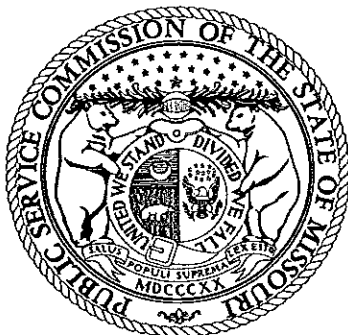


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of the Application of)
Payroll Advance, Inc. for a Certificate of)
Service Authority to Provide Interexchange)
And Local Exchange Telecommunications)
Services in the State of Missouri and For)
Competitive Classification)

Case No. TA-99-405

REPORT AND ORDER

Issue Date: December 23, 1999

Effective Date: January 4, 2000

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)	
Payroll Advance, Inc. for a Certificate of)	
Service Authority to Provide Interexchange)	<u>Case No. TA-99-405</u>
and Local Exchange Telecommunications)	
Services in the State of Missouri and for)	
Competitive Classification)	

APPEARANCES

William Clayton Vandivort, Esq., Dement, Vandivort and Dement, P.O. Box 158, Sikeston, Missouri 63801-0158, for Payroll Advance, Inc.

Michael Dandino, Esq., Senior Public Counsel, P.O. Box 7800, Jefferson City, Missouri 65102-7800, for the Office of the Public Counsel.

Cliff Snodgrass, Esq., Senior General Counsel, Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102-0360, for the Staff of the Missouri Public Service Commission.

SENIOR REGULATORY LAW JUDGE: Bill Hopkins

I. PROCEDURAL HISTORY	4
A. Requirements of 4 CSR 240-2.060(4).....	6
II. ISSUES.....	7
III. DISCUSSION	14
IV. FINDINGS OF FACT	20
V. CONCLUSIONS OF LAW	22
ORDERED PARAGRAPHS:	23

REPORT AND ORDER

I. PROCEDURAL HISTORY

Payroll Advance, Inc. (Payroll) applied to the Missouri Public Service Commission (Commission) on March 23, 1999, for a certificate of service authority to provide basic local telecommunications services to customers in Missouri under Sections 392.410-.450, RSMo 1994 and RSMo Supp. 1998¹. Payroll asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420, RSMo, to wit: Statutes - Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1998, and 392.340; and Commission Rules - 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

Payroll is an Arkansas corporation, with its principal office located at 808 South Baker, Mountain Home, Arkansas.

The Commission issued a Notice of Applications and Opportunity to Intervene on April 6, 1999, directing parties wishing to intervene to file their requests by May 6, 1999. On April 12, 1999, the Office of the Public Counsel (Public Counsel) filed its objections to the approval of Payroll's application and requested a hearing.

On April 14, 1999, Southwestern Bell Telephone Company (SWBT) filed its application to intervene. On May 24, 1999, the Commission

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

entered its order granting intervention to SWBT and ordered the parties to file a procedural schedule no later than June 23, 1999.

On June 23, 1999, the Staff of the Commission (Staff) filed a proposed procedural schedule. On June 30, 1999, Payroll filed no pleading but did file a letter stating that it had no objection to Staff's procedural schedule. On June 30, 1999, the Commission entered its order establishing a procedural schedule with, *inter alia*, dates for the prefiling of testimony and the date of September 23, 1999, for an evidentiary hearing.

On July 22, 1999, Payroll filed its motion for extension of time from July 28, 1999, to August 4, 1999, to file its direct testimony. On August 2, 1999, the Commission entered its order granting Payroll's motion.

A statement of issues was filed by Payroll on August 24, 1999, and a separate statement of issues was filed by Staff and Public Counsel on August 25, 1999. Although the parties differed slightly in their statements of the issues, all parties eventually agreed on the issues as set forth in their statements of positions, which were filed by Public Counsel on August 24, 1999, and by Payroll and Staff on September 9, 1999.

On September 10, 1999, Staff filed its motion to reset the date of the scheduled evidentiary hearing because of the absence of one of its witnesses. On September 16, 1999, the Commission entered its order setting the evidentiary hearing for October 21, 1999.

On October 20, 1999, SWBT filed a request to be excused from the hearing which was granted by the Commission on the record at the evidentiary hearing, which hearing was held as scheduled. Initial briefs were filed by Payroll on November 30, 1999, and by Staff and Public Counsel on December 1, 1999; the reply brief of Payroll was filed on December 14, 1999, and the reply briefs of Public Counsel and Staff were filed on December 15, 1999.

During the hearing, the Commission requested a copy of advertising published by Payroll, which was to be late-filed exhibit number 12, and a copy of Payroll's billing and collection policies, which was to be late-filed exhibit number 13. Late-filed exhibit number 12 was filed on October 29, 1999. By way of a letter to the Commission, Payroll informed the Commission on October 29, 1999, that the only billing and collection policies which Payroll has are contained on the second page of exhibit number 10, as supplemented by Payroll's direct testimony, and, accordingly, no separate exhibit number 13 would be filed.

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

Commission rule 4 CSR 240-2.060(4) requires that an applicant who is not a Missouri corporation and is applying for certification to provide telecommunications services shall include in its application a certificate from the 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 a 45-day effective date. Payroll has provided all the required documentation except for the proposed tariff. Payroll requested a temporary waiver of 4 CSR 240-2.060(4)(H) until it has entered into an interconnection agreement with the underlying local exchange carrier and that agreement has been approved by the Commission.

II. ISSUES

At the hearing, Payroll had the burden of coming forward with sufficient and competent evidence to affirmatively demonstrate that it complies in all respects with the statutes and Commission rules governing its application. After careful consideration of the competent and substantial evidence upon the whole record, including all of the evidence presented and arguments given by the parties on the issues, the Commission has decided that Payroll has met its burden of proof on all relevant issues and the Commission will grant Payroll's application.

The issues, the positions of the parties, and the examination of the evidence concerning the issues is as follows:

1. Does Payroll possess sufficient technical, financial and managerial resources and abilities to provide basic local exchange telecommunications services? Payroll and Staff answered yes, while Public Counsel answered no.

PAYROLL: Charles H. Huck (Huck), the president of Payroll, testified that Payroll was incorporated in Arkansas in 1996 to provide check cashing and cash advance services. Huck stated that Payroll was

authorized to conduct the same business in Missouri in 1996. Huck stated that on November 30, 1998, Payroll was authorized by the Arkansas Public Service Commission to provide competitive local exchange services in that state. Huck stated that Payroll provides telecommunications services in Arkansas through contracts with Century Telephone Enterprises, Inc. and SWBT. For example, Huck testified that Payroll has an interconnection agreement with SWBT in Arkansas. In response to the question of whether Payroll possessed the technical and managerial capability to provide the telecommunications services requested in Missouri, Huck stated that since Payroll repurchases these services from existing providers, the technical and managerial requirements were not arduous. Huck pointed out that Payroll is providing the same services in Arkansas that it is seeking to provide in Missouri.

STAFF: Roberta A. McKiddy (McKiddy), the financial analyst witness for Staff, testified concerning the result of the minimum financial standard as applied to the financial information supplied to Staff by Payroll. McKiddy first explained that the minimum financial standard means that a company must meet one of the following minimum financial standards: (1) a total debt to total capital ratio no greater than 62% and a pretax interest coverage of at least 2.3 times, or (2) a cash balance of four months' operating expenses inclusive of interest expense and taxes. McKiddy stated that Payroll met part number (1) of the minimum financial standard.

Natelle Anna (Anna), the economics witness for Staff, testified on this issue also. Anna stated that Payroll had supplied adequate information to obtain a certificate of service authority to provide basic local exchange telecommunications service. Anna stated that Payroll had met all of the requirements set forth in Commission Rule 4 CSR 240-2.060. Anna stated that Section 392.455, RSMo Supp. 1998, requires that an applicant shall possess sufficient technical, financial and managerial resources and abilities to provide basic local exchange telecommunications services. Anna stated that McKiddy's testimony addressed Payroll's financial resources and abilities and that her testimony would address the technical and managerial resources and abilities. Anna stated that Payroll had presented the technical and managerial credentials of Huck in Exhibit C of Payroll's application. After briefly recounting those credentials, Anna pointed out that the statutes do not quantify or qualify the requirements for technical and managerial resources and abilities. Anna stated that the statutes have no established standard to measure the extent to which an applicant must possess such qualities, simply that Payroll must possess those qualities.

PUBLIC COUNSEL: Barbara A. Meisenheimer (Meisenheimer), the economic witness for Public Counsel, testified that Payroll's experience providing telecommunications services is unknown, based on the information filed by Payroll with the Commission. Meisenheimer stated that while Payroll testified that in Arkansas, it sells local telephone service through existing providers such as SWBT, Payroll

provided few details or facts concerning that operation. Meisenheimer stated that Payroll had given the Commission no information on the number of customers that Payroll serves or the particular services that it offers. Meisenheimer stated that Payroll did not provide a copy of its Arkansas tariff or a copy of its proposed Missouri tariff. Meisenheimer stated that there was little detail for the Commission to review for its decision whether Payroll has the technical, financial and managerial resources and abilities to provide basic services and how Payroll has performed to date in providing those services. Meisenheimer stated that Payroll's technical and management experience in the telecommunications field appears to be very limited. Meisenheimer stated that the only indication that there was any background in telecommunications is the work history of Huck, who indicated that he was a central office equipment installer from 1952 to 1954, and a central office equipment engineer for Western Electric from 1956 to 1959. Meisenheimer stated that Huck did not provide any information concerning the duties and responsibilities, job description or management experience of either position. Meisenheimer stated that Payroll's application did not demonstrate a similar level of technical and managerial expertise demonstrated in other applications for prepaid phone service that she has reviewed. Meisenheimer stated that generally, the other applicants had a substantially greater level of experience.

2. Has Payroll complied with the certification process as required by Sections 392.450 and 392.455, RSMo Supp. 1998? Payroll and Staff answered yes, while Public Counsel answered no.

PAYROLL: Huck stated that the financial exhibits provided to the Commission showed that Payroll had sufficient assets to provide the requested services and meet the financial tests adopted by the Commission. Huck pointed out that Payroll's finances are routinely examined by the Missouri Division of Finance since the check cashing and check advance services are regulated by that division.

STAFF: Anna testified on this issue also. Her testimony on this issue overlapped with testimony on Issue 1 and is discussed under that issue.

PUBLIC COUNSEL: Public Counsel did not present evidence on this issue.

3. Is the certification of Payroll as a local exchange company consistent with the public interest? Payroll and Staff answered yes, while Public Counsel answered no.

PAYROLL: Huck stated that having Payroll as a competitive local exchange carrier (CLEC) in Missouri is consistent with the requirements and goals of state and federal law. Huck stated that granting Payroll's application will increase the consumers' choices for telecommunications services and will provide services to persons who would not otherwise be able to obtain these services.

STAFF: Anna stated that the mission of the Commission is to ensure that consumers receive adequate amounts of safely delivered and

reasonably priced utility services at rates that will provide the utility companies' shareholders the opportunity to earn a reasonable return on their investment. Anna stated that Payroll says that it proposes to provide its basic local telecommunications services to low and moderate income consumers who are unable to obtain local telephone services through existing providers because such consumers have inadequate resources or problem credit histories. Anna stated that this addresses the Commission's mission with respect to consumer interests.

PUBLIC COUNSEL: Meisenheimer stated that, based upon her review, she does not believe that it would be in the public interest and consistent with the interests of consumers to grant Payroll a local exchange certificate of service. Meisenheimer stated that while legislation encourages small entrepreneurs to provide telecommunications services, this does not open the door for any kind of business to become a CLEC and offer local exchange services as a side business to its primary operation. Meisenheimer stated that this appears to be how Payroll will operate. Meisenheimer stated that even though Payroll plans to operate as a reseller of SWBT telecommunications services, that does not lessen the requirement that Payroll have sufficient technical, financial and managerial resources and abilities to provide basic local service. Payroll's application, stated Meisenheimer, together with its supporting information and testimony, do not persuade her that Payroll meets those criteria. The consumer must still be protected, Meisenheimer stated, even under a

competitive environment. Meisenheimer stated that, absent a well-established and reputable history to provide telecommunications or similar services, she believes that it is incumbent upon Payroll to take extra steps in providing enough information in its application to assure the Commission that it is both capable and dedicated to providing this essential service to Missouri customers.

4. If the Commission grants Payroll a certificate for local exchange service, should the Commission attach conditions to that certificate? Payroll answered that there should be no conditions other than those normally imposed on similar applicants. Staff answered that there should be two conditions: (1) that Payroll's originating and terminating access rates should be no greater than the lowest Commission-approved corresponding access rates in effect for the large incumbent local exchange carrier (ILECs) for each service area within which Payroll seeks authority to provide service, and (2) that any increases in switched access service rates above the maximum switched rate access service rates set forth in (1) above, shall be made exclusively pursuant to Sections 392.220, RSMo Supp. 1998, and 392.230 and not 392.500 and 392.510. Public Counsel answered that the conditions which were outlined in Staff's direct testimony should attach to the certificate.

PAYROLL: Payroll did not present evidence on this issue.

STAFF: Anna stated that the Commission has previously established certain requirements for prepaid basic local exchange telecommunications service. Anna stated that prepaid basic local

exchange telecommunications service tariffs must include all rates for all regulated services; a statement that the rates do not include taxes, Relay Missouri surcharge, E-911 surcharge (if applicable), or franchise fees; a statement listing the reasons service can be disconnected or suspended as outlined in Commission Rule 4 CSR 240-33.070; a statement describing how to re-establish service; a statement of residential medical emergency assistance; a 10-day money back guarantee, pro-rated for the number of days service was actually provided; information on how to file a consumer complaint; a statement of the company's inquiry procedures, and a copy of the Customer Rights and Responsibilities Notice for prior Commission approval. Anna stated that these requirements have been enforced in such tariffs as TranStar Communications, LLC, Case Number TA-99-375, Tariff Number 9900643.

PUBLIC COUNSEL: Public Counsel did not present evidence on this issue.

III. DISCUSSION

After reviewing the transcripts and the briefs, it is apparent to the Commission that only two of these four issues need be discussed in this report and order. Issues number 1 (i.e., sufficient ability to offer telecommunications services) and number 3 (i.e., public interest) were contested and thus must be decided. The evidence covering issue number 2 (i.e., compliance with certification statute) generally overlaps issues number 1 and 3, so does not need to be

discussed separately. Also, since neither Payroll nor Public Counsel offered any evidence on issue number 4 (i.e., conditions to be attached to the certificate), this issue was not in controversy and the suggestions contained in the statement of Staff's position is assumed to be acceptable to both Payroll and Public Counsel.

Turning first to the consideration of issue number 1, the Commission has decided that Payroll possesses sufficient financial, technical and managerial abilities and resources to provide basic local exchange telecommunication services to Missouri customers.

McKiddy testified that Payroll met the minimum financial standard, as set forth above, required of telecommunications applicants. McKiddy testified that the amount of the total debt to total capital ratio was derived by taking the sum of the total debt plus the short-term debt and dividing that sum by the total capitalization of Payroll. The amount of the pretax interest coverage, McKiddy testified, was derived by taking the earnings of Payroll before interest payments and taxes and dividing that figure by Payroll's total interest expenses. McKiddy indicated during cross-examination by Public Counsel that there were actually two minimum financial standards that the Staff uses but that an applicant is required to pass only one of those standards. McKiddy stated that Payroll also met the second alternative minimum financial standard test, i.e., a cash balance of four months' operating expenses inclusive of interest expense and taxes.

During the hearing it became clear from Huck's testimony that Payroll had absolutely no significant debt liability, and that Payroll had several hundred thousand dollars in funds deposited in various banks, both in cash and certificates of deposit. Huck elaborated that any debt that Payroll had on the day of the hearing would have come in the mail that day since he pays all current bills upon receipt. Huck further elaborated that Payroll had about \$400,000 in certificates of deposit, plus anywhere from \$330,000 to \$500,000 in cash during any given month.

Also, from an evidentiary standpoint, Public Counsel offered nothing to discredit the Staff's methodology of financial analysis, and Public Counsel failed to propose any other standard of its own. Therefore, based upon the evidence of record, the Commission can reach no other conclusion than that Payroll satisfied the requirement of sufficient financial resources and abilities.

From a technical abilities standpoint, Anna offered testimony that the owner of Payroll had worked for about five years as a central office equipment installer and engineer for Western Electric. In addition, Anna stated that Payroll will be relying primarily on the technical expertise of the underlying carrier to provide the service because Payroll will be functioning as a reseller of these telecommunication services. More importantly, Anna testified that Payroll will not have to have much technical expertise because it will be "...basically faxing orders and that type of thing....[T]here is no specific technical requirement to achieve that."

Huck corroborated Anna's testimony that applications for telephone service are faxed from Payroll's branch offices to its headquarters, and from there, to the ILECs to initiate service. Huck also confirmed Payroll's reliance on the technical ability of the actual carrier, because if there are any problems with the service, Payroll contacts the underlying provider on the customer's behalf to initiate repairs.

Based upon the foregoing, the Commission concludes that the evidence offered by both the Staff and Payroll was sufficient to establish that Payroll had the technical abilities necessary to provide resold telecommunications service to Missouri customers.

The managerial capability of Payroll was reflected through the experience of its owner, Huck. This individual owned and operated a ceramics manufacturing plant employing about fifty people for twenty years. In addition, Huck owned and operated a trucking and truck leasing business for approximately nine years. Huck has clearly shown an ability to sustain successful business operations over time.

Payroll has also shown capacity for growth; the evidence indicated that it has seventeen branch offices. This tendency for growth on the part of Payroll does not reflect a deficiency in management; to the contrary, illustrates business acumen, especially in light of the excellent overall financial condition of the company. The efficacy of Huck's management ability is aptly illustrated by testimony from both Huck and Staff that the Arkansas Public Service

Commission currently has no complaints on record filed against Payroll in connection with its telecommunications business in that state.

Therefore, based upon the successful business and management history of the owner of Payroll, it is evident that Payroll has demonstrated that it has adequate management resources and abilities to provide basic local telecommunications services in Missouri.

Turning next to the consideration of issue number 3, the Commission has decided that the certification of Payroll as a local exchange company is consistent with the public interest.

Subsection (a) of Section 257 of the Telecommunications Act of 1996 (the Act) sets out a national public policy that encourages the entry of smaller businesses into the telecommunications service marketplace. That legislation does more, however, than just provide a national philosophy. The Act directs the Federal Communications Commission to identify and eliminate market entry barriers for entrepreneurs and other small businesses. Our national public policy is that telecommunications services are no longer reserved for the larger players, and that open competition should be implemented.

Missouri public policy, similar to the national public policy, is set out in Section 392.455, RSMo Supp. 1998, which states, in part:

The commission may grant certificates to new entrants to provide basic local telecommunications service on a common carriage basis....In order to preserve and advance universal service, protect the public safety and welfare, insure the continued quality of telecommunications services and safeguard the rights of consumers, such process shall include, but not be limited to...[a] requirement that the commission give due consideration to the equitable access

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

This language clearly demonstrates that the General Assembly has crafted a statewide policy that encourages the certification of telecommunication providers who offer services to Missourians who might not have significant financial resources. In this case, Payroll clearly offers service to customers who may not be able to obtain it elsewhere due to income or credit difficulties.

During the hearing, Public Counsel did not contest the fact that Payroll would provide access to local service. Meisenheimer testified that

[Payroll] will provide access [to local service]. They will not provide the full level of access that would be received under a basic local service offering from an incumbent company where the customer would have additional things such as access to 1+ dialing to make interexchange calls,...accessibility to an operator,...the ability to place...collect [calls], receive collect calls, directory assistance, those type of things....

Meisenheimer agreed that the public policy of Missouri is, like the national public policy, to encourage the entry of smaller entrepreneurs into the telecommunications market.

In general, the public interest can be served by certificating telecommunications providers, even if an applicant does not offer a "full level of access." In this instance, the public interest would be served by approving Payroll for certification because it would increase the number of providers available to Missourians; it would add a different kind of provider for Missouri citizens; it would allow more open competition in the telecommunications marketplace by adding

a smaller entrepreneur to the economic mix; and lastly, certification of Payroll would promote access to local telephone service to Missouri customers who might not otherwise be able to obtain it.

IV. 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. The positions and arguments of all of the parties have been considered by the Commission in making this decision. Failure to specifically address a piece of evidence, position or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

- A. The Commission finds that competition in the basic local exchange telecommunications market is in the public interest.
- B. The Commission finds that Payroll has met the requirements of 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services with the exception of the filing of a tariff with a 45-day effective date.
- C. The Commission finds that Payroll has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.

- D. The Commission finds that the local exchange services market is competitive and that granting Payroll a certificate of service authority to provide local exchange telecommunications services is in the public interest. Payroll's certificate shall become effective when its tariff becomes effective.
- E. The Commission finds that Payroll 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 Payroll a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. Payroll's certificate shall become effective when its tariff becomes effective.
- F. The Commission finds that Payroll is a competitive company and should be granted waiver of the statutes and rules set out in the ordered paragraph below.
- G. The Commission finds that Payroll's certification and competitive status should be expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1998, 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. 1998, and 392.230, rather than Sections 392.500 and 392.510.

V. 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. Payroll has requested certification under Sections 392.420 - .440, and Sections 392.410 and .450, RSMo Supp. 1998, 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. 1998, were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunications consumers. See Section 392.185, RSMo Supp. 1998.

Based upon the Commission's review of the applicable law and Agreement of the parties, and upon its findings of fact, the Commission concludes that the certificate should be granted.

All pending motions which have not been otherwise ruled upon, if any, will be denied, and all exhibits which have not been received into evidence, including late-filed exhibit number 12, are received into evidence.

IT IS THEREFORE ORDERED:

1. That Payroll Advance, Inc. is granted a certificate of service authority to provide local exchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above 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.

2. That Payroll Advance, Inc. 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 above 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 Payroll Advance, 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
392.270 - 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. 1998 - 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 the request for waiver of 4 CSR 240-2.060(4)(H), which requires the filing of a 45-day tariff, is granted.

5. That Payroll Advance, Inc. shall file tariff sheets, which will be assigned a new case number, with a minimum 45-day effective date reflecting the rates, rules, regulations and the services it will offer within thirty (30) days after the effective date of a Commission order approving an interconnection agreement that will allow Payroll Advance, Inc. to provide services. The tariff shall include a listing of the statutes and Commission rules waived above.

6. That Payroll Advance, Inc. shall give notice of the filing of the tariffs described above to all parties or participants in this case. In addition, Payroll Advance, Inc. shall file a written disclosure of all interconnection agreements which affect its Missouri service areas, all portions of Missouri service areas for which it does not have an interconnection agreement, and an explanation of why no interconnection agreement is necessary for those areas.

7. That, unless otherwise ordered by the Commission, Payroll Advance, Inc.'s 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 within whose service areas Payroll Advance, Inc. seeks to operate.

8. That Payroll Advance, Inc.'s certification and competitive status are expressly conditioned upon the continued applicability of

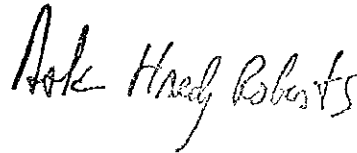
Section 392.200, RSMo Supp. 1998, and on the requirement that any increases in switched access service rates above the maximum switched access service rates set forth in the interconnection agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1998, and 392.230, rather than Sections 392.500 and 392.510.

9. That all pending motions which have not been otherwise ruled upon, if any, will be denied, and all exhibits which have not been received into evidence, including late-filed exhibit number 12, are received into evidence.

10. That this order shall become effective on January 4, 2000.

11. That this case may be closed on January 5, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer, and Drainer, CC.,
concur and certify compliance
with the provisions of
Section 536.080, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 23rd day of December, 1999.