

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

ATTORNEYS AT LAW

900 COMERICA BUILDING
KALAMAZOO, MICHIGAN 49007-4752
TELEPHONE (269) 381-8844
FAX (269) 381-8822

GEORGE H. LENNON
DAVID G. CROCKER
MICHAEL D. O'CONNOR
HAROLD E. FISCHER, JR.
LAWRENCE M. BRENTON
GORDON C. MILLER
GARY P. BARTOSIEWICZ
BLAKE D. CROCKER

ROBERT M. TAYLOR
RON W. KIMBREL
PATRICK D. CROCKER
THOMAS A. BIRKHOOD
RUSSELL B. BAUGH
ANDREW J. VORBRICH
TYREN R. CUDNEY
STEVEN M. BROWN

OF COUNSEL
JOHN T. PETERS, JR.

THOMPSON BENNETT
(1912-2004)
VINCENT T. EARLY
(1922-2001)
JOSEPH J. BURGIE
(1926-1992)

June 26, 2006

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909

Paperless E-filing

RE: In the Matter of the Application of Cost Plus Communications, LLC
for a temporary and permanent license to provide basic local exchange service
throughout the State of Michigan.
MPSC Case No. U-14931

Dear Ms. Kunkle:

Enclosed for filing is the Application of Cost Plus Communications, LLC

Please contact me should you have any questions or concerns.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker

Digitally signed by Patrick D. Crocker
DN: CN = Patrick D. Crocker, C = US, O =
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
Date: 2006.06.26 12:28:32 -04'00'

Patrick D. Crocker
PDC/pas

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

In the matter of the Application of	)	
Cost Plus Communications, LLC	)	
for a Temporary and Permanent	)	
License to Provide Basic Local	)	Case No. U-14931
Exchange Service throughout the State	)	
Of Michigan in the Zones and Exchanges	)	
Served by AT&T Michigan,	)	
Verizon North, Inc. and Verizon North Systems	)	

APPLICATION OF COST PLUS COMMUNICATIONS, LLC

Cost Plus Communications, LLC (hereinafter referred to as "Cost Plus" or "Applicant"), by and through its attorneys, Early, Lennon, Crocker & Bartosiewicz, P.L.C., and pursuant to the Michigan Telecommunications Act ("MTS") hereby applies to the Michigan Public Service Commission (hereinafter referred to as "Commission" or "MPSC") for a temporary and permanent license to provide basic local exchange services throughout the State of Michigan in the zone and exchange areas in which AT&T Michigan, Verizon North Inc., and Verizon North Systems are the incumbent local exchange carriers, and other local exchange carriers. Applicant proposes to provide basic local exchange service on both a resale and facilities basis, as well as provide non-licensed and unregulated telecommunications services on a competitive basis.

Applicant's Application seeking entry into the Michigan local exchange market is in the public interest because it should provide Michigan consumers with an enhanced range of telecommunications services, increase customer choice, encourage carriers to provide more efficient service at lower prices and create competitive pressure on carriers to provide more responsive customer service. Applicant respectfully submits that its presence as a competitive local exchange carrier will bolster competition for the provision of local telecommunications services, which is essential to the States' continued economic health and well-being.

Approval of this Application will further the purposes of the MTA, as well as the Federal Telecommunications Act of 1996 ("Federal Act"). Therefore, Applicant respectfully requests that the Commission grant it a license to provide the local exchange services described herein. In support thereof, Applicant provides the following information:

I. NAME AND ADDRESS OF APPLICANT

Applicant's Address:

Cost Plus Communications
151 South Rose Street, Suite 900
Kalamazoo, MI 49007
Telephone: 847-685-8750
Facsimile: 866-366-1835
Toll Free: 866-262-7079

Correspondence concerning this Application should be directed to Applicant's regulatory counsel:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo MI 49007-4752
Telephone: 269-381-8844
Facsimile: 269-381-8822

II. APPLICANT FULLY MEETS THE REQUIREMENTS OF SECTION 302(1) OF THE MTA FOR A LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE

Section 301(2) of the MTA provides that the Commission may issue a temporary license to provide basic local exchange service for a period of up to one (1) year without notice and hearing. Section 302(1) of the MTS provides that after notice and hearing, the Commission shall approve an application for a license if it finds that: (i) the Applicant possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service within the geographic area of the license and intends to offer service within one year of the grant of the license, and (b) the grant of a license to the Applicant would not be contrary to the public interest. As explained in further detail below, Applicant fully meets the requirements of Section 302(1).

In addition as required by Section 203(7) of the MTA, the Applicant is filing with the Application the supporting testimony of Casimir Wojciechowski, Applicant's President. This testimony includes references to certain exhibits referenced in the Application. Please note that with respect to the illustrative local exchange tariff, certain details of Applicant's provision of local exchange service, including the rates to be charged to Applicant's customers, will be dependent upon the negotiation of interconnection agreements with the Incumbent Carriers. Upon issuance of a license, and the completion of negotiations with the Incumbent Carriers, Applicant will promptly file a tariff that complies with all Commission rules and regulations and lists the rates, terms and conditions of service.

A. Description or identification of geographic area for which the license is sought

Cost Plus proposes to offer basic local exchange service throughout the State of Michigan. Initially, Applicant intends to provide service within all of the Michigan local zone and exchange service areas presently served by AT&T Michigan, Verizon North Inc., and Verizon North Systems collectively known as "the ILECs". A listing of the ILEC exchanges and zones in Michigan to be served by the Applicant will be included in Applicant's tariff. Cost Plus will serve the exchanges as mapped and described by the ILECs. The local calling area for Applicant's customers will be the same as the ILEC's existing exchange boundaries. Cost Plus' customers will have the same local calling area as if they were customers of the ILEC.

Cost Plus intends to mirror the maps and legal description section of the tariffs filed by the ILECs for the exchanges it proposes to serve. Cost Plus understands that any future modifications to these exchange boundaries or legal descriptions of these boundaries will be automatically mirrored by Cost Plus on a going forward basis. If not mirrored, new detailed maps and legal descriptions, on an individual exchange basis will be filed with the Commission for approval.

B. Description of Applicant's general financial, technical and managerial resources.

1. Background Corporate Information

Cost Plus Communications, LLC is a limited liability company organized under the laws of the State of Michigan on March 16, 2005. A copy of Cost Plus' Articles of Organization is attached hereto as **Exhibit A** to the Pre-filed Testimony.

2. Managerial Qualifications

Applicant possesses the managerial qualifications to provide its proposed local exchange telecommunications services. The senior management of Cost Plus has extensive experience in the provision of telecommunications services. Brief descriptions of Cost Plus' managers' background and experience in telecommunications are attached as **Exhibit B** to the Pre-filed Testimony.

3. Technical Qualifications

Applicant is technically qualified to provide the proposed local exchange services in the State of Michigan. As mentioned above, the members of Cost Plus' senior management team have extensive management and telecommunications experience. This team and its highly-qualified technical staff will ensure that Cost Plus' operations will meet the most demanding standards for service quality and reliability.

4. Financial Qualifications

Applicant is financially qualified to possess a license to provide basic local exchange service. Evidence of Applicant's financial strength and ability to offer the above service is provided in **Exhibit C**.

C. Description of Applicant's technical, financial and managerial resources and abilities to provide basic local exchange service to every person within the geographic area of the license.

The Applicant has demonstrated in Section B, above, that it possesses the requisite technical, financial and managerial resources and abilities to provide all forms of resold and facilities-based local exchange telecommunications services.

Cost Plus seeks a license to provide local exchange telecommunications services in the zone and exchange areas throughout the state of Michigan in which AT&T Michigan, Verizon North, Inc., and Verizon North Systems are the incumbent local exchange carriers. Cost Plus will be mirroring the zone and exchange areas of the Incumbent Carriers as set forth in their tariffs.

For purposes of the application, Cost Plus will adopt the illustrative tariff of the Commission staff. Please note that, with respect to the illustrative local exchange tariff, certain details of Cost Plus' provision of local exchange services, including rates to be charged to customers, will be dependent upon the negotiation of interconnection agreements with the Incumbent Carriers. Cost Plus will promptly file a tariff that complies with all Commission rules and regulations and lists the rates, terms and conditions of service.

Cost Plus will provide services by combining unbundled network elements and reselling services obtained from incumbent local exchange carriers located in Michigan pursuant to interconnection agreement(s) that the Applicant will file with the Commission. Applicant may install its own switching facilities in the future.

Additionally, Cost Plus will implement the procedures necessary to prevent deceptive and unfair marketing practices, and will comply with applicable Commission service and billing standards. Cost Plus will comply with the applicable intraLATA access requirements of incumbent local exchange telephone companies, and with all other applicable Commission, regulations and standards.

As stated herein, Cost Plus' prices will depend significantly upon its costs, including, in particular, its costs of completing calls through the ILECs existing networks, which will not be identified until after the conclusion of interconnection negotiations with the ILECs.

D. Discussion of impact on the public interest

Both the Michigan Legislature and the United States Congress have determined that it is in the public interest to promote competition in the provision of telecommunications services. As discussed above, the Federal Act was designed to promote increased competition in the telecommunications market. Moreover, the Commission has already determined that the grant of applications for competing licenses to provide basic local exchange services is in the public interest.

Furthermore, the grant of a license will not adversely affect the incumbent carriers' service. As has been the case with other competitive initiatives in Michigan, a grant of the instant authority will have minimal impact on the incumbent. In fact, incumbent providers have benefited from market incentive to improve the efficiency of their operations, and from increased usage of their services due to expansion of the total market spurred by competition and lower prices.

E. Small and Minority-Owned Business Participation Plan (MCL 484.2504)

Section 504 of the MTA requires applicants to submit a small and minority owned telecommunications business participation plan. This document is to contain the applicant's plan for purchasing goods and services from small and minority telecommunications businesses and information on programs, if any, to provide technical assistance to such businesses. Cost Plus' small and minority-owned telecommunications business participation plan is attached as **Exhibit D** to the Pre-filed Testimony.

III. APPLICANT FULLY MEETS THE REQUIREMENTS OF SECTION 301(2) OF THE MTA FOR A TEMPORARY LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE

Cost Plus further requests the granting of a temporary license to provide basic local exchange service throughout the State of Michigan pursuant to Section 301(2) of the MTA. MCL 484.2301(2) states, “pending the determination of an application for a license the Commission without notice and hearing may issue a temporary license for period not to exceed one year.” Granting Cost Plus a temporary license will allow it to promptly begin the negotiation of interconnection arrangements with the incumbent carriers, which are a necessary prerequisite to Cost Plus’ commencement of service in the State of Michigan. Cost Plus will provide basic local exchange service under the temporary license in accordance with the regulatory requirements specified in the MTA. Prior to commencing basic local exchange service under the temporary license, Cost Plus will submit a final tariff reflecting the services that it will offer and identifying the specific zone and exchanges in which it will offer service.

IV. CONCLUSION

Cost Plus has demonstrated that it possesses sufficient technical, financial and managerial resources and abilities to provide basic local exchange service in the areas requested. Cost Plus has also demonstrated that its exercise of this authority will not be contrary to the public interest.

WHEREFORE, Cost Plus Communications, LLC respectfully requests that the Commission enter an Order which:

1. Grants Cost Plus Communications, LLC a temporary license to provide basic local exchange service throughout the state of Michigan pursuant to Section 301(2) of the Michigan Telecommunications Act, MCL 484.2301(2);
2. Grants Cost Plus Communications, LLC a permanent license to provide basic local exchange service throughout the state of Michigan pursuant to Section 301(1) of the Michigan Telecommunications Act, MCL 484.2301(1); and
3. Grants such additional or further relief as may be necessary or appropriate.

Respectfully submitted,

Cost Plus Communications, LLC

**Patrick D.
Crocker**

 Digitally signed by Patrick D. Crocker
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US, O = Early, Lennon, Crocker &
Bartosiewicz, P.L.C.
Date: 2006.06.26 12:29:10 -04'00'

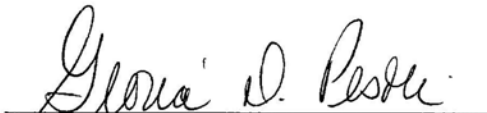
Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Bldg
Kalamazoo MI 49007-4752
Telephone: (269) 381-8844
Facsimile: (269) 381-8822

VERIFICATION

James Grabowski, Vice President, first being duly sworn on oath, deposes and says that he has read the foregoing Application and verifies that the statements made therein are true and correct to the best of his knowledge, information, and belief.


James Grabowski, Vice President

James Grabowski acknowledged the foregoing instrument before me this
19th day of June 2006.


Notary Public:



STATE OF MICHIGAN
PUBLIC SERVICE COMMISSION

In the matter of the Application of	)	
Cost Plus Communications, LLC	)	
for a Temporary and Permanent	)	
License to Provide Basic Local	)	Case No. U - 14931
Exchange Service throughout the State	)	
Of Michigan in the Zones and Exchanges	)	
Served by AT&T Michigan,	)	
Verizon North, Inc. and Verizon North Systems	)	

DIRECT TESTIMONY OF CASIMIR WOJCIECHOWSKI

ON BEHALF OF

COST PLUS COMMUNICATIONS, LLC

Q. Please state your name and business address.

A. My name is Casimir Wojciechowski. My business address is Cost Plus Communications, LLC, 151 South Rose Street, Suite 900, Kalamazoo, MI 49007

Q. What is your position with Applicant?

A. I am the President of Cost Plus Communications, LLC, (hereinafter "Cost Plus " or "the Company").

Q. What are your principal responsibilities with Applicant?

A. My principal responsibilities include overseeing the day-to-day operations, which include personnel decisions, billing, operations, information technology, customer service, marketing and sales.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to demonstrate that Cost Plus Communications, LLC ("Cost Plus" or "the Company") is technically, financially, and managerially capable to operate as a Competitive Local Exchange Carrier ("CLEC") and to thereby provide local exchange services in the state of Michigan.

Q. Please describe the authority the Cost Plus seeks from the Commission?

A. Cost Plus seeks a temporary and permanent license to enable it to offer all forms of resold and facilities-based local exchange services throughout the State of Michigan, including service areas of AT&T Michigan, Verizon North, Inc. and Verizon North Systems.

Q. Why is Cost Plus requesting a temporary license?

A. Under the Michigan Telecommunications Act, the Commission may issue a temporary license without notice and hearing. Granting Cost Plus a temporary license will allow it to promptly begin the negotiation of interconnection arrangements with the incumbent carriers, which are a prerequisite to Cost Plus' commencement of basic local exchange service in the State of Michigan.

Q. Please provide a brief overview of Cost Plus Communications, LLC

A. Cost Plus Communications is a limited liability company organized under the laws of the State of Michigan. A copy of Cost Plus' Articles of Organization is attached as Exhibit A to this testimony.

Q. With respect to Michigan, where does Cost Plus intend to provide services?

A. Cost Plus proposes to provide service in the local exchange areas of AT&T Michigan, Verizon North, Inc. and Verizon North Systems.

Q. Does Cost Plus have the managerial resources to provide basic local exchange services to customers in these local exchange areas?

A. Yes. Cost Plus possesses the managerial qualification to provide its proposed local exchange telecommunications services. The senior management of Cost Plus has extensive experience in the provision of telecommunications services, and its highly qualified technical staff will ensure that Cost Plus' operations will meet the demanding standards for service quality and reliability. A list of Senior Management and brief descriptions of Cost Plus' Senior Managers' experiences in telecommunications are attached hereto as Exhibit B to this testimony.

Q. Does Cost Plus have the technical resources to provide basic local exchange service within the geographic area of its license?

A. Yes. Cost Plus has the technical resources to serve all customers within the geographic area of its license. Further, Cost Plus' management team includes highly experienced and skilled personnel in the telecommunications industry.

Q. Does Cost Plus have the financial capabilities to serve all customers within the geographic area of its requested license.

A. Yes. Cost Plus has the financial capabilities to serve all customers within the geographic area of the license it is requesting. Cost Plus' resources are demonstrated by the Company's Balance Sheet, which is attached as Exhibit C to this testimony.

Q. Will granting Cost Plus' license adversely affect the public interest?

A. No. Granting Cost Plus a license will have no adverse affect on the public interest whatsoever. In fact, the granting of the license will permit greater customer choice. Cost Plus will provide greater incentive for other telecommunications companies to better serve Michigan customers. In this respect, Cost Plus will greatly enhance competition in the telecommunications field.

Q. Does Cost Plus have a small and minority owned telecommunications business participation plan?

A. Yes. Cost Plus has a small and minority owned telecommunications business participation plan for purchasing goods and services from small and minority owned telecommunications businesses. This plan is included as Exhibit D to this testimony.

Q. When does Cost Plus intend to provide local exchange service, private line services or other types of high-speed data services in the State of Michigan?

A. The Company has not established a precise timetable for the commencement of local services, whether facilities-based or resale within Michigan. The Company does plan on offering service in Michigan within one year of the approval of this application. The Company will not commence offering services until appropriate and necessary arrangements with the incumbent Local Exchange Carrier ("ILEC") are filed with and approved by the Commission.

Q. Does this conclude your direct testimony?

A. Yes it does.

PRE-FILED TESTIMONY OF CASIMIR WOJCIECHOWSKI

EXHIBITS

EXHIBIT A	Articles of Organization
EXHIBIT B	Managerial Qualifications
EXHIBIT C	Financial Qualifications
EXHIBIT D	Small and Minority Owned Business Participation Plan

EXHIBIT A

Articles of Organization

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF ORGANIZATION (DOMESTIC L.L.C.)

for

COST PLUS COMMUNICATIONS, LLC

ID NUMBER: B8552L

***received by facsimile transmission on March 11, 2005 is hereby endorsed filed on
March 16, 2005 by the Administrator. The document is effective on the date filed,
unless a subsequent effective date within 90 days after received date is stated in the
document.***



Sent by Facsimile Transmission 06076

***In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 16th day
of March, 2005.***

, Director

Bureau of Commercial Services

EXHIBIT B

Managerial Qualifications

Casey Wojciechowski, President

Casey Wojciechowski's penchant for communications began in the United States Marine Corps more than 30 years ago where he served in aircraft communications managing one of the largest communications and navigation repair facilities in the Marines. After the service, Casey furthered his telecommunications expertise in the sales, marketing and management of the industry by focusing on Internet, data and voice applications for small to multi-million dollar businesses for both AT&T and MCI. As General Manager of American Farm Bureau Incorporated, Casey personally envisioned and launched Farm Bureau Connection[®], a national long distance program. As a founding member and President of Applicant, Casey is responsible for all program operations, a national call center and customer service, compliance issues and contract negotiations regarding vendors, billing, taxes and product offering.

James Grabowski, Vice President

Jan 2005 – present	Vice President of IBFA Acquisition Company, LLC
Sep 1996 – Dec 2004	Owner of JG Core Group, a telecommunications consultant
1991 – Sep 1996	Vice President of Great Lakes Telecommunications, a long distance reseller
1985 – 1991	Vice President of Promotional Services Group, a sale promotion agency

EXHIBIT C

Financial Qualifications

Cost Plus Communications, LLC
Balance Sheet
As of June 21, 2006

	Jun 21, 06
ASSETS	
Current Assets	
Checking/Savings	20,191.41
DesPlaines Checking	1,000.00
International Bell Comm	
Total Checking/Savings	21,191.41
Accounts Receivable	
Accounts Receivable	189,175.48
Total Accounts Receivable	189,175.48
Total Current Assets	210,366.89
TOTAL ASSETS	210,366.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	-0.04
Accounts Payable	-0.04
Total Accounts Payable	-0.04
Total Current Liabilities	-0.04
Total Liabilities	-0.04
Equity	
Opening Bal Equity	8,000.00
Retained Earnings	-8,800.14
Net Income	211,167.07
Total Equity	210,366.93
TOTAL LIABILITIES & EQUITY	210,366.89

Cost Plus Communications, LLC
Profit & Loss
January 1 through June 21, 2006

	Jan 1 - Jun 21, 06
Ordinary Income/Expense	
Income	
Sales Income	1,408,245.78
Total Income	1,408,245.78
Gross Profit	1,408,245.78
Expense	
Bank Service Charges	250.00
Carrier Costs	
ATI Communications	6,107.09
Commpartners	97,967.47
iSPServices.com	303.51
ITSfast.net	4,619.48
Level3 Communication LLC	2,727.33
Omnilec	4,202.30
Star Networks, LLC	389.86
Witel	874,638.35
XO Communications	22,255.65
Total Carrier Costs	1,013,211.04
Commissions	133,530.48
Contract Labor	1,920.00
Filing Fee	1,250.00
Miscellaneous Debit	0.60
Miscellaneous Services	23,500.00
Outside Sales Commissions	14,600.00
Rent	7,500.00
Total Expense	1,195,762.12
Net Ordinary Income	212,483.66
Other Income/Expense	
Other Income	
Other Income	9.56
Total Other Income	9.56
Other Expense	
Other Expenses	1,326.15
Total Other Expense	1,326.15
Net Other Income	-1,316.59
Net Income	211,167.07

EXHIBIT D

Small and Minority Owned Business Participation Plan

**SMALL AND MINORITY OWNED TELECOMMUNICATIONS
PARTICIPATION PLAN**

Prepared pursuant to 1995 PA 216, Section 504

by

Cost Plus Communications, LLC

STATEMENT OF PURPOSE

As a responsible corporate resident of the State of Michigan, Cost Plus Communications, LLC (hereinafter "Cost Plus") will seek to the maximum extent feasible, and with due regard to price and quality factors, to purchase goods and services from small and minority telecommunication businesses, and to provide, to the maximum extent feasible, technical assistance to such businesses.

Applicant's goal shall be the full and equal participation of such businesses as defined by the Michigan Department of Management and Budget. Cost Plus shall strive to achieve the purchase of a percentage of the Applicant's total annual need for Michigan operations for good and/or services from small and minority-owned telecommunications business as defined by the Michigan Department of Management and Budget, which is equal to the percentage of small and minority-owned telecommunications suppliers doing business in the Applicant's service territory, providing such goods and/or services are offered on a market competitive basis.

This plan is a statement of objectives and is not intended to create any legal obligation of Cost Plus, or any of its parent companies, subsidiaries, or affiliates, to any person.

PARTICIPATION PLAN

Cost Plus will advise all personnel of the existence of the plan and of the Company's goals established in the plan.

Cost Plus will designate an employee to have the responsibility of developing policies and procedures to allow for the success of Applicant's efforts to purchase goods and services from small and minority-owned telecommunications businesses.

Cost Plus will establish targets to strive for in connection with reaching the annual goal of purchasing the established percentage of goods and services from small and minority-owned telecommunications businesses. Cost Plus will notify, to the extent practicable, such business of the existence of this Plan. Cost Plus will invite bids, or issue requests for proposals, or otherwise solicit offers and bids from such business.

Cost Plus will exercise diligence and sensitivity to ensure that opportunities to small and minority-owned telecommunications businesses for doing business with Cost Plus are equivalent to those provided to those entities which are not small and/or minority-owned.

Cost Plus will provide technical assistance to any small or minority-owned telecommunications business requiring interconnection to the Applicant's network, and will provide technical assistance to such business offering telecommunications goods and services to the extent feasible. Cost Plus will inform such business of the availability to such assistance.