

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

In the Matter of the Joint Application of)	
GTC Broadband, Inc. for a Certificate of Service)	
Authority to Provide Non-Switched Local)	
Exchange and Intrastate Interexchange)	<u>File No. XO-2013-0137</u>
Telecommunications Services and Stouffer)	Tariff No. YX-2013-0171
Communications, Inc. for a Cancellation of its)	
Certificate of Service Authority and Motion for)	
Expedited Treatment)	

STAFF RECOMMENDATION

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

1. On October 4, 2012, GTC Broadband, Inc. (“GTC”) and Stouffer Communications Inc. (Stouffer) filed a combined Application requesting the Commission grant certificates of Non-Switched Local Exchange and Intrastate Interexchange Telecommunications service authority to GTC Broadband and to simultaneously cancel Stouffer’s certificates of service authority to provide Non-Switched Local Exchange and Intrastate Interexchange authority. Stouffer is also registered to provide Interconnected Voice over Internet Protocol (IVoIP) service in the exchanges of Joplin, Carl Junction, Webb City, Neosho, and Carthage, and Stouffer intends to retain this IVoIP registration.

2. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Missouri Public Service Commission (Commission) grant the requested certificate, and explains the reasons for and consequences to customers. 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.

3. Staff also recommends that the Commission classify the Applicant and the services it proposes to offer in its Application 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 recommends that the Commission specifically include the following language in its Order, conditioning the certificate on continued compliance with the following representation:

GTC Broadband, Inc. will undertake all necessary measures to ensure its contracts with underlying carriers do not contain provisions preventing delivery of traffic to any telephone exchange area of Missouri. Such measures include but are not limited to:

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

5. The Staff recommends that the Commission grant the waivers listed below:

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
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)(C) 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

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

7. The Staff recommends that the Commission approve the proposed tariff, or allow it to take effect by operation of law.

8. Staff also recommends the Commission cancel Stouffer’s certificate to provide Non-Switched Local Exchange and Interexchange Telecommunications Service. Stouffer has already registered and is currently providing service under the “GTC Broadband” fictitious name, so there will be no customer confusion or notice necessary.

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

WHEREFORE, Staff recommends that the Commission grant GTC Broadband, Inc. the requested certificate of service authority to provide interexchange telecommunications services and non-switched local telecommunications services, grant it the requested competitive classification, grant the waivers listed above, condition the certificate as requested above, approve the proposed tariff or allow it to take effect by operation of law and cancel Stouffer's certificate of service authority, but not its IVoIP registration.

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 6th day of November, 2012.



MEMORANDUM

To: Missouri Public Service Commission Official Case File
Case No. XO-2013-0137
Company Name: GTC Broadband, Inc. and Stouffer Communications, Inc.

From: Kari Salsman
Telecommunications Department

William Voight 10-18-12
Utility Operations Division/Date

Subject: Staff's Recommendation to Approve Application to Provide Non-Switched Local Exchange and Interexchange Telecommunications Service of GTC Broadband, Inc.; and to Cancel the Certificate of Stouffer Communications, Inc. to Provide Non-Switched Local Exchange and Interexchange Telecommunications Service.

Date: October 18, 2012

On October 4, 2012, GTC Broadband, Inc. (GTC Broadband) and Stouffer Communications Inc. (Stouffer) filed a combined Application requesting the Commission grant certificates of Non-Switched Local Exchange and Intrastate Interexchange Telecommunications service authority to GTC Broadband and to simultaneously cancel Stouffer's certificates of service authority to provide Non-Switched Local Exchange and Intrastate Interexchange authority. Stouffer is also registered to provide Interconnected Voice over Internet Protocol (VoIP) service in the exchanges of Joplin, Carl Junction, Webb City, Neosho, and Carthage, and Stouffer intends to retain this VoIP registration.

GTC Broadband and Stouffer explain that the request is part of a corporate restructuring to transfer the interexchange IXC business between two entities with common ownership in order to realize administrative efficiency. More specifically, the intrastate regulated telecommunications services that are now provided by Stouffer will be transferred to GTC Broadband.

GTC Broadband explains that the transaction will be seamless and does not affect the rates, terms and conditions of service to any of its customers. GTC Broadband intends to provide the same telecommunications services that Stouffer has for many years.

Staff recommends the Commission grant GTC Broadband's request for Non-Switched Local Exchange and Intrastate Interexchange Telecommunications authority, and for the company to be classified as a competitive telecommunications company. Staff recommends the approval of the GTC Broadband adoption tariffs effective November 18, 2012.

Staff also recommends the Commission cancel Stouffer's certificate to provide Non-Switched Local Exchange and Interexchange Telecommunications Service. Stouffer has already registered and is currently providing service under the "GTC Broadband" fictitious name, so there will be no customer confusion or notice necessary. Stouffer is also registered to provide Interconnected Voice over Internet Protocol (VoIP) service in the exchanges of Joplin, Carl Junction, Webb City, Neosho, and Carthage, and Stouffer intends to retain this VoIP registration.

GTC Broadband also requests the Commission grant waivers of certain statutes and rules to the extent necessary. GTC Broadband lists those waivers in paragraph 12 of its Application. Staff recommends the Commission grant GTC Broadband's request for the requested waivers.

The Staff is unaware of any other matter that affects, or that would be affected by, this matter. Staff recommends the Commission approve GTC Broadband's request at the Commission's earliest convenience.

Under penalty of perjury, I affirm that the above statement is true and correct.

A handwritten signature in cursive script that reads "Kari Salsman". The signature is written in dark ink and is positioned above a horizontal line.

KARI SALSMAN