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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 27th day of January, 1998.

In the Matter of the Application of Sterling International Funding, Inc. d/b/a Reconex for a Certificate of Service Authority to Provide Basic Local Telecommunications Service in Portions of the State of Missouri and to Classify Said Services and the Company as Competitive.)
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) Case No. TA-97-451
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ORDER APPROVING TARIFF

The Commission granted to Sterling International Funding, Inc. d/b/a RECONEX (Reconex) a certificate of service authority to provide basic local exchange telecommunications services in Missouri by Report and Order issued on October 7, 1997. The Report and Order, which took effect on October 17, directed the company to file tariff sheets reflecting the rates, rules, and regulations it will use and the services it will offer, and provided that Reconex's certificate would become effective concurrent with the effective date of the company's proposed tariffs.

Reconex filed its tariff (MOPSC No. 1) on November 14, with an effective date of December 15. Reconex simultaneously filed a Certification of Notice of Tariff Filing which was served on all parties to this case. The company filed substitute sheets on December 31, and on January 8 and 16, 1998, and extended the tariff effective date to January 29.

The Commission's Staff (Staff) reviewed the tariff sheets and filed its Memorandum on January 20. Staff stated that MOPSC No. 1 applies to resold two-way switched voice service within SWBT's territory. Also,

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Reconex's tariff covers SWBT's local calling scope. Reconex customers would be able to call 911 and toll-free 800 or 888 numbers, but would not have access to toll calling, local or long distance operator calling, or local or long distance directory assistance.

Staff stated that Reconex intends to offer service at a rate of \$49.95 per month plus all applicable taxes, assessments and surcharges. Reconex offers its services on a prepaid basis and does not require deposits from its customers. However, customers would be required to pay for service with cash or by money order or certified check. The optional feature of nonpublished number is rated at \$5.00 per month plus \$20.00 for installation. Call waiting and three-way calling would be made available as a package for \$10.00 per month plus a \$20.00 installation fee, which would be waived if ordered in conjunction with an initial service order. Caller ID is priced at \$10.00 per month plus a \$15.00 installation fee, which would also be waived if ordered in conjunction with an initial service order. When a customer initiates service, the customer would be required to pay \$49.95 for the first month's service and a one-time "initiation fee" of \$69.00. If a customer is unable to pay in full the charges due prior to disconnection, the customer may extend the due date by paying a fee of \$10.00 prior to the end of the prepaid service period, and then resume service for a reconnection fee of \$49.00 rather than the full initiation fee of \$69.00. The \$10.00 extension fee extends the due date for ten days.

The rights and responsibilities of Reconex's customers are set forth in a "Statement of Residential Customer Rights and Responsibilities" (Customer Statement) that is mailed to them when they initiate service. The installation fee and first month's charges are fully refundable for ten

business days following the date on which the Customer Statement is mailed. This Customer Statement sets forth all rates and charges, payment arrangements, and procedures for disconnection or suspension of service, reconnection of service and handling inquiries, and explains that toll and caller-paid information services are blocked.

The Staff recommended that the Commission approve Reconex's tariff, stating that the tariff complies with the Commission's rules and regulations.

The Commission has reviewed the tariff sheets, the Staff's recommendation, and the pleadings in this case and other prepaid basic local certificate cases. The Commission finds that Reconex's tariff contains rates and terms and conditions that are similar to the tariffs approved in Case No. TA-97-342 and Case No. TA-97-196. The Commission notes that Reconex's Customer Statement fails to notify its customers that they will not have access to local or long distance operator service or directory assistance. The Commission finds that such information should also be provided at the time the Customer Statement is mailed.

In addition, the Commission notes that the tariff language that would require Reconex's customers to pay by money order or certified check cannot apply to situations where customers have been disconnected. The Commission's rule on disconnection of service, 4 CSR 240-33.070(9), requires telecommunications companies in Missouri to allow customers to pay by personal check when they restore service following a disconnection, unless the customer has tendered a check to the company within the past twelve months that was dishonored by the bank. Reconex has not requested a waiver of the application of this rule. Therefore, Reconex must permit

payment by personal check under the circumstances addressed by the rule, regardless of the language in its tariff.

The Commission finds that the tariff sheets conform to the Commission's order of October 7, are reasonable and should be approved as amended to become effective on January 29, 1998. The Commission concludes that the conditions stated in the October 7 order for Reconex's certificate of service authority to provide basic local exchange telecommunications service will be fulfilled at the time MOPSC No. 1 takes effect.

THEREFORE, IT IS ORDERED:

1. That the tariff sheets filed by Sterling International Funding, Inc. d/b/a RECONEX on November 14, 1997, are approved as amended to become effective on January 29, 1998. The tariff sheets approved are:

MOPSC No. 1

Original Sheet No. 1 through Original Sheet No. 37

2. That Sterling International Funding, Inc. d/b/a RECONEX shall mail the following information to its customers, at least ten business days prior to the date on which its initiation fee of \$69.00 and any monthly charges collected prior to provision of service become nonrefundable:

a. The Statement of Residential Customer Rights and Responsibilities on Original Sheets 24 through 27 of the tariff;

b. The information regarding lack of long distance and local operator and directory assistance services described in Section 3.2.A., on Original Sheet 20 of the tariff; and

c. A statement that the customer's \$69.00 initial fee and any monthly charges collected prior to the

provision of service are refundable for ten days following the date on which the packet containing the statement and information is postmarked.

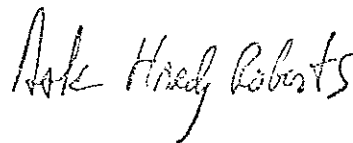
3. That Sterling International Funding, Inc. d/b/a RECONEX shall permit customers to pay by personal check under the circumstances described in 4 CSR 240-33.070(9).

4. That the certificate of service authority granted to Sterling International Funding, Inc. d/b/a RECONEX on October 7, 1997, to provide basic local exchange telecommunications service shall take effect on January 29, 1998.

5. That this order shall become effective on January 29, 1998.

6. That this case shall be closed on January 30, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer
and Murray, CC., concur.

Randles, Regulatory Law Judge