

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 28th
day of September, 1993.

In the matter of the application of)
Capital Network System, Inc. for authority)
to operate as competitive telecommunications))
provider of interexchange services in the)
state of Missouri.)

Case No. TA-93-347

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY

On June 23, 1993, Capital Network System, Inc. (Capital or Applicant) applied for a certificate of service authority under Chapter 392, RSMo (Supp. 1992) to provide competitive intrastate interexchange telecommunication services in the state of Missouri. Pursuant to Section 392.361, Applicant also requests that the Commission classify it as a competitive telecommunications company and waive compliance with the statutes and Commission regulations referenced below. The Commission issued its Order and Notice on July 23, 1993, setting an intervention deadline of August 23, 1993. There were no motions for hearing and no one requested intervention. On August 27, 1993, the Staff of the Missouri Public Service Commission (Staff) filed its Memorandum recommending approval of Company's Application.

The requirement of a hearing has been fulfilled when all those having a desire to be heard are offered such an opportunity. In this case, notice was sent by the Commission. Interested persons or entities were directed to intervene on or before August 23, 1993. Since no proper party or governmental entity filed an application to intervene and there are no outstanding requests for a hearing, the Commission determines that an oral hearing is not necessary and the Applicant may submit evidence in support of its Application by verified

statement. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

The Commission finds that Applicant is a foreign corporation authorized to do business in the state of Missouri, with its principal office or place of business located at 600 Congress Avenue, Suite 1360, Austin, Texas 78701. The Commission further finds that Applicant has filed current financial information and a brief description of the type of service it proposes to provide, and has agreed to comply with all applicable rules and regulations of the Commission and any terms and conditions which the Commission may impose.

By its recommendation filed herein, Staff states that Applicant's proposed services are the same as those classified as competitive in Case No. TO-88-142, *In re the investigation for the purpose of determining the classification of the services provided by interexchange telecommunications companies within the State of Missouri*, Mo. P.S.C. (N.S.) 16 (September 1989). Staff therefore recommends that the Commission grant Applicant competitive status.

Based upon the verified statement of Applicant and Staff's recommendation, the Commission finds that all of the services Applicant proposes to offer are competitive and that Applicant should, therefore, be classified as a competitive company. The Commission further finds that the waiver of the following statutory and regulatory requirements is, pursuant to Section 392.361(5), reasonable and not detrimental to the public interest.

Pursuant to Section 392.470, the Commission determines that certain regulatory requirements should be imposed upon resellers authorized to provide telecommunication services in Missouri. Since the Applicant proposes to operate as a reseller of telecommunication services in this state, the Commission finds that the following regulatory requirements should be imposed upon Applicant as reasonable and necessary conditions of certification:

- (1) Applicant is required to comply with reasonable requests by the Staff for financial and operating data to allow the Staff to monitor the intraLATA toll market pursuant to Section 386.320.3.
- (2) Applicant is required to file tariffs containing rules and regulations applicable to customers, a description of the services provided and a list of rates associated with the services pursuant to Section 392.220 and 4 CSR 240-30.010.
- (3) Applicant's tariff filing must also contain a preliminary section which states that Company is a competitive carrier and identifies the statutory and rule waivers herein granted.
- (4) Applicant is precluded from unjustly discriminating between and among its customers pursuant to Section 392.200 and Section 392.400.
- (5) Applicant is required by Sections 386.570, RSMo 1986, and 392.360, to comply with all applicable rules of the Commission except those which have specifically been waived by this Order.
- (6) Applicant is required to file a Missouri-specific annual report pursuant to Section 392.210 and Section 392.390.1.
- (7) Pursuant to Section 392.390.3, Applicant is required to comply with the jurisdictional reporting requirements as set out in each local exchange company's access services tariff.
- (8) A copy of the jurisdictional report submitted to local exchange companies shall be submitted to the Staff on a confidential basis within ten (10) days of the date on which they are submitted to the local exchange company.

The Commission also finds that Applicant shall file appropriate tariffs within thirty (30) days of the effective date of this Order. The certificate to

be granted herein will become effective only upon approval by the Commission of these tariffs.

The Commission finds that additional competition in the intrastate interexchange market is in the public interest and a certificate of service authority should be granted. The Commission also has found that all the services Applicant proposes to offer are competitive and that waiving the statutes and Commission rules set out below is reasonable and not detrimental to the public interest. Therefore, the Commission concludes that Applicant should be classified as a competitive company pursuant to Section 392.361.

IT IS THEREFORE ORDERED:

1. That Capital Network System, Inc. be granted hereby a certificate of service authority to provide intrastate interexchange telecommunication services in Missouri. This certificate of service authority is subject to the conditions of certification set out herein and shall not become effective until the Commission approves Applicant's tariffs.

2. That Capital Network System, Inc. be classified hereby as a competitive telecommunications company for which the effect of the following statutory and regulatory requirements shall be waived:

Statutes

392.240(1) - ratemaking
392.270 - valuation of property (ratemaking)
392.280 - depreciation accounts
392.290 - issuance of securities
392.310 - stock and debt issuance
392.320 - stock dividend payment
392.330 - issuance of securities, debt and notes
392.340 - reorganization(s)

Commission Rules

4 CSR 240-10.020 - depreciation fund income
4 CSR 240-30.010(2)(C) - rate schedules
4 CSR 240-30.060(5)(B)
through (0) - records re: ratemaking
4 CSR 240-32.030(1)(B) - exchange boundary maps
4 CSR 240-32.030(1)(C) - record keeping
4 CSR 240-32.030(2) - in-state record keeping

- 4 CSR 240-32.050(3) - local office record keeping
- 4 CSR 240-32.050(4) - telephone directories
- 4 CSR 240-32.050(5) - call intercept
- 4 CSR 240-32.050(6) - telephone number changes
- 4 CSR 240-32.070(4) - public coin telephone
- 4 CSR 240-33.030 - minimum charges rule

3. That Capital Network System, Inc. shall file tariffs, as described by this order, within thirty (30) days of the effective date of this Order; that said tariffs shall, by index or preface, identify Company as a competitive company and identify each statute or regulation waived by this order.

4. That the Applicant shall file its PIU reports as set out herein.

5. That this Order shall become effective on October 8, 1993.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., Perkins and
Kincheloe, CC., Concur.
McClure and Crumpton, CC., Absent.