

11/15

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of Everest)
Connections Corporation for a Certificate of)
Service Authority to Provide Basic Local) Case No. TA-2000-452
Telecommunications Service in Portions of)
the State of Missouri and to Classify Said)
Services and the Company as Competitive.)

ORDER GRANTING CERTIFICATE TO PROVIDE BASIC LOCAL
TELECOMMUNICATIONS SERVICES

Procedural History

Everest Connections Corporation (Everest or Applicant) filed an application with the Commission on January 20, 2000. Everest amended this application by filing its First Amended Application on March 1, 2000. On April 5, 2000, Everest further supplemented its application by filing a \$100,000.00 surety bond to demonstrate and assure its financial resources.

Based on its amended application Everest requests a certificate of service authority to provide resold and facilities-based basic local telecommunications services in the State of Missouri pursuant to Sections 392.361, 392.420, 392.430, 392.440, RSMo 1994, and 392.410 and 392.450, RSMo Supp. 1999, and 4 CSR 240-2.060. Everest requests competitive classification of its services and company and an order waiving certain Commission rules and statutory provisions pursuant to the federal Telecommunications Act of 1996.

Everest seeks authority to provide its services throughout all exchanges currently served by the incumbent local exchange telecom-

munications companies of Southwestern Bell Telephone Company (SWBT), Sprint/United Telephone Company (Sprint), and GTE Midwest, Inc. (GTE).

Applicant is a Delaware Corporation registered to transact business in Missouri, with its principal offices located at 425 South Woods Mill Road, Suite 300, Town and Country, Missouri 63017. Applicant seeks classification as a competitive company and waiver of certain statutes and rules as authorized by Sections 392.361 and 392.420, RSMo¹.

The Commission issued a notice and schedule of applicants on January 25, 2000, directing interested parties wishing to intervene to do so by February 24, 2000. SWBT filed a timely application to intervene on February 7, 2000. The Commission granted intervention in an order issued on February 28, 2000.

Applicant, SWBT and the Staff of the Missouri Public Service Commission (Staff) entered into and filed a Stipulation and Agreement (Agreement), which is included with this order as Attachment 1, on April 17, 2000. In the Agreement, the parties waived their rights to present testimony, cross-examine witnesses, present oral argument or briefs, and to seek rehearing or judicial review. The Staff filed Suggestions in Support of the Stipulation and Agreement on April 18, 2000.

The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v.

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

) Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the application.

Discussion

Applicant seeks certification to provide basic local exchange services in portions of Missouri that are currently served by SWBT, GTE and Sprint. Applicant is not asking for certification in any area that is served by a small incumbent local exchange provider. Applicant proposes to provide service in the exchanges currently served by SWBT, GTE and Sprint as listed in those companies' Missouri local exchange tariffs and as described in Appendix B to its amended application.

) Applicant is requesting that it and its proposed services be classified as competitive and that the application of certain statutes and regulatory rules be waived.

A. Requirements of 4 CSR 240-2.060(4)

Commission Rule 4 CSR 240-2.060(4) requires a foreign corporation applying for certification to provide telecommunications services in Missouri to include in its application a certificate from the Missouri Secretary of State showing that it is authorized to do business in Missouri, 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 at least a 45-day effective date.

) The Applicant has requested a temporary waiver of the tariff filing requirements. No party to this proceeding has objected. The parties have agreed to certain conditions for this waiver. Applicant has

)

agreed to submit its tariff for Commission approval after it reaches an interconnection agreement with an underlying carrier with such tariffs having a minimum 45-day effective date. Upon filing such tariffs, the Applicant shall notify the parties to this proceeding and provide copies upon request. Certain additional written disclosures are also to occur upon the filing of an initial tariff. Applicant has agreed to file with the Commission and provide all the parties to this proceeding a written disclosure of all interconnection agreements that affect its Missouri service areas; disclose all portions of its Missouri service area for which it does not have interconnection agreements with an incumbent local exchange carrier; and provide its explanation of why an interconnection agreement for such areas is not necessary.

B. Basic Local Service Certification

)

Section 392.455, RSMo Supp. 1999, sets out the requirements for granting certificates to provide basic local telecommunications service to new entrants. A new entrant must: (1) possess sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service; (2) demonstrate that the services it proposes to offer satisfy the minimum standards established by the Commission; (3) set forth the geographic area in which it proposes to offer service and demonstrate that such area follows exchange boundaries of the incumbent local exchange telecommunications company and is no smaller than an exchange; and (4) offer basic local telecommunications service as a separate and distinct service. In addition, the Commission must give due

)

) consideration to equitable access for all Missourians to affordable telecommunications services, regardless of where they live or their income.

Applicant submitted as appendices C and D to its amended application copies of biographies of its senior management team and financial data. Subsequently, Applicant submitted a surety bond in the amount of \$100,000.00 as appendix D supplementing its amended application. These materials, including the assurance provided by way of the surety bond, demonstrate that the Applicant has sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service. The parties also agreed, and did not controvert, that Applicant presented evidence of sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.

Applicant has agreed to provide services that will meet the minimum basic local service standards required by the Commission, including quality of service and billing standards. The parties agreed that Applicant proposes to offer basic local services that satisfy the minimum standards established by the Commission.

Applicant wishes to be certificated to offer services in all the exchanges presently served by SWBT, GTE and Sprint as described in the basic local exchange tariffs of those companies. The parties agreed that Applicant has sufficiently identified the geographic area in which it proposes to offer basic local service and that the area follows the incumbent local exchange carrier's exchange boundaries and is no smaller than an exchange.

Applicant has agreed to offer basic local telecommunications service as a separate and distinct service and to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it will offer basic local services in compliance with Section 392.455, RSMo Supp. 1999.

C. Competitive Classification

The Commission may classify a telecommunications provider as a competitive company if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. Section 392.361.2, RSMo. In making that determination, the Commission may consider such factors as market share, financial resources and name recognition, among others. In the Matter of the Investigation for the Purpose of Determining the Classification of the Services Provided by Interexchange Telecommunications Companies Within the State of Missouri, 30 Mo. P.S.C. (N.S.) 16 (1989); In the Matter of Southwestern Bell Telephone Company's Application for Classification of Certain Services as Transitionally Competitive, 1 Mo. P.S.C. 3d 479, 484 (1992). The Commission has found that whether a service is competitive is a subject for case-by-case examination and that different criteria may be given greater weight depending upon the service being considered. *Supra*, 1 Mo. P.S.C. 3rd at 487. In addition, all the services a competitive company provides must be classified as competitive. Section 392.361.3, RSMo.

The parties have agreed that Applicant should be classified as a competitive telecommunications company. The parties have also agreed that Applicant's switched exchange access services may be classified as a

) competitive service, conditioned upon certain limitations on Applicant's ability to charge for its access services. Applicant has agreed that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for the large incumbent local exchange carrier(s) within whose service area(s) Applicant seeks to operate. The parties have agreed that the grant of service authority and competitive classification to Applicant should be expressly conditioned on the continued applicability of Section 392.200, RSMo Supp. 1999, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1999, and 392.230, rather than Sections 392.500 and 392.510.

The parties agreed that waiver of the following statutes is appropriate: Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1999, and 392.340. The parties also agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

D. Proposed Tariff

As noted above, the Applicant has requested a temporary waiver of the tariff filing requirements.

Findings of Fact

) The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

A. The Commission finds that competition in the basic local exchange telecommunications market is in the public interest.

B. The Commission finds that Applicant has met the requirements of 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services or requested an appropriate waiver.

C. The Commission finds that Applicant meets the statutory requirements for provision of basic local telecommunications services and has agreed to abide by those requirements in the future. The Commission determines that granting Applicant a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. Applicant's certificate shall become effective when its tariff becomes effective.

D. The Commission finds that Applicant is a competitive company and should be granted waiver of the statutes and rules set out in the ordered paragraph below.

D. The Commission finds that Applicant's certification and competitive status should be expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1999, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1999, and 392.230, rather than Sections 392.500 and 392.510.

E. The Commission finds that a temporary waiver of the requirement to file a tariff under 4 CSR 240-2.060(4)(H) as requested and agreed by the parties, shall be granted; provided, however, this case shall not be held open pending the filing of tariffs.

Safekeeping of Bond

As noted, Everest supplemented its application by filing a surety bond. This bond was filed in the Commission's Records Room. In order to assure the safekeeping of the surety bond and its availability as may be required, the Commission will direct that the Commission's Secretary provide for the bond to be placed in the Commission's safe maintained by the Commission's administration division. Inspection of and copies of the bond may be provided as requested, however, the bond shall not be released from the custody of the Commission or Commission's Secretary except by order of the Commission and pursuant to Sections 386.090 and 386.240.

Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law:

The Commission has the authority to grant certificates of service authority to provide telecommunications service within the state of Missouri. Applicant has requested certification under Sections 392.420 - .440, and Sections 392.410 and .450, RSMo Supp. 1999, which permit the Commission to grant a certificate of service authority where it is in the public interest. Sections 392.361 and .420 authorize the Commission to modify or suspend the application of its rules and certain statutory provisions for companies classified as competitive or transitionally competitive.

The federal Telecommunications Act of 1996 and Section 392.455, RSMo Supp. 1999, were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunica-

tions consumers. See Section 392.185, RSMo Supp. 1999. The Commission has the legal authority to accept a Stipulation and Agreement as offered by the parties as a resolution of the issues raised in this case, pursuant to Section 536.060, RSMo Supp. 1999. Based upon the Commission's review of the applicable law and Stipulation and Agreement of the parties, and upon its findings of fact, the Commission concludes that the Stipulation and Agreement should be approved.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement of the parties, filed on April 17, 2000, is approved.

2. That Everest Communications Corporation is granted a certificate of service authority to provide basic local telecommunications services in the state of Missouri, subject to the conditions of certification set out in this order and 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 Everest Communications Corporation 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
392.270 - valuation of property (ratemaking)
392.280 - depreciation accounts
392.290.1 - 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 240-30.040 - uniform system of accounts
4 CSR 240-35 - reporting of bypass and
customer-specific arrangements

4. That Everest Communications Corporation's certification and competitive status are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1999, and on the requirement that any increases in switched access service rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1999, and 392.230, rather than Sections 392.500 and 392.510.

5. That Everest Communications Corporation request for a temporary waiver of 4 CSR 240-2.060(4)(H) regarding its tariff filing is granted. When the company submits its tariffs for Commission approval such tariffs shall have a minimum 45-day effective date and the company shall serve written notice upon the parties to this case of the tariff filing, and shall provide copies of the tariffs to such parties upon request. When filing its initial basic local tariff, the company shall also file and serve the parties to this case a written disclosure of all interconnection agreements that affect its Missouri service areas; a disclosure of all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary in any such areas.

6. That the Commission's Record's Department, acting under the supervision of the Commission's Secretary, shall deliver the original surety bond filed in this case to the Commission's Administrative Division so that the bond may be kept in the Commission's safe and made available for inspection or copying as requested. The bond shall not be released from the custody of the Commission or Commission's Secretary except by order of the Commission.

7. That this order shall become effective on May 9, 2000.

8. That this case may be closed on May 10, 2000.

BY THE COMMISSION



(S E A L)

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Keith Thornburg, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1)
(November 30, 1995) and
Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 27th day of April, 2000

FILED

APR 17 2000

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

Missouri Public
Service Commission

In the Matter of the Application of)
Everest Connections Corporation for)
a Certificate of Service Authority to) Case No. TA-2000-452
provide Basic Local Telecommunications)
Service in portions of the State of Missouri)
and to Classify Said Services and the)
Company as Competitive.)

JOINT STIPULATION AND AGREEMENT

1. Everest Connections Corporation ("Everest" or "Applicant") initiated this proceeding on January 20, 2000 by filing an Application requesting a certificate of service authority to provide facilities-based basic local telecommunications service in exchanges currently served by Southwestern Bell Telephone Company ("SWBT"), GTE Midwest Incorporated ("GTE") and Sprint Missouri, Inc. d/b/a Sprint ("Sprint"). The Commission issued its standard Notice of Applications, which included this case, on January 25, 2000 and set an intervention deadline of February 24, 2000.

2. On January 26, 2000 the Commission issued a Notice of Deficiency relating to portions of Everest's application. On February 3, 2000, Everest filed its Proof of Service for service to the Office of the Public Counsel. SWBT filed its Application to Intervene by letter and pleading dated February 4, 2000, which was deemed filed by the Commission on February 7, 2000. By Order issued on February 28, 2000 the Commission granted SWBT intervention and directed the parties to file a proposed procedural schedule on or before March 22, 2000. No other party has sought or has been granted intervention.

On March 1, 2000 Everest filed its First Amended Application, wherein, *inter alia*,

Applicant removed its initial request for authority to provide interexchange services and added its request for authority to provide resold (in addition to facilities-based) basic local service. On March 6, 2000 Everest received a letter from Staff questioning the sufficiency of the financial information contained in the First Amended Application. On March 14, 2000 Everest filed a Motion For Extension of Time, which was granted by the Commission by its order issued on March 20, 2000. On March 27, 2000 Everest filed its Supplemental Appendix D, which was a surety bond in the amount of one-hundred thousand dollars (\$100,000.00). On March 28, 2000, Staff advised counsel for Applicant that Staff desired certain modifications be made to the bond. On March 30, 2000 Everest filed its Motion For Withdrawal and Immediate Return of Original Surety Bond. On April 5, 2000 the Commission issued its Order Approving Motion To Return Surety Bond and on that same date Everest filed Substitute Supplemental Appendix D, which is a revised surety bond in the amount of one hundred thousand dollars (\$100,000.00).

3. For purposes of this Stipulation and Agreement, the parties agree that applications for basic local exchange authority in exchanges served by "large" local exchange companies (LECs)¹ should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

4. In determining whether Applicant's application for certificate of service authority should be granted, the Commission should consider Applicant's technical, financial and managerial resources and abilities to provide basic local telecommunications service.

¹ Large LECs are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. Supp. 1999. In Missouri, the current large LECs are SWBT, GTE and Sprint.

) Applicant must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including, but not limited to, the Applicant agreeing to file and maintain basic local service tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies with which the applicant seeks to compete. Further, Applicant agrees to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which the applicant seeks to compete. Notwithstanding the provisions of Section 392.500 RSMo 1994, as a condition of certification and competitive classification, Applicant agrees that, unless otherwise ordered by the Commission, the Applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for the large incumbent LEC(s) within whose service area(s) Applicant seeks authority to provide service. Further, Applicant agrees to offer basic local telecommunications service as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service. Such area must follow exchange boundaries of the incumbent local exchange telecommunications companies and must be no smaller than an exchange. Finally, Applicant agrees to provide equitable access to affordable telecommunications services, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of residence or their income. See Section 392.455 RSMo Supp. 1999.

-) 5. Applicant has submitted its application without tariffs and seeks a temporary waiver

of 4 CSR 240-2.060(4)(H)². Applicant agrees to file its initial tariff(s) in this certification case and serve all parties with written notice at the time the initial tariff(s) is/are submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff(s) will be provided by Applicant to such parties immediately upon request. Any service authority granted pursuant to this Application shall be regarded as conditional and shall not be exercised until such time as the tariff for services shall have become effective. When filing its initial basic local tariff(s), Applicant shall also file and serve a written disclosure of all resale or interconnection agreements which affect Applicant's Missouri service areas, all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier, and its explanation of why such an interconnection agreement is unnecessary for such areas.

6. Applicant has requested, pursuant to Section 392.420 RSMo 1994 that the Commission waive the application of any or all of the following statutory provisions and rules to basic local telecommunications services, and all parties agree that the Commission should grant such request provided that Section 392.200 RSMo should continue to apply to all of Applicant's services:

STATUTORY PROVISIONS

Section 392.210.2
Section 392.270
Section 392.280
Section 392.290.1
Section 392.300.2

COMMISSION RULES

4 CSR 240-10.020
4 CSR 240-30.040
4 CSR 240-35

²Good cause for failure to file proposed tariffs with the Application must be shown. The lack of an approved interconnection agreement (47 USC 252) constitutes good cause.

Section 392.310
Section 392.320
Section 392.330
Section 392.340

7. In negotiating the remaining provisions of this Stipulation and Agreement, the parties have employed the foregoing standards and criteria, which are intended to meet the requirements of existing law and Sections 392.450 and 392.455 RSMo Supp. 1999 regarding applications for certificates of local exchange authority to provide basic local telecommunications services.

B. EVEREST'S CERTIFICATION

8. Applicant has submitted, as Appendix B to its First Amended Application, a listing of the specific exchanges in which it seeks authority to provide service. The exchanges so identified are those currently served by SWBT, GTE and Sprint. Applicant hereby agrees that its First Amended Application should be deemed further amended as required to include by reference the terms and provisions described in paragraphs 4-6 hereinabove and paragraph 11 below to the extent that its Application might be inconsistent therewith. The signatory parties further agree that in order to correct a typographical error in Everest's First Amended Application, the word "Communications" be replaced by the word "Connections" wherever Applicant's full name might appear such that the First Amended Application correctly refers to "Everest Connections Corporation".

9. Based upon its verified Application, as amended by this Stipulation and Agreement, Applicant asserts and no other party makes a contrary assertion, that there is sufficient evidence from which the Commission should find and conclude that Applicant:

A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service and local exchange telecommunications service, including exchange access service;

B. proposes and agrees to offer basic local services that will satisfy the minimum standards established by the Commission;

C. has sufficiently identified the geographic area in which it proposes to offer basic local service and such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;

D. will offer basic local telecommunications services as a separate and distinct service;

E. has agreed to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services; and

F. has sought authority which will serve the public interest.

10. Applicant asserts, and no party opposes, that Applicant's application and request for authority to provide basic local telecommunications service, including exchange access service, should be granted. All services authorized herein should be classified as competitive telecommunications services, provided that the requirements of Section 392.200 RSMo Supp. 1999 continue to apply, and Applicant shall be classified as a competitive telecommunications company. Applicant asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of

regulation of Applicant's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for the services becoming effective. Such authority should be conditional, not to be exercised until such time as tariffs for those services have been filed (together with the written disclosure as stipulated above) and have become effective. The Commission's Order should state the foregoing conditions substantially as follows:

"The service authority and service classification herein granted are subject to the requirements of Section 392.200 RSMo and are conditional and shall not be exercised until such time as tariffs for services have become effective."

The parties also agree that the Applicant's switched exchange access services may be classified as competitive services. The parties further agree that the Applicant's switched exchange access services are subject to Section 392.200 RSMo Supp. 1999. The parties recognize the pendency of Case No. TO-99-596, regarding access rates to be charged by competitive local exchange telecommunications companies. Unless otherwise determined by the Commission in Case No. TO-99-596, any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 4 herein shall be cost justified and shall be made pursuant to 392.220 and 392.230 and not 392.500 and 392.510 RSMo Supp. 1999.

The Commission's order should state the foregoing conditions substantially as follows:

"Unless otherwise ordered by the Commission, the service authority and service classification for switched access service granted herein is expressly conditioned on the continued applicability of Section 392.200 RSMo Supp. 1999 and the requirement that any increases in switched access service rates above the maximum switched access

service rates set forth herein shall be cost justified and shall be made pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510 RSMo Supp. 1999.

11. Applicant's request for a temporary waiver of 4 CSR 240-2.060(4)(H), which requires applications to include a proposed tariff with a 45-day effective date, is not opposed by the parties and should be granted because, at the time of filing its Application, Applicant did not yet have approved a resale or interconnection agreement with any incumbent LEC. Applicant agrees that at such time as all facts necessary for the development of tariffs become known, it will submit tariffs in this case, with a minimum 45-day proposed effective date, to the Commission for its approval, together with the written disclosure as stipulated above. Applicant shall serve notice to all parties and participants in this case of the filing of its tariffs at the time they are filed with the Commission, and serve them with the aforesaid written disclosure and shall upon request immediately provide any party with a copy of Applicant's proposed tariff(s). The Commission's order should state these obligations to the temporary waiver of 4 CSR 240-2.060(4)(H), substantially as follows:

"Applicant's request for temporary waiver of 4 CSR 240-2.060(4)(H) is hereby granted for good cause in that Applicant does not yet have an approved resale or interconnection agreement with the incumbent local exchange carriers within whose service areas it seeks authority to provide service; provided, when Applicant submits its tariffs in this case to the Commission such tariffs shall have a minimum 45-day effective date and the Applicant shall serve written notice upon the parties hereto of such submittal, and shall provide copies of such

tariffs to such parties immediately upon request. When filing its initial basic local service tariff in this case, the Applicant shall also file and serve upon the parties hereto a written disclosure of: all resale or interconnection agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have a resale or interconnection agreement with the incumbent local exchange carrier; and its explanation of why such a resale or interconnection agreement is unnecessary for any such areas."

12. Applicant's request for waiver of the applications of the following rules and statutory provisions as they relate to the regulation of Applicant's new services should be granted:

STATUTORY PROVISIONS

Section 392.210.2
Section 392.270
Section 392.280
Section 392.290.1
Section 392.300.2
Section 392.310
Section 392.320
Section 392.330
Section 392.340

COMMISSION RULES

4 CSR 240-10.020
4 CSR 240-30.040
4 CSR 240-35

Applicant agrees to comply with all applicable rules, regulations and statutory obligations except for those which are specifically waived by the Commission.

13. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The Stipulations

herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings.

14. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein: their respective rights pursuant to Sections 536.070(2) and 536.080.1 RSMo, to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo; and their respective rights to seek rehearing pursuant to Section 386.500 RSMo and to seek judicial review pursuant to Section 386.510, RSMo. The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of Applicant's application made herein.

15. The Staff may submit a Staff Recommendation concerning matters not addressed in this Stipulation. In addition, if requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant herein shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties and participants. All memoranda submitted by the parties shall be considered privileged in the same manner as settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in

any future proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of the meeting in which the Staff will respond to the Commission's request of such explanation once such explanation is requested from the Staff. Staff's oral explanation shall be subject to public disclosure.

16. The Office of the Public Counsel, while not a signatory to this Stipulation and Agreement, has been contacted with regard to its filing, and to the signatory parties' best information and belief, has offered no objection.

WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by Everest Connections Corporation, subject to the conditions described above, as expeditiously as possible.

Charles Brent Stewart

Charles Brent Stewart, MoBar #34885
STEWART & KEEVIL, L.L.C.
1001 Cherry Street
Suite 302
Columbia, Missouri 65201
(573) 499-0635

FOR: Applicant, Everest Connections
Corporation

Mimi MacDonald By CBS

Paul G. Lane, MoBar# 27011
Leo J. Bub, MoBar#34326
Mimi MacDonald, MoBar #37606
Southwestern Bell Telephone Company
One Bell Center, Rm. 3510
St. Louis, Missouri 63101
(314) 235-4094

FOR: Southwestern Bell Telephone Company

Respectfully submitted,

Nathan Williams By CBS

Nathan Williams, MoBar # 35512
Assistant General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri
(573) 751-8702

FOR: Staff of the Public Service
Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Stipulation and Agreement was served upon counsel for all parties of record in Case No. TA-2000-452 by depositing a true copy thereof in the United States Mail, postage prepaid, or by hand delivery, this 17th day of April, 2000.

Charles Brent Stewart