

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 13th
day of October, 1992.

In the matter of the investigation into)
competition in local exchange services.) Case No. TO-93-124

ORDER ESTABLISHING DOCKET AND NOTICE OF PROCEEDINGS

On July 31, 1992, the Staff of the Missouri Public Service Commission (Staff) filed its Report and Recommendation Pertaining to Staff's Investigation of Local Exchange Private Line Services (report) as ordered in Case No. TA-92-145, wherein the issue of whether companies holding private line certificates were exceeding their authority by providing private line services which both originate and terminate within the same local exchange. Staff initially states that it conducted a broader investigation than that contemplated by the Commission. Staff states that it investigated both the provisioning of private line services and switched services within local exchange areas. Additionally, Staff conducted a survey of all interexchange companies that operate in Missouri rather than the limited list of companies that was attached to the Commission's Report and Order dated June 10, 1992 in Case No. TA-92-145 as Attachment B. Staff states that its investigation also included a review of each company's certificate and tariff. Staff states that at the time of filing its report it has not had time to completely verify all the information obtained in the surveys and, therefore, its report is based on information known at the time of filing and subject to change as the issues are examined further.

Staff states in its review and analysis of the various types of certificates of service authority that have been granted for all of the existing interexchange companies in Missouri the majority of companies have been granted

a certificate of service authority to provide intrastate interexchange telecommunications services. Staff states that a few companies have been granted a type of certificate that might imply they have the authority to provide telecommunications services within a local exchange area. Furthermore, Staff states that its review of interexchange tariffs indicates that existing tariffs generally do not specify that the offered private line services are provided only on an interexchange basis. Staff states that, in many cases, tariffs only specify the type of private line service available without mentioning the availability of interexchange or local exchange services.

Additionally, Staff states that it attempted to determine how many companies actually provide telecommunications services that originate and terminate within the same exchange. Staff indicated that on June 19, 1992, it sent a survey letter to all seventy-five (75) interexchange carriers certificated in Missouri requesting information as to whether the company provided, is providing, or plans to provide any of the following types of telecommunications services, including any incidental traffic, which transmits information that originates and terminates within the same exchange:

1. private line services,
2. two-way switched voice services,
3. two-way switched data services,
4. private telecommunications system services,
5. other types of services.

Staff states that twenty-two (22) companies indicate that they currently provide, plan to provide, or provide on an incidental basis, services that originate and terminate within the same exchange; thirty-six (36) companies responded that they do not provide or plan to provide any type of service that

originates and terminates within the same exchange; Staff received no response for the remaining seventeen (17) companies.

In conducting its investigation, Staff states that determining the extent to which local exchange private line service is offered by Missouri telecommunications companies is compounded by confusion and disagreement over the following issues: the definition of local exchange private line service, what constitutes a private telecommunications system, whether connecting a customer premise to an interexchange telecommunications company's point of presence in the same exchange constitutes local exchange private line service, and the arrangement of reselling private line services.

In conclusion, Staff's report recommends that the Commission establish a proceeding to address the following issues:

1. whether private line service to connect two points within the same exchange is local exchange private line service if the private line network provided by a company to a customer also connects to points in different exchanges;
2. whether service is local exchange private line service if a particular customer is connected by a private line/special access circuit to an interexchange telecommunications company's point of presence in the same exchange;
3. whether the Commission has jurisdiction over a private line system that a company provides to a customer to connect only that customer's locations;
4. whether reselling a service provided from a local exchange company requires the reseller to possess a certificate and tariff;
5. whether and how the scope of existing certificates which do not explicitly include or exclude local exchange services should be clarified;

6. whether the tariff application process can be used to authorize services not explicitly within the scope of a company's certificate;

7. the definition of switched services;

8. the definition of private line services.

Upon review of Staff's report, the Commission is of the opinion that a docket should be established to further investigate the issues raised in Staff's report as set out in this order. The Commission determines that notice of this proceeding should be sent to all interested parties and an intervention date set. The Commission determines that notice of this proceeding should be given by the Records Department of the Commission sending a copy of this order to all local exchange telecommunications companies and interexchange telecommunications companies operating in the State of Missouri. Proper persons wishing to intervene shall have thirty (30) days from the date of this order to file an application to intervene with the Executive Secretary of the Commission, P.O. Box 360, Jefferson City, Missouri 65102.

To further facilitate this proceeding, the Commission determines that a prehearing conference should be held on December 7, 1992, and will continue through December 11, 1992, as necessary, at the Commission's offices located on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri, for the parties to propose a procedural schedule.

IT IS THEREFORE ORDERED:

1. That Docket No. TO-93-124 be, and is, hereby established to further investigate the issues raised in Staff's Report and Recommendation Pertaining to Staff's Investigation of Local Exchange Private Line Services, as set forth in this order.

2. That the Records Department of the Commission shall be directed hereby to send notice as set forth in this order.

3. That any interested party wishing to intervene in this case shall file such intervention as set forth in this order on or before November 13, 1992.

4. That a prehearing conference in this matter be, and is, hereby scheduled to commence at 10:00 a.m. on December 7, 1992, and will continue through December 11, 1992, as necessary. Said conference shall be held in the Commission's offices located on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

5. That upon conclusion of the prehearing conference, the parties shall submit a procedural schedule to the Commission for approval.

6. That this order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe, CC., Concur.