

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Twin Valley)
Communications, Inc. for a Certificate of)
Service Authority to Provide Basic Local,)
Non-Switched Local, and Interexchange)
Telecommunications Services in Portions of the)
State of Missouri and to Classify Said Services)
and the Company as Competitive)

File No. CA-2013-0437

ORDER GRANTING CERTIFICATES TO PROVIDE BASIC LOCAL EXCHANGE, NON-SWITCHED LOCAL EXCHANGE, AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

Issue Date: May 2, 2013

Effective Date: May 12, 2013

This order grants certificates of service authority to provide basic local exchange, non-switched local exchange, and interexchange telecommunications services in the state of Missouri, classifies those services and the company as competitive, and waives certain statutes and regulations.

On March 29, 2013, Twin Valley Communications, Inc. ("Twin Valley") filed an application with the Missouri Public Service Commission ("Commission"), requesting that the Commission issue an order granting it a certificate of service authority to provide basic local exchange, non-switched local exchange, and interexchange telecommunications services in the state of Missouri, and to classify Twin Valley and its proposed services as competitive. Twin Valley seeks certification to provide those services in the service territories currently served by Southwestern Bell Telephone Company d/b/a AT&T Missouri, Embarras Missouri, Inc., CenturyTel of Missouri, LLC, and Spectra Communications Group, LLC. Twin Valley is authorized to do business in Missouri by the Missouri Secretary of State.

On April 1, 2013, the Commission issued an *Order Directing Notice of Application, Setting Intervention Deadline, and Directing Filing of Staff Recommendation*, directing parties wishing to intervene to file their requests by April 16, 2013. No applications to intervene were received. On April 15, 2013, the Staff of the Commission recommended that the requested certificates, classifications and waivers be granted subject to certain conditions, which Twin Valley has already accepted in its application.

The Commission may grant an application for a certificate of service authority to provide telecommunications service upon a showing that the applicant has met the statutory requirements,¹ and that the grant of authority is in the public interest.² Based on the verified application and Staff's uncontested recommendation, the Commission finds that Twin Valley satisfies the requirements for certification and that granting such certificates is in the public interest.

Twin Valley also requests that it and its services be classified as competitive and that the application of certain statutes and regulatory rules be waived. The Commission may classify a telecommunications service as competitive if the Commission determines that the applicant is subject to a sufficient degree of competition to justify a lesser degree of regulation.³ The Commission may only classify a telecommunications carrier as competitive if a majority of its services are so classified.⁴ The Commission may waive the application of certain statutes and of its rules to a competitive carrier if it determines that such waiver is consistent with the purposes of Chapter 392.⁵

¹ See Sections 392.450, 392.451 and 392.455, RSMo 2000. All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), revision of 2000.

² Sections 392.430 and 392.440.

³ Section 392.361.2.

⁴ Section 392.361.3.

⁵ See Sections 392.185, 392.361.5 and 392.420.

The Commission finds that the intrastate interexchange market is competitive and that the interexchange services Twin Valley will offer are subject to competition. The Commission finds that Twin Valley will be subject to a sufficient level of competition to justify a lesser degree of regulation. Furthermore, all of the services Twin Valley will offer are qualified for classification as competitive services.

The Commission may waive certain statutes and administrative rules for competitively classified carriers “if such waiver or modification is otherwise consistent with the other provisions of Section 392.361 to 392.520 and the purposes of this chapter.”⁶ The Commission has developed a standard list of statutes and regulations that it waives for competitive local exchange and interexchange carriers. The Commission finds that the waiver of those statutes and regulations is consistent with the purposes of Chapter 392, and will waive those provisions for Twin Valley.

The Commission may also require a telecommunications company to comply with any conditions reasonably necessary to protect the public interest. Staff recommends that Twin Valley’s application be granted subject to certain restrictions regarding switched access rates. These conditions are routinely recommended by Staff, and Twin Valley has accepted them in its application. The conditions proposed by Staff are necessary to protect the public interest and will be adopted.

In addition, the Staff recommends that the Commission specifically condition certification on Twin Valley ensuring that calls to certain areas are not unnecessarily blocked, which is also known as “call gapping”. The Commission may impose conditions on telecommunications companies if those conditions are reasonable and necessary to

⁶ Sections 392.361.5 and 392.420.

protect the public interest.⁷ As a telecommunications company operating in Missouri, Twin Valley will have a duty to “receive, transmit and deliver, without discrimination or delay, the conversations and messages of every other telecommunications company with whose facilities a connection may have been made.”⁸ Since the Commission finds that the condition is a reasonable and necessary action to protect the public interest, the certificate will be conditioned on the provision described in the ordered paragraph below.

Section 392.410.5, RSMo Supp. 2012, provides that Twin Valley’s certificate of service authority becomes null and void one year from the date of this order unless Twin Valley has exercised its authority under that certificate.

Twin Valley did not file a proposed tariff as part of its application. The Commission’s regulations do not require that such a tariff be filed simultaneously with an application for a certificate, but Twin Valley is reminded that it cannot provide service in Missouri until its tariff is approved by this Commission.

THE COMMISSION ORDERS THAT:

1. Twin Valley Communications, Inc. is granted a certificate of service authority to provide basic local exchange, non-switched local exchange, and interexchange telecommunications services in the state of Missouri throughout all exchanges currently served by Southwestern Bell Telephone Company d/b/a AT&T Missouri, Embarq Missouri, Inc., CenturyTel of Missouri, LLC, and Spectra Communications Group, LLC, subject to the conditions and recommendations contained in the Staff’s Recommendation.

2. Twin Valley Communications, Inc. and its services are granted competitive classification.

⁷ Sections 392.470.1 and 392.361.6.

⁸ Section 392.200.6.

3. Originating and terminating access rates for Twin Valley Communications, Inc. will be no greater than the lowest Commission-approved corresponding access rates in effect for each incumbent local exchange carrier within whose service area Twin Valley Communications, Inc. seeks authority to provide service, unless authorized by the Commission pursuant to Section 392.220 and 392.230, RSMo.

4. If the directly competing incumbent local exchange carrier, in whose service area Twin Valley Communications, Inc. is operating, decreases its originating or terminating access service rates, Twin Valley Communications, Inc. shall file an appropriate tariff amendment to reduce its originating or terminating access rates in the directly competing incumbent local exchange carrier's service area within 30 days of the directly competing incumbent local exchange carrier's reduction of its originating or terminating access rates in order to maintain the cap.

5. Application of the following statutes and Commission rules is waived:

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 stock, bonds, notes, etc.)
392.340	Company reorganization

Commission 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)(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 certification granted herein is conditioned upon Twin Valley Communications, Inc.'s compliance with the regulatory obligations set out in this order. In addition, the certification is conditioned on Twin Valley Communications, Inc. undertaking 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; and ensuring sufficient network capacity exists to process all traffic according to industry-accepted practices.

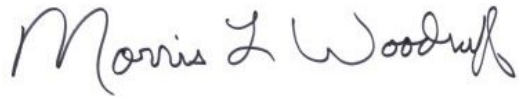
7. Twin Valley Communications, Inc. is advised that the grant of authority contained in this order may not, by itself, be sufficient to permit it to lawfully provide

telecommunications services in Missouri. Specifically, Twin Valley Communications, Inc. cannot lawfully provide telecommunications services until it has a tariff in effect for such services. When Twin Valley Communications, Inc. submits such a tariff, it shall do so by filing a non-case tariff submission. The tariff submission shall not be filed in this case.

8. This order and Twin Valley Communications, Inc.'s certificates shall become effective on May 12, 2013.

9. This file may be closed on May 13, 2013.

BY THE COMMISSION

A handwritten signature in dark ink, reading "Morris L. Woodruff". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Morris L. Woodruff
Secretary

Michael Bushmann, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 2nd day of May, 2013.