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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 15th
day of July, 1994.

In the matter of: application of Wats International)
Corporation for a certificate of public convenience)
and necessity to transact the business of a reseller)
of interexchange telecommunications services and for)
approval of its initial tariff.)

CASE NO. TA-94-337

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY

On May 2, 1994, Wats International Corporation (Applicant) applied to the Missouri Public Service Commission (Commission) for a certificate of service authority to provide intrastate interexchange telecommunication service within the state of Missouri and for classification as a competitive telecommunications company pursuant to Sections 392.361 and 392.440, RSMo Supp. 1993. Applicant also requested waiver of certain statutes and Commission rules as authorized by Section 392.420, RSMo Supp. 1993. The Commission issued its Order and Notice on May 10, 1994, ordering parties wishing to intervene in the case to do so by June 9, 1994. There were no motions filed for permission to intervene or for hearing.

On July 11, 1994, the Staff of the Commission (Staff) filed its memorandum recommending approval of Company's application. Staff stated that Applicant's proposed services are the same or equivalent to the services which were classified as competitive in Case No. TO-88-142, In re 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 (September 1989). Staff recommended that the Commission grant Applicant competitive status.

The Commission finds that Applicant is a New Jersey Corporation authorized to do business in the state of Missouri, with its principal office or place of business located at Twelve Executive Campus, Suite 360, Cherry Hill, New Jersey 08002. The Commission finds that Applicant has filed current financial information and a brief description of the type of service it proposes to provide, and has agreed to comply with all applicable rules and regulations of the Commission, and with any terms and conditions which the Commission may lawfully impose.

The requirements of due process have been satisfied when interested persons have been given notice and an opportunity to be heard. Notice in this case was sent by the Commission on May 10, 1994, and interested parties were directed to intervene on or before June 9, 1994. Since no proper party or governmental entity has filed an application to intervene, and there have been no requests for hearing, the Commission determines that a hearing is not necessary and that the Applicant may submit evidence in support of its application by verified statement. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

After reviewing Applicant's verified statement and Staff's recommendation, the Commission finds that additional competition in the intrastate interexchange market is in the public interest and a certificate of service authority should be granted to Applicant. The Commission also finds that the services Applicant proposes to offer are competitive, and that waiving the statutes and Commission rules set out below is reasonable and not detrimental to the public interest. Therefore, the Commission concludes that Applicant should be classified as a competitive company pursuant to Section 392.361, RSMo Supp. 1993.

The Commission determines that, pursuant to Section 392.470, RSMo Supp. 1993, certain regulatory requirements should be imposed upon Applicant as

a reseller of telecommunications services in Missouri. Applicant should be subject to the following regulatory requirements as reasonable and necessary conditions of certification:

- (1) Applicant is required to comply with reasonable requests by Staff for financial and operating data to allow Staff to monitor the intraLATA toll market pursuant to Section 386.320.3 RSMo (1986).
- (2) Applicant is required to file tariffs containing rules and regulations applicable to customers, a description of the services provided, and a list of rates associated with those services pursuant to Section 392.220, RSMo Supp. 1993, and 4 CSR 240-30.010.
- (3) Applicant's tariff filing must contain a preliminary section which states that Company is a competitive carrier and identifies the statutory and rules waivers granted it by the Commission.
- (4) Applicant is precluded from unjustly discriminating between and among its customers pursuant to Sections 392.200 and 392.400, RSMo Supp. 1993.
- (5) Applicant is required by Section 386.570, RSMo (1986), and Section 392.360, RSMo Supp. 1993, to comply with all applicable rules of the Commission except those which have been specifically waived by this order.
- (6) Applicant is required to file a Missouri-specific annual report pursuant to Sections 392.210 and 392.390.1, RSMo Supp. 1993.
- (7) Applicant is required to comply with jurisdictional reporting requirements as set out in each local exchange company's

access services tariffs pursuant to Section 392.390.3, RSMo
Supp. 1993.

- (8) A copy of the jurisdictional report submitted to local exchange companies shall be submitted to the staff on a confidential basis within ten (10) days of the date on which it is submitted to the local exchange company.

The Commission also finds that Applicant should file appropriate tariffs within thirty (30) days of the effective date of this order. The certificate of service authority to be granted by this order will become effective only upon the Commission's approval of these tariffs.

IT IS THEREFORE ORDERED:

1. That Wats International Corporation be granted a certificate of service authority to provide intrastate interexchange telecommunication services in the state of Missouri. This certificate of service authority is subject to the conditions of certification set out above and shall not become effective until the Commission approves Wats International Corporation's tariffs.

2. That Wats International Corporation be classified as a competitive telecommunications company for which the following statutes and regulatory rules shall be waived:

Statutes

392.240(1)	- ratemaking
392.270	- valuation of property (ratemaking)
392.280	- depreciation accounts
392.290	- issuance of securities
392.310	- stock and debt issuance
392.320	- stock dividend payment
392.330	- issuance of securities, debts and notes
392.340	- reorganization(s)

Commission Rules

4 CSR 240-10.020	- depreciation fund income
4 CSR 240-30.010(2)(C)	- rate schedules
4 CSR 240-32.030(1)(B)	- exchange boundary maps
4 CSR 240-32.030(1)(C)	- record keeping

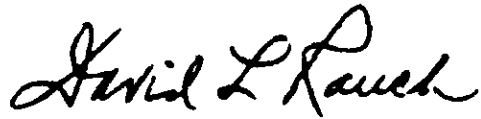
4 CSR 240-32.030(2)	- in-state record keeping
4 CSR 240-32.050(3)	- local office record keeping
4 CSR 240-32.050(4)	- telephone directories
4 CSR 240-32.050(5)	- call intercept
4 CSR 240-32.050(6)	- telephone number changes
4 CSR 240-32.070(4)	- public coin telephone
4 CSR 240-33.030	- minimum charges rule

3. That Wats International Corporation shall file tariffs within thirty (30) days of the effective date of this order and that the tariffs shall identify Company as a competitive company and identify each statute or regulation waived by this order.

4. That Wats International Corporation shall file its PIU reports as set out above.

5. That this order shall become effective on July 26, 1994.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

McClure, Perkins, Kincheloe,
and Crumpton, CC., Concur.
Mueller, Chm., Absent.