

HENDREN AND ANDRAE, L.L.C.

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RICHARD S. BROWNLEE III
MICHAEL A. DALLMEYER
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MICHAEL G. BERRY
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SUSAN M. TURNER
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JOHN H. HENDREN (1907-1988)
CHARLES H. HOWARD (1925-1970)
JOHN E. BURRUSS, JR. (1933-1985)
GERALD E. ROARK (1956-1995)

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April 7, 2000

FILED³

APR 07 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: In the Matter of the Application of Snappy Phone of Texas, Inc. d/b/a/ Snappy Phone for a Certificate of Authority to provide Basic Local and Interexchange Telecommunications Services within the State of Missouri Case No. TA-2000-372

Dear Mr. Roberts:

Enclosed please find an original plus 14 copies of the Fidelity Bond filed on behalf of Snappy Phone of Texas, Inc. in the above-captioned matter.

If you should have any questions concerning the enclosed materials, please do not hesitate to contact me. Thank you.

Very truly yours,

HENDREN AND ANDRAE, L.L.C.


Richard S. Brownlee, III

RSB/s
Enclosures
cc: Office of Public Counsel
General Counsel
Art McGee
Paul G. Lane

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

HOME OFFICE: BALTIMORE, MD.

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by C. M. PECOT, JR., Vice-President, and C. W. ROBBINS, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which reads as follows:

SEC. 2. The President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgments, decrees, mortgages and instruments in the nature of mortgages, and also all other instruments and documents which the business of the Company may require, and to affix the seal of the Company thereto.

does hereby nominate, constitute and appoint George W. Rogers of Shreveport, Louisiana

its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings.....

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of George W. Rogers, dated, June 13, 1977.

The said Assistant Secretary does hereby certify that the foregoing is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 8th day of April, A.D. 1980.



ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

CW Robbins
Assistant Secretary

By C. M. Pecot, Jr.
Vice-President

STATE OF MARYLAND } ss:
CITY OF BALTIMORE }

On this 8th day of April, A.D. 1980, before the subscriber, a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and qualified, came the above-named Vice-President and Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Baltimore, the day and year first above written.



Charles J. Fisher
Notary Public Commission Expires July 1, 1982

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2 of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 16th day of July, 1969.

RESOLVED: "That the facsimile or mechanically reproduced signature of any Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company, this

4th day of April, 1980.

[Signature]
Assistant Secretary

**Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT**

**Division 240—Public Service Commission
Chapter 32—Telecommunications Service**

ORDER OF RULEMAKING

By the authority vested in the Missouri Public Service Commission under sections 386.040, RSMo 1994 and 386.250, 392.200, 392.450 and 392.451, RSMo Supp. 1999, the commission adopts a rule as follows:

4 CSR 240-32.110 is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on October 1, 1999 (24 MoReg 2341-2343). Those sections with changes are reprinted here. This proposed rule becomes effective thirty days after publication in the *Code of State Regulations*.

**4 CSR 240-32.110 Surety Bonding Requirements for Basic
Local Telecommunications Companies**

(1) To ensure the protection of the basic local telecommunications company end-users and other telecommunications providers, any basic local telecommunications company with less than a two hundred fifty thousand dollars (\$250,000) net book value in telephone plant and/or telephone facilities located in Missouri shall maintain a third-party surety bond issued by a surety authorized to do business in Missouri, an irrevocable bank letter of credit issued by a bank or other financial institution doing business in Missouri, an escrow account at a bank or other financial institution in Missouri, or other mechanism as may be approved by the commission.

(A) The bond, letter of credit, or escrow account shall be in the amount of one hundred thousand dollars (\$100,000), and shall be payable to the Missouri Public Service Commission. Such bond, letter of credit, or escrow account shall be maintained for the benefit of the basic local telecommunications company's end-user customers who have prepaid for services from the basic local telecommunications company or who have given a deposit for services to the basic local telecommunications company. Such bond, letter of credit, or escrow account shall also be maintained for the benefit of any telecommunications company serving as a carrier-of-last-resort that is required to provide transition services to a basic local telecommunications company's end-user customers in the event that the basic local telecommunications company ceases to provide basic local telecommunications services to those end-user customers for any reason other than cause as provided for in its approved tariffs. The basic local telecommunications company shall submit proof that it has complied with this requirement, or that it is exempt. Such proof shall be contained in an application to provide basic local telecommunications services or on a form, provided by the commission, to be filed annually.

(B) The bond, letter of credit, or escrow account shall be maintained as long as the basic local telecommunications company is furnishing basic local telecommunications service in the state of Missouri pursuant to this chapter unless modified or released pursuant to commission order.

(C) The bond shall provide that the issuer of the bond shall notify the commission when the bond is canceled or is otherwise terminated prematurely. The bank or other financial institution that issues a letter of credit or holds an escrow account shall notify the commission when the letter of credit is canceled or the escrow account is closed.

(D) The basic local telecommunications company shall maintain records that identify by customer name, address and telephone number the dollar amount of a customer's prepaid basic local telecommunications services and any held deposits. Such records shall be made available to the commission, upon request.

(E) Claims against the bond, letter of credit, or escrow account shall be paid in the following order: first, claims from end-user customers for return of deposits and for claims for prepaid basic local telecommunications services; second, claims from carriers-of-last-resort for costs incurred by the carrier-of-last-resort for providing end-users with uninterrupted basic local telecommunications service should the basic local telecommunications company cease providing that service for any reason other than cause as provided for in its approved tariffs.

(2) Upon application to the commission, the surety requirement mandated under section (1) may be waived if the basic local

telecommunications company successfully complies with the surety requirement for a period of three (3) consecutive years.

Fidelity and Deposit Company

HOME OFFICE

OF MARYLAND

BALTIMORE, MD. 21203

LICENSE AND/OR PERMIT BOND

KNOWN ALL MEN BY THESE PRESENTS:

That we, Snappy Phone of Texas, Inc. and R. Daniel Hyde, Jr. as Principal, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, incorporated under the laws of the State of Maryland, with principal office in Baltimore, Maryland, as Surety, are held and firmly bound unto The Missouri Public Service Commission, as Obligee, in penal sum of One Hundred Thousand (\$100,000.00) Dollars, Lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly, by these presents.

WHEREAS, the above bounden Principal has obtained or is about to obtain from the said Obligee a license or permit for a Basic Local Telecommunications Company, and the term of said license or permit is as indicated opposite the block checked below:

Beginning the _____ day of _____ 2000. and ending the _____ day of _____ 20____.

XX Continuous, beginning the 4th day of April, 2000.

WHEREAS, the Principal, in establishing compliance with Section 392.455, RSMO, Supp. 1999, is filing with the Missouri Public Service Commission a bond for the above indicated term and conditioned as hereinafter set forth.

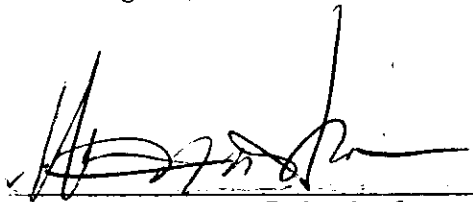
NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal as such licensee or permittee shall indemnify said Obligee against all loss, costs, expenses of damage to the Principal's end-user customers and carriers of last resort caused by said Principal's non-compliance with or breach of obligations that the Principal hereby undertakes, to protect its end-user customers as is stated in Appendix A hereto to apply to "any basic local telecommunication company with less than a two hundred fifty thousand dollars (\$250,000) net book value in telephone plant and/or telephone facilities located in Missouri or of any laws, statutes, ordinances, rules or regulations pertaining to such license or permit issued to the Principal, which said breach or non-compliance shall occur during the term of this bond, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, that if this bond is for a fixed term it may be continued by Certificate executed by the Surety hereon; and

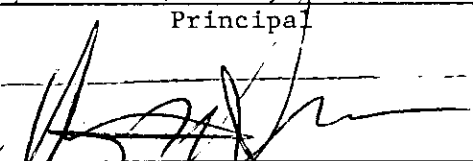
PROVIDED FURTHER, that regardless of the number of years this bond shall continue or be continued in force and of the number of premiums that shall be payable or paid the Surety shall not be liable hereunder for a larger amount, in the aggregate, than the amount of this bond, and

PROVIDED FURTHER, that if this is a continuous bond and the Surety shall so elect, this bond may be cancelled by the Surety as to subsequent liability by giving thirty (30) days notice in writing to said Obligee.

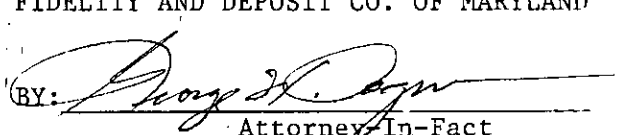
Signed, sealed and dated the 4th day of April, 2000.

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Principal,
R. Daniel Hyde, Jr.

Snappy Phone of Texas, Inc.
Principal

BY: 
Principal
R. Daniel Hyde, Jr.

FIDELITY AND DEPOSIT CO. OF MARYLAND

BY: 
Attorney-In-Fact
George W. Rogers