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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 10th
day of August, 1999.

In the Matter of the Application of TLC Next)
Generation International Holdings, L.L.C. for)
a Certificate of Service Authority to Provide) Case No. TA-99-486
Basic Local Telecommunications Service in)
Portions of the State of Missouri and to)
Classify Said Services and the Company as)
Competitive.)

ORDER DIRECTING STAFF TO SUBMIT ADDITIONAL OR REVISED
RECOMMENDATION

TLC Next Generation International Holdings, L.L.C. (TLC) filed an Application for Certificate of Service Authority and for Competitive Classification with the Commission on April 22, 1999. By its application, TLC seeks authority to provide basic local telecommunications services in portions of Missouri that are currently served by Southwestern Bell Telephone Company (SWBT). At the direction of the Commission, TLC filed a verification of the Application on May 6. On May 25, the Commission issued a Notice of Applications that established an intervention deadline of June 24. No applications for intervention have been received.

On July 1, the Staff of the Public Service Commission (Staff) filed a Memorandum recommending that the Commission approve TLC's application with a requirement that "any increases in switched access service rates shall be cost justified." TLC has not filed any response

to Staff's Memorandum. On July 12, the Commission issued an Order Directing Parties to Submit Additional Information. That Order directed both the Staff of the Missouri Public Service Commission (Staff) and TLC to submit pleadings, no later than August 2, regarding any contacts they have had with Southwestern Bell Telephone Company - the incumbent local exchange carrier within whose area TLC seeks authority to operate - regarding TLC's application. The Order also directed Staff to file a pleading indicating by what authority the Commission may add a restriction to TLC's application without either a hearing or a stipulation and agreement submitted by the parties.

On August 2, Staff filed a response to the Commission's Order of July 12. Staff indicates that the Commission does have the authority to add restrictions to TLC's application for a certificate of service authority without either a hearing or a stipulation and agreement, provided that TLC has reasonable prior notice of those proposed restrictions and an opportunity to request a hearing if it wishes to contest those restrictions. Staff also recommends that the Commission condition TLC's certificate of service authority upon cost justification of tariffs. Similarly, the Staff recommendation filed on July 1, suggests that TLC be required to provide cost justification for any increases in switched access service rates.

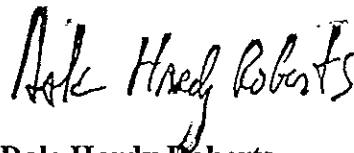
In dealing with a similar Application in Case No. TA-99-567, Staff specifically did not recommend that the Commission condition the company's certificate of service authority upon cost justification of

tariffs. The Commission is interested in learning why Staff is recommending that the Commission require cost justification in this case but not in Case No. TA-99-567.

IT IS THEREFORE ORDERED:

1. That no later than August 20, 1999, Staff shall file either an additional or revised recommendation regarding the requirement of cost justification.
2. That this order shall become effective on August 20, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Woodruff, Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION