

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 18th
day of October, 1994.

In the matter of the application of)	
Heartline Communications, Inc. to)	<u>CASE NO. TA-95-41</u>
operate as a reseller of interexchange)	
telecommunications services within the)	
State of Missouri.)	

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY AND
ORDER APPROVING TARIFF

On August 8, 1994, Heartline Communications, Inc. (Heartline or Applicant) applied to the Public Service Commission (Commission) for a certificate of service authority to provide intrastate interexchange telecommunications services 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 Notice and Schedule of Applicants on August 16, 1994, directing parties wishing to intervene in the case to do so by August 31, 1994. There were no motions filed for permission to intervene or for hearing. Heartline was also directed to file a proposed tariff, carrying a thirty-day effective date, reflecting the rates, rules, and regulations under which it proposes to offer services in Missouri.

Heartline filed its proposed tariff on September 1, 1994, with an effective date of October 3, 1994, and filed substitute sheets on September 13, 26 and 30, 1994. In addition to the rates, rules, and regulations it intends to use for providing services, the tariff also identifies Applicant as a competitive telecommunications provider, and

indicates the statutory and regulatory requirements expected to be waived by the Commission. Heartline is proposing to provide switched interexchange services including "1+" long distance, 800 number, and travel card services. On September 23, 1994, Applicant requested that the effective date of its tariff be extended to October 14, 1994; on October 11, 1994, pursuant to Staff request, Applicant further extended the effective date to October 22, 1994.

On October 11, 1994, the Staff of the Commission (Staff) filed its Memorandum recommending approval of Company's application and proposed tariff. 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) and recommended that the Commission grant Applicant competitive status on that basis. Staff recommended that Heartline be granted waiver of certain statutes and Commission rules which have been waived for other competitive telecommunications companies.

Staff stated that it had reviewed the proposed tariff and substitute sheets and concluded that the tariff clearly and comprehensively describes the terms and conditions of the services to be offered, and that those services are within the scope of the certificate of authority requested. Staff concluded that the proposed tariff, as amended, is consistent with service offerings currently available from other interexchange carriers and approved by the Commission and is in compliance with Commission rules and regulations. Staff recommended that the tariff, as amended, be approved for services on and after October 22, 1994.

The requirements of due process have been satisfied when interested persons have been given notice and an opportunity to be heard. Notice was sent by the Commission on August 16, 1994, and interested parties were directed to intervene on or before August 31, 1994. Since no one has filed an application to intervene or request for hearing, the Commission determines that a hearing is not necessary and 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 Applicant is a Texas corporation authorized to do business in the state of Missouri, with its principal office or place of business at 16416 Northchase, Suite 290, Houston, Texas 77060. 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 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 rule 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 Sections 386.570, RSMo (1986), and 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 finds that Heartline's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to those which have been approved for other Missouri certificated interexchange carriers providing similar services. The Commission further finds that the proposed tariff filed on September 1, 1994, and amended September 13, 26 and 30, 1994, should be approved for service on and after October 22, 1994.

IT IS THEREFORE ORDERED:

1. That Heartline Communications, Inc. be granted a certificate of service authority to provide intrastate interexchange telecommunication services in the state of Missouri, subject to the conditions of certification set out above.

2. That Heartline Communications, Inc. 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

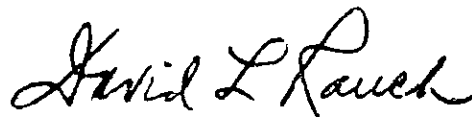
3. That Heartline Communications, Inc. shall file its PIU reports as set out above.

4. That the tariff filed by Heartline Communications, Inc. on September 1, 1994, be approved, as amended, for service on and after October 22, 1994. The tariff approved is:

P.S.C. Mo. No. 1.

5. That this order shall become effective on October 22, 1994.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

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