

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
August 16, 2000**

CASE NO: TA-2000-785

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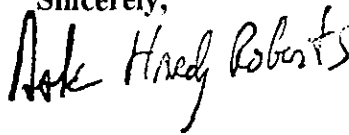
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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of KMC)
 Telecom V, Inc., for Certificates of Service)
 Authority to Provide Competitive Resold)
 Intrastate Interexchange Telecommunications) **Case No. TA-2000-785**
 Services and Nonswitched Local Exchange)
 Services in the State of Missouri)

ORDER APPROVING INTEREXCHANGE AND NONSWITCHED LOCAL EXCHANGE
CERTIFICATE OF SERVICE AUTHORITY

KMC Telecom V, Inc. (KMC Telecom) applied to the Missouri Public Service Commission (Commission) on May 25, 2000, for a certificate of service authority to provide intrastate interexchange and nonswitched local exchange telecommunications services in Missouri under Sections 392.410 - .450, RSMo 1994,¹ and RSMo Supp. 1999. KMC Telecom asked the Commission to classify it as a competitive company and to waive certain statutes and rules as authorized by Sections 392.361 and 392.420. KMC Telecom is a Delaware corporation with its principal office located at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921.

The Commission issued a Notice of Applications for Intrastate Certificates of Service Authority and Opportunity to Intervene on June 6, 2000, directing parties wishing to intervene to file their requests by June 21, 2000. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has

¹ All statutory references are to the Revised Statutes of Missouri 1994 unless otherwise indicated.

requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the application.

KMC Telecom stated in its application that it intends to provide interexchange and nonswitched local exchange telecommunications services. Commission rule 4 CSR 240-2.060 requires a foreign corporation applying for certification to provide telecommunications services to include in its application evidence of its authority to conduct business in Missouri from the Secretary of State, a description of the types of service it intends to provide, a description of the exchanges where it will offer service, and a proposed tariff with an effective date that is not fewer than 45 days. KMC Telecom has provided all the required documentation except for the proposed tariff. The company has requested a temporary waiver of that provision until it has finalized its rates for its interexchange and nonswitched local exchange services.

In its recommendation filed on July 11, 2000, the Staff of the Commission (Staff) recommended that the Commission grant KMC Telecom a certificate of interexchange service authority and a certificate of service authority for local exchange telecommunications service on condition that this authority be restricted to providing dedicated private line services. Staff recommended that the Commission grant KMC Telecom competitive status, and waiver of the statutes and rules listed in the Notice. Staff recommended that the Commission instruct

KMC Telecom to submit its tariffs for approval within 45 days after the Commission approves an interconnection agreement for KMC Telecom. Finally, Staff recommends that KMC Telecom's certificates become effective on the same date its tariffs become effective.

The Commission finds that competition in the intrastate interexchange and nonswitched local exchange telecommunications markets is in the public interest and KMC Telecom should be granted certificates of service authority. The Commission finds that the services KMC Telecom proposes to offer are competitive and KMC Telecom should be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest.

The Commission finds that KMC Telecom should be required to submit tariffs within 45 days of the Commission approving an interconnection agreement for KMC Telecom. The tariffs shall have an effective date which is not fewer than 45 days from the date they are filed with the Commission. The Commission has found that holding open the certificate case until a tariff is filed may result in the case being left open without activity for an extended period. Therefore, this case will be closed and when KMC Telecom files the required tariff it will be assigned a new case number.

IT IS THEREFORE ORDERED:

1. That KMC Telecom V, Inc., is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to all applicable

statutes and Commission rules except as specified in this order. The certificate of service authority shall become effective when the company's tariff becomes effective.

2. That KMC Telecom V, Inc., is granted a certificate of service authority to provide nonswitched local exchange telecommunications services in the state of Missouri, limited to providing dedicated private line services, subject to all applicable statutes and Commission rules except as specified in this order. The certificate of service authority shall become effective when the company's tariff becomes effective.

3. That KMC Telecom V, Inc., is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

392.210.2 - uniform system of accounts
392.240.1 - rates-rentals-service & physical connections
392.270 - valuation of property (ratemaking)
392.280 - depreciation accounts
392.290 - issuance of securities
392.300.2 - acquisition of stock
392.310 - stock and debt issuance
392.320 - stock dividend payment
392.340 - reorganization(s)
392.330, RSMo Supp. 1999 - issuance of securities,
debts and notes

Commission Rules

4 CSR 240-10.020 - depreciation fund income
4 CSR 240-30.010(2)(C) - posting of tariffs
4 CSR 240-30.040 - uniform system of accounts
4 CSR 240-33.030 - minimum charges
4 CSR 240-35 - reporting of bypass and
customer-specific arrangements

4. That this order shall become effective on August 29, 2000.

5. That this case may be closed on August 30, 2000.

BY THE COMMISSION

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive style with a large initial "D".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Nancy Dippell, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 16th day of August, 2000.

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

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 16th day of Aug. 2000.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge