involves competitively classified companies.

☒ No applications to intervene filed. (Not issued)

Noteworthy Transaction Application Requirements of 4 CSR 240-3.520 and 4 CSR 240-3.525:

☒ Will have no impact on tax revenues pursuant to 4 CSR 240-3.520(F) or 4 CSR 240-3.525(F)

☒ Appropriate Secretary of State authorization has been submitted for any applicant (or if previously submitted, reference to prior case number). Case No.

*Missouri corporations:* A Certificate of Good Standing.

*Foreign corporations:* Authorization to do business in Missouri.

*If business conducted under a fictitious name: A copy of registration of the fictitious name.*

- ☒ No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).  
☒ A statement that no annual report or assessment fees are overdue for any applicant.

**Are there additional recommendations or special considerations?**

☐ No

☒ Yes

If yes, See Below.

- ☒ 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:     )

On March 5, 2008, PNG Telecommunications, Inc. d/b/a PowerNet Global Communications (PNG) filed an application to acquire assets of Global Touch Telecom, Inc. (Global). PNG is certificated to provide interexchange and basic local exchange telecommunications services in Case No.TA-99-574 and TA-2001-433. Global does not have a certificate or tariff on file. On April 22, 2008, PNG filed a tariff adding the same rates, terms and conditions as Global. On April 24, 2008, the Commission held a prehearing conference since Staff has not been able to confirm the affected customers will be provided the service under the same rates, terms, and conditions as those currently provided. On May 15, 2008, PNG filed a spreadsheet with customer's names, addresses, and phone numbers and spreadsheet with the rates Global is currently charging customers. Staff reviewed customer notice and finds it acceptable as filed. Also, in Tariff File Number JX-2008-0637, PNG proposes to add the grandfathered rates of the former customers of Global and increase rates. Staff recommends approval of the application and tariff sheets at the Commission's earliest convenience.

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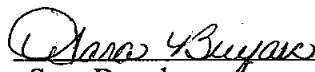
Application of PNG Telecommunications, )  
Inc. d/b/a PowerNet Global )  
Communications for authority to Acquire )  
Certain Assets of Global Touch Telecom, )  
Inc. )

Case No. XM-2008-0291

**AFFIDAVIT OF Sara Buyak**

STATE OF MISSOURI )  
 ) ss:  
COUNTY OF COLE )

Sara Buyak, 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.

  
Sara Buyak

Subscribed and affirmed before me this 19<sup>th</sup> day of May 2008.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
NOTARY PUBLIC