BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Consolidated Communications)	
Telecom Services Inc. for a Certificate of)	
Service Authority to Provide Basic Local)	Case No. TA-97-31
Telecommunications Service in the State of)	
Missouri.)	
	١.	

REPORT AND ORDER

Issue Date:

January 3, 1997

Effective Date:

January 14, 1997

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OF THE STATE OF MISSOURI

In the Matter of Consolidated Communications)		
Telecom Services Inc., for a Certificate of)		
Service Authority to Provide Basic Local) •	Case No. TA-	<u>97-31</u>
Telecommunications Service in the State of)		
Missouri.)		
)		

APPEARANCES

Mary Ann Young, William D. Steinmeier, P.C., 2031 Tower Drive, Post Office Box 104595, Jefferson City, Missouri 65110-4595, for Consolidated Communications Telecom Services Inc.

Elaine M. Walsh, Curtis, Oetting, Heinz, Garrett & Soule, P.C., 130 South Bemiston, Suite 200, Clayton, Missouri 63105, for MCI Telecommunications Corporation.

Michael F. Dandino, Senior Public Counsel, Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, for the Office of the Public Counsel and the public.

Colleen M. Dale, Deputy Public Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the staff of the Missouri Public Service Commission.

ADMINISTRATIVE

LAW JUDGE:

L. Anne Wickliffe, Deputy Chief.

REPORT AND ORDER

Procedural History

Consolidated Communications Telecom Services Inc. (CCTS) applied to the Commission on July 19, 1996, for a certificate of service authority to provide basic local telecommunications services and local exchange telecommunications services in Missouri under § 392.410 - .450, RSMo 1994¹. CCTS asked the Commission to classify it as a competitive company and waive

¹All statutory references are to Revised Statutes of Missouri 1994.

certain statutes and rules as authorized by §§ 392.361 and 392.420. CCTS is an Illinois corporation and a wholly owned subsidiary of Consolidated Communications Inc., with offices at 121 South 17th Street, Mattoon, Illinois.

The Commission issued an Order and Notice on July 24, 1996, directing parties wishing to intervene in the case to do so by August 23, 1996. The Commission granted permission to intervene to the following entities on August 28, 1996:

Southwestern Bell Telephone Company (SWBT)
The Small Telephone Company Group
Bourbeuse Telephone Company
Fidelity Telephone Company
MCI Telecommunications Corporation
GTE Midwest Incorporated (GTE)
AT&T Communications of the Southwest, Inc.
United Telephone Company of Missouri d/b/a Sprint (Sprint)

The parties filed a Stipulation and Agreement (SA, Attachment A to this order) on October 7, 1996, and CCTS filed a motion asking that the Commission establish a hearing date to consider approval of the agreement. The Commission Staff (Staff) filed Suggestions in Support of the Stipulation and Agreement on October 15, 1996. Staff's suggestions included sworn testimony by a member of the Commission's telecommunications staff. The Commission conducted a hearing on November 13, 1996, where the parties made presentations and were available for Commission questions.

Background

ccts, which is certificated to provide intrastate interexchange services in Missouri, wishes certification to provide facilities-based and resold basic local telecommunications service and local exchange telecommunications services as well. Local exchange services are considered competitive services and are subject to different rules and statutory

requirements than are basic local services. Therefore, they will be considered separately in the discussion below.

CCTS wants to provide basic local services in portions of Missouri that are currently served by SWBT, GTE and Sprint. CCTS is not asking for certification in any area that is served by a small incumbent local exchange provider. The specific exchanges in which CCTS proposes to operate are described in Exhibit II to the application that was late-filed on September 26, 1996 (Attachment B to this order). CCTS is requesting that its basic local exchange services be classified as competitive and that certain statutes and regulatory rules be waived for CCTS.

Discussion

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

Commission Rule 4 CSR 240-2.060(4) requires a foreign corporation applying for certification to provide telecommunications services to include in its application a certificate from the Secretary of State showing 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. CCTS has provided all the required documentation except for the proposed tariff. The company has requested a temporary waiver of 4 CSR 240-2.060(4)(H) because it is impractical for CCTS to submit a tariff until it has executed interconnection agreements with the incumbent local exchange carriers (ILECs) involved. CCTS cannot price its resold services until it has reached price agreements with the ILECs from which it will purchase those services. The company has agreed that, once it is possible to do so, it will submit to the Commission for approval a proposed tariff with a minimum 30-day effective date. CCTS will file the tariff in Case

No. TA-97-31 and give notice of the tariff filing to all the parties and participants. Along with that filing CCTS has agreed to provide a written disclosure of all interconnection agreements it has entered into which affect its Missouri service areas (SA at 7-8, \P 12).

B. Local exchange certification

The Commission finds that CCTS's entry into competition in the local exchange telecommunications market is in the public interest and the company should be granted a certificate of service authority. The Commission finds that the local exchange services CCTS proposes to offer are competitive and the company should be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in Ordered Paragraph 3 is reasonable and not detrimental to the public interest.

The Commission determines, by authority of § 392.470, that Applicant should comply with the following regulatory requirements as reasonable and necessary conditions of certification:

- (1) Applicant must comply with reasonable requests by Staff for financial and operating data to allow Staff to monitor the intraLATA toll market. § 386.320.3.
- (2) Applicant must file tariffs containing rules and regulations applicable to customers, a description of the services provided, and a list of rates associated with those services in accordance with 4 CSR 240-30.010 and § 392.220.
- (3) Applicant may not unjustly discriminate between its customers. §\$ 392.200, 392.400.
- (4) Applicant must comply with all applicable rules of the Commission except those specifically waived by this order. §\$ 386.570, 392.360.
- (5) Applicant must file a Missouri-specific annual report. §\$ 392.210, 392.390.1.
- (6) Applicant must comply with jurisdictional reporting requirements as set out in each local exchange company's access services tariffs. § 392.390.3.

(7) Applicant must submit to the staff, on a confidential basis, a copy of the jurisdictional report it submits to local exchange companies. The report must be submitted within ten (10) days of the date on which it is submitted to the local exchange company.

C. Basic local exchange certification

Section 392.455, RSMo (Supp. 1996), effective August 28, 1996, sets out the requirements for granting certificates to provide basic local telecommunications service to new entrants. A new entrant must: (1) possess sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service; (2) demonstrate that the services it proposes to offer satisfy the minimum standards established by the Commission; (3) set forth the geographic area in which it proposes to offer service, and demonstrate that such area boundaries follows exchange of the incumbent local telecommunications company and is no smaller than an exchange; and (4) offer basic local telecommunications service as a separate and distinct service. In addition, the Commission must give due consideration to equitable access for all Missourians to affordable telecommunications services, regardless of where they live or their income.

1. Technical, financial and managerial resources and abilities. CCTS submitted Exhibit III with its application that lists the names and qualifications of its management team. In addition to academic credentials, the team members have experience in various areas of the telecommunications industry including technical and engineering, customer services, policy, marketing and finance. CCTS also submitted as Exhibit IV its 1994 and 1995 balance sheets and income statements. The parties agreed that CCTS possesses sufficient technical, financial and managerial

resources and abilities to provide basic local telecommunications service (SA at 5, \P 10(A)).

- 2. The entrant's proposed services satisfy the minimum standards established by the Commission. CCTS stated in its application that the basic local exchange services it will provide will be "equal to or superior to the quality of the basic local telecommunications services that customers in the State of Missouri are currently receiving from the incumbent providers." CCTS also stated that it will install a state of the art telecommunications network if it provides facilities-based local services. CCTS has agreed to meet the Commission's minimum basic local service standards, including quality of service and billing standards (SA at 2-3, ¶ 5). The parties agreed that CCTS proposes to offer basic local services that satisfy the minimum standards established by the Commission (SA at 6, ¶ 10(B)).
- 3. The geographic area in which the company proposes to offer service. CCTS set out in its late-filed Exhibit II all the exchanges in which it proposes to offer services. CCTS has defined its service area by means of the tariffed exchange areas of the ILECs presently providing basic local service in those exchanges. Exhibit II consists of Commission-approved tariff sheets filed by SWBT, GTE and Sprint, describing local exchanges. The company has agreed that its service area must follow ILEC exchange boundaries and be no smaller than an exchange (SA at 3, ¶ 5). The parties agreed that CCTS has sufficiently identified the geographic area in which it proposes to offer basic local service and that the area follows ILEC exchange boundaries and is no smaller than an exchange (SA at 6, ¶ 10(C)).

- 4. The offering of basic local telecommunications service as a separate and distinct service. CCTS has agreed to offer basic local telecommunications service as a separate and distinct service (SA at 3, ¶ 5).
- 5. Equitable access for all Missourians to affordable telecommunications services. CCTS has agreed to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it will offer basic local services in compliance with \$ 392.455(5)(SA at 3, ¶ 5).

D. Competitive classification

The Commission may classify a telecommunications provider as a competitive company if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. § 392.361.2. In making that determination the Commission may consider such factors as market share, financial resources and name recognition, among others. In the matter of the investigation for the purpose of determining the classification of the services provided by interexchange telecommunication companies within the State of Missouri, 30 Mo. P.S.C. (N.S.) 16 (1989); In the matter of Southwestern Bell Telephone Company's application for classification of certain services as transitionally competitive, 1 Mo. P.S.C. 3d 479, 484 (1992). In addition, all the services a competitive company provides must be classified as competitive. § 392.361.3. The Commission has found that whether a service is competitive is a subject for case-by-case examination and that different criteria may be given greater weight depending upon the service being considered. Id. at 487.

The parties have agreed that CCTS should be classified as a competitive telecommunications company. (SA at 6-7, ¶ 11). The parties have also agreed that CCTS's switched exchange access services may be classified as competitive services, conditioned upon certain limitations on CCTS's ability to charge for its access services. CCTS has agreed that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect at the date of certification for the large incumbent LECs within those service areas in which CCTS seeks to operate. The parties have agreed that the grant of service authority and competitive classification to CCTS should be expressly conditioned on the continued applicability of § 392.200 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 §§ 392.220 and 392.230, rather than §§ 392.500 and 392.510.

The parties agreed that waiver of the following statutes is appropriate: \$\$ 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330 and 392.340. The parties also agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

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 Commission finds that competition in the local exchange and basic local exchange telecommunications markets is in the public interest.
- 2. The Commission finds that CCTS 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.
- 3. The Commission finds that CCTS has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.
- 4. The Commission finds that the local exchange services market should be competitive and that granting CCTS a certificate of service authority to provide local exchange telecommunications services is in the public interest. CCTS's certificate should become effective when its tariff becomes effective.
- 5. The Commission finds that CCTS 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 CCTS a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. CCTS's certificate should become effective when its tariff becomes effective.
- 6. The Commission finds that CCTS is a competitive company and should be granted waiver of the statutes and rules set out in Ordered Paragraph 3.

- 7. The Commission finds that CCTS's certification and competitive status are expressly conditioned upon the continued applicability of § 392.200 and on the requirement that any increases in switched access service rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to §§ 392.220 and 392.230, rather than §§ 392.500 and 392.510.
- 8. The Commission finds that the Stipulation and Agreement filed by the parties is a reasonable resolution of the issues.

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. CCTS has requested certification under § 392.410 - .450. Those statutes permit the Commission to grant a certificate of service authority where the grant of authority is in the public interest.

The Federal Telecommunications Act of 1996 and Missouri Senate Bill 507 were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunications consumers. Section 392.185 states that "the provisions of this chapter shall be construed to: (1) Promote universally available and widely affordable telecommunications services; . . . (3) Promote diversity in the supply of telecommunications services and products throughout the state of Missouri; . . . (6) Allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest . . . "

The Commission has the legal authority to accept a Stipulation and Agreement as offered by the parties as a resolution of the issues raised in this case, pursuant to § 536.060. Based upon the information contained within the Stipulation and Agreement of the parties, the supporting information offered at the hearing on November 13, 1996, and on its findings of fact, the Commission concludes that the Stipulation and Agreement should be approved and that CCTS should be granted the certificate of service authority requested.

IT IS THEREFORE ORDERED:

- 1. That Consolidated Communications Telecom Services 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, to become effective when the company's tariff becomes effective.
- 2. That Consolidated Communications Telecom Services 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, to become effective when the company's tariff becomes effective.
- 3. That Consolidated Communications Telecom Services Inc. is classified as a competitive telecommunications company. 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

392.330 - issuance of securities, debts and notes

392.340 - reorganization(s)

Commission Rules

4 CSR 240-10.020 - depreciation fund income

4 CSR 240-30.040 - uniform system of accounts

4 CSR 240-35 - reporting of bypass and customer

specific arrangements

4. That the filing of a 45-day tariff as required by 4 CSR 240-2.060(4)(H) is waived until Consolidated Communications Telecom Services Inc. has entered into a Commission approved interconnection agreement or agreements that enable it to provide basic local exchange services.

- 5. That Consolidated Communications Telecom Services Inc. shall file tariff sheets for approval no later than 30 days after the Commission approves the required interconnection agreement or agreements. The proposed tariff shall reflect the rates, rules, regulations and the services it will offer. The tariff shall include a listing of the statutes and Commission rules waived under Ordered Paragraph 3.
 - 6. That this order shall become effective on January 14, 1997.

BY THE COMMISSION

Cecil I. Wright Executive Secretary

Ceil July

(SEAL)

McClure, Kincheloe, Crumpton and Drainer, CC., concur. Zobrist, Chm., absent.

Dated at Jefferson City, Missouri, on this 3rd day of January, 1997.

FILED

BEFORE THE PUBLIC SERVICE COMMISSION OCT 7 - 1996

		PUBLIC REMISSOURI
In the matter of the Application of)	PUBLIC SERVICE COMMISSION
Consolidated Communications Telecom)	- IMISSION
Services Inc. for a Certificate of)	
Service Authority to Provide Basic)	Case No. TA-97-31
Local Telecommunications Service and)	
Local Exchange Telecommunications)	
Service in the State of Missouri	j	

STIPULATION AND AGREEMENT

- 1. Consolidated Communications Telecom Services Inc. (hereinafter "CCTS") initiated this proceeding on July 19, 1996, by filing an Application requesting certificate of service authority provide facilities-based and resold basic local telecommunications service and local exchange telecommunications service in those portions of Missouri that are currently served by Southwestern Bell Telephone Company (SWBT), GTE of the Midwest, Incorporated (GTE) and United Telephone Company of Missouri (United).
- 2. The Commission has granted the timely applications to intervene of Southwestern Bell Telephone Company (SWB), the Small Telephone Company Group, Bourbeuse Telephone Company, Fidelity

The Small Telephone Company Group is comprised of BPS Telephone Company, Cass County Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Inc., Craw-Kan Telephone Cooperative, Inc., Ellington Telephone Company, Farber Telephone Company, Goodman Telephone Company, Inc., Granby Telephone Company, Grand River Mutual Telephone Corporation, Green Hills Telephone Corporation, Holway Telephone Company, KLM Telephone Company, Kingdom Telephone Company, Lathrop Telephone Company, Le-RU Telephone Company, Mark Twain Rural Telephone Company, McDonald County Telephone Company, Miller Telephone Company, New Florence Telephone Company, New London Telephone Company, Orchard Farm Telephone Company, Oregon Farmers Mutual Telephone Company, Ozark Telephone Company, Rock Port Telephone Company, Seneca Telephone Company, Steelville Telephone Exchange, Inc. and Stoutland Telephone Company.

Telephone Company, MCI Telecommunications Corporation, GTE Midwest Incorporated (GTE), AT&T Communications of the Southwest, Inc., and United Telephone Company of Missouri (United).

- 3. Pursuant to the Commission's scheduling order, representatives of the Commission Staff, the Office of Public Counsel and the aforementioned parties participated in a prehearing conference on September 27, 1996.
- 4. For purposes of this Stipulation and Agreement, the parties agree that applications for local exchange and basic local exchange service authority in exchanges served by "large" local exchange companies (LECs)² should be processed in a manner similar to that in which applications for interexchange authority are currently handled.
- 5. In determining whether CCTS's application for certificate of service authority should be granted, the Commission should consider CCTS's technical, financial and managerial resources and abilities to provide basic local telecommunications service. CCTS must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including but not limited to CCTS agreeing to file and maintain basic local service tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies with which applicant seeks to compete. Further, CCTS agrees to meet the minimum basic local

²Large LECs are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. Supp. 1996. In Missouri, the current large LECs are SWBT, GTE and United.

service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which CCTS seeks to compete. Notwithstanding the provisions of Section 392.500 RSMo condition of certification and competitive (1994), а as classification, CCTS agrees that, unless otherwise ordered by the Commission, CCTS's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect at the date of certification for the large incumbent LEC(s) within those service area(s) CCTS seeks authority to provide service. Further, CCTS agrees to offer basic local telecommunications service as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service.' Such area must follow exchange boundaries of the incumbent local exchange telecommunications companies in the same area and must be no smaller than an exchange. Finally, CCTS agrees to provide equitable access as determined by the Commission for Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services. See Section 392.455 RSMo (1996 Supp.).

6. CCTS has submitted its application without tariffs and

The identification of specific geographic areas within which CCTS proposes to offer services as referred to in this paragraph shall not be construed to foreclose CCTS from petitioning the Commission pursuant to Section 392.200.4 and .8 RSMo.

seeks a temporary waiver of 4 CSR 240-2.060(4)(H). CCTS agrees to file its initial tariff(s) in the certification docket and serve all parties thereto with written notice at the time the initial tariff(s) are submitted to afford them an opportunity to Copies of the participate in the tariff approval process. tariff(s) will be provided by CCTS to such parties immediately upon request. Any service authority shall be regarded as conditional and shall not be exercised until such time as tariff(s) for services have become effective. When filing its initial basic local tariff, CCTS shall also file and serve a written disclosure of all interconnection agreements which affect its Missouri service areas, all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for such areas.

7. CCTS has, pursuant to §392.420 RSMo., requested that the Commission waive the application of any or all of the following statutory provisions and rules to basic local telecommunications services, and the parties agree that the Commission should grant such request provided that Section 392.200 RSMo should continue to apply to all of CCTS's services:

STATUTORY PROVISIONS

§392.210.2 §392.270 §392.280 §392.290.1

^{&#}x27;Good cause for failure to file proposed tariffs with the Application must be shown. The lack of an approved interconnection agreement (47 USC 252) constitutes good cause.

§392.300.2 §392.310 §392.320 §392.330

§392.340

COMMISSION RULES

4 CSR 240-10.020

4 CSR 240-30.040

4 CSR 240-35

8. The parties have employed the foregoing standards and criteria, which are intended to meet the requirements of existing law and Sections 392.450 and 392.455 of SB 507 regarding applications for certificates of local exchange service authority to provide or resell basic local telecommunications service, in negotiating the remaining provisions of this Stipulation and Agreement.

B. CCTS CERTIFICATION

- 9. CCTS submitted a late-filed Exhibit II on September 26, 1996, in which it identified by name the exchanges in which it seeks authority to provide service. Further, CCTS hereby agrees that its Application should be deemed amended to include by reference the terms and provisions described in paragraphs 5-7 hereinabove. CCTS also seeks waiver of certain statutory provisions and Commission rules as to its new services as enumerated in paragraph 9 of CCTS's Application.
- 10. Based upon its verified Application, CCTS asserts, and no party makes a contrary assertion, that there is sufficient evidence from which the Commission can find and conclude that CCTS:
 - A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service and local exchange

telecommunications service, including exchange access service;

- B. proposes and agrees to offer basic local services that satisfy the minimum standards established by the Commission;
- C. has sufficiently identified the geographic area in which it proposes to offer basic local service and such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;
- D. will offer basic local telecommunications service as a separate and distinct service.
- E. has agreed to provide equitable access for all Missourians as determined by the Commission for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services;
- F. has sought authority which will serve the public interest.
- 11. CCTS asserts, and no party opposes, that CCTS's application and request for authority to provide basic local telecommunications services and local exchange telecommunications services (including exchange access service) should be granted. All services authorized herein should be classified as competitive telecommunications services provided that the requirements of

The agreement in Paragraph 5 of this Stipulation and Agreement is without prejudice to CCTS' right to appear, after proper application and in accord with Commission rules and regulations, in any rulemaking proceeding or other proceeding regarding the Commission's considerations of equitable access under Section 392.455.(5) RSMo. Furthermore, such agreement should not be construed as an admission or conclusion of CCTS that Section 392.455.(5) RSMo. creates new or specific duties or obligations on telecommunications companies to provide equitable access.

^{&#}x27;Switched exchange service is further addressed in paragraph 11 below.

Section 392.200 continue to apply, and CCTS shall remain classified as a competitive telecommunications company. CCTS asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of CCTS's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for the services becoming effective. Such authority should be conditional, not to be exercised until such time as tariffs for those services have been filed (together with the written disclosure as stipulated above) and have become effective. The Commission's Order should state the foregoing conditions substantially as follows:

The service authority and service classification herein granted are subject to the requirements of Section 392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective.

The parties agree that CCTS's switched exchange access services may be classified as competitive services. The parties further agree that the CCTS's switched exchange access services are subject to Section 392.200. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 5 herein shall be cost-justified and be made pursuant to Sections 392.220 and 392.230 and not 392.500 and 392.510. The Commission's Order should state the foregoing conditions substantially as follows:

The service authority and service classification for switched exchange access granted herein is expressly conditioned on the continued applicability of Section

392.200 and the requirement that any increases in switched access service rates above the maximum switched access service rates set forth herein shall be costjustified and pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510.

CCTS's request for a waiver of 4 CSR 240-2.060(4)(H), 12. which requires applications to include a proposed tariff with a 45day effective date is not opposed by the parties and should be granted because CCTS does not yet have approved interconnection agreements with the large incumbent LECs. CCTS agrees that at such time as all facts necessary for the development of tariffs become known, it will submit tariffs in this docket, with a minimum 30-day proposed effective date, to the Commission for its approval, together with the written disclosure as stipulated above. shall serve notice to all parties and participants in this docket of the filing of its tariffs at the time they are filed with the Commission and serve them with the aforesaid written disclosure and shall upon request immediately provide any party with a copy of those tariffs. The Commission's Order should state these obligations as conditions to the waiver of 4 CSR 240-2.060(4)(H), substantially as follows:

Applicant's request for temporary waiver of 4 CSR 240-2.060(4)(H) is hereby granted for good cause in that applicant does not yet have an approved interconnection agreement with the incumbent local exchange carrier within whose service areas it seeks authority to provide service; provided, when applicant submits its tariffs in this docket to the Commission such tariffs shall have a minimum of a 30-day effective date and the applicant shall serve written notice upon the parties hereto of such submittal, and shall provide copies of such tariffs to such parties immediately upon request. When filing its initial basic local tariff in this docket, the applicant shall also file and serve upon the parties hereto a written disclosure of: all interconnection agreements which affect its Missouri service areas; all

portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for any such areas.

13. CCTS's request for waiver of the application of the following rules and statutory provisions as they relate to the regulation of CCTS's services should be granted:

STATUTORY PROVISIONS

\$392.210.2 \$392.270 \$392.280 \$392.290.1 \$392.300.2 \$392.310 \$392.320 \$392.330 \$392.340

COMMISSION RULES

4 CSR 240-10.020 4 CSR 240-30.040 4 CSR 240-35

- 14. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The Stipulations herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings.
- 15. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein: their respective rights

pursuant to §536.080.1, RSMo 1994, to present testimony, to cross examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, RSMo 1994; and their respective rights to seek rehearing pursuant to §386.500 RSMo 1994 and to seek judicial review pursuant to §386.510 RSMo 1994. The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of the CCTS application made herein.

The Staff may submit a Staff Recommendation concerning matters not addressed in this Stipulation. In addition, if requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant herein shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties and participants. All memoranda submitted by the parties shall be considered privileged in the same manner as settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any

party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure.

WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by CCTS, subject to the conditions described above, at its earliest convenience.

Respectfully submitted,

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Paul G. Lane Leo J. Bub

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Telephone Company, and
Fidelity Telephone
Company

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CERTIFICATE OF SERVICE

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid to the persons listed on the attached service list on this the day of September, 1996.

Mary Ann (Garr) Moung

GTE Midwest Incorporated

FOR: GTE Midwest Incorporated

Kansas City, MO 64108-2684

Southwest, Inc.

Deputy General Counsel

Jefferson City, MO 65102

Staff of the Missouri

Public Service Commission

FOR: AT&T Communications of the

63385

1000 GTE Drive Wentzville, MO

Paul S. DeFord

Lathrop & Gage

2345 Grand Blvd.

Colleen M. Dale

P.O. Box 360

FOR:

12

party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be CONSidered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants With advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure.

WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by CCTS, subject to the conditions described above, at its earliest convenience.

Respectfully submitted.

Mary Ann (Garr) Young William D. Steinmeier, P.C.

2031 Tower Drive P. O. Box 104595

Jefferson City, MO 65102-4595

Paul G. Lane Leo J. Bub

Southwestern Bell Telephone 100 N. Tucker Blvd., Rm. 630 St. Louis, NO 63101-1976

FOR: Consolidated Communications FOR: Southwestern Bell Telecom Services Inc.

Telephone Company

Paul G. Lane Leo J. Bub Southwestern Bell Telephone 100 N. Tucker, Room 630 St. Louis MO 63101

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Carl J. Lumley Curtis, Oetting, Heinz, Garrett & Soule, P.C. 130 S. Bemiston, Suite 200 Clayton, MO 63105

Scott Jennings/Paula Carpenter Consolidated Communications Telecom Services Inc. 121 South 17th St. Mattoon IL 61938

CASE NO. TA-97-31 EXHIBIT II

Consolidated Communications
Telecom Services Inc.

List of exchanges for which authority is requested

LOCAL EXCHANGE TARIFF 55th Revised Sheet 6 Replacing 54th Revised Sheet 6 RECEIVED

LOCAL EXCHANGE TARIFF

1.3 EXCHANGES BY RATE GROUP

FEB 2.9 1996

1.3.1 Rate Group A(4)

MISSOURI Public Service Commission

Adrian(1)(2)(5) Advance (1) (2) (5) Agency(1)(5) Altenburg-Frohna (1)(2)(5)Antonia(1)(3)(5) Archie(1)(2)(5) Argyle(2)(5) Armstrong(1)(2)(5) Ash Grove(2)(5) Beaufort (2) (5) Bell City(1)(2)(5) Benton(1)(3)(5) Billings(1)(2)(5) Bismarck(1)(3)(5) Blcomfield(1)(3)(5)Bloomsdale(1)(2)(5) Bonne Terre(1)(3)(5) Boonville(1)(2)(5) Bowling Green (2) (5) Brookfield(2)(5) Campbell (2) (5) Cardwell(1)(2)(5)

Carl Junction (1) (3) (5)

Carrollton(2)(3)(5) Caruthersville(1)(3)(5) Center (2) (5) Chaffee(1)(3)(5) Charleston(1)(3)(5) Clarksville(1)(2)(5) Clever(1)(3)(5) (CP) Climax Springs(2)(5) Deering(1)(3)(5)

DeKalb(1)(5) Delta(1)(2)(5) Downing (2) (5) East Prairie(1)(5) Edina(2)(5) Elsberry(1)(2)(5) Essex(1)(3)(5) Eureka (1) (5)

(CP) Farley(2)(5) Fayette(1)(2)(5) Fisk(1)(3)(5) Frankford(2)(5) (CP) Fredericktown(2)(5)

Freeburg(2)(5) Gideon(1)(2)(5) Glasgow(1)(2)(5)

Grain Valley (1)(3)(5)Gray Summit(1)(3)(5) (CP) Greenwood(1)(3)(5) Hayti(1)(3)(5) Herculaneum-Pevely (1)(3)(5)Higbee(1)(3)(5) Hillsboro(1)(3)(5) Holcomb(1)(3)(5) Hornersville (1)(2)(5) Jasper(2)(5) Knob Noster(2)(5) Lamar (2)(5) LaMonte(2)(5) Lancaster(2)(5) Leadwood(1)(3)(5)

(CP) Linn(2)(5) Lockwood(2)(5) Louisiana(1)(2)(5) Macks Creek(2)(5) Malden(1)(2)(5) (CP) Marble Hill(2)(5) Marceline(2)(5) Marionville(2)(5)

Lilbourn(1)(2)(5)

Meta(2)(5)

Marston(1)(2)(5)

(1) Extended Area Service - See Paragraph 1.4.

(2) Message Rate Business Service not offered.

(3) Message Rate Business Service obsolete - limited to existing customers FILED

(5) One-party service only available.

Effective:

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Issued: FEB 2 9 1995

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MO. PUBLIC SERVICE COMM

LOCAL EXCHANGE TARIFF 39th Revised Sheet 6.01 Replacing 38th Revised Sheet 6.01

LOCAL IXCHANGE TARIFF

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1.3 EXCHANGES BY RATE GROUP-(Continued)

JAN 19 1995

1.3.1 Rate Group A- (Continued) (4)

MISSOURI Public Service Commission Trenton(1)(3)(5) Rushville(1)(5)

(MT) Montgomery City(1)(2)(5) Morehouse (1) (3) (5) New Franklin(1)(3)(5) New Madrid(1)(2)(5) Oak Ridge(1)(3)(5) Old Appleton(1),3)(5) Oran(1)(2)(5)

Ste. Genevieve(1)(2)(5) St. Marys(1)(3)(5) San Antonio(1)(5) Scott City(1)(3)(5) Senath(1)(3)(5) Slater(2)(5) Smithvalle(1)(3)(5) Stanberry(2)(5)

(MT)

(MT)

Patton(2)(5) Paynesville (1)(2)(5) Pierce City(1)(2)(5) Pocohontas-New Wells(1)(3)(5)

Vienna(2)(5) Walnut Grove (2)(5)'Wardell(1)(2)(5) Ware(1)(3)(5) Wellsville(2)(5) Westphalia(2)(5) Wyatt(1)(2)(5)

Tuscumbia(1)

Versailles(1)

(3)(5)

(3)(5)

Portage Des Sioux(2)(5) Portageville(1)(2)(5) Puxico(2)(5) Oulin(1)(3)(5) Richmond(2)(5) Richwoods (2) (5)

Risco(1)(2)(5)

(1) Extended Area Service - See Paragraph 1.4.

(2) Message Rate Business Service not offered.

(3) Message Rate Business Service obsolete - limited to existing customers.

(4) See Paragraph 1.1.3, preceding.

FEE 21 1995

(5) One-party service only available.

JAN 2 0 1996 Effective: Issued:

FEB 2 0 1996 PUBLIC

LOCAL EXCHANGE TARIFF 65th Revised Sheet 7 Replacing 64th Revised Sheet 7

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LOCAL EXCHANGE TARIFF

1.3 EXCHANGES BY RATE GROUP-(Continued)

FEB 29 1995

1.3.2 Rate Group B(4)

MISSOURI Public Service Commission

Camdenton (1) (2) (5) Cape Girardeau(1)(2)(5) Carthage (2) (5) Cedar Hill(1)(2)(5) Chesterfield(1)(5) Chillicothe (2) (5) DeSoto(1)(2)(5) Dexter(1)(2)(5) Eldon(1)(3)(5) Excelsior Springs (5)

(CP) Farmington(1)(2)(5) Fenton(1)(5) Festus-Crystal City(1)(2)(5)

> Flat River(1)(2)(5) Fulton(2)(5)

Gravois Mills(1)(2)(5)

Hannibal(2)(5) Harvester(1)(5) High Ridge(1)(5) Imperial(1)(2)(5) Jackson (1) (2) (5) Joplin(1)(2)(5) Kennett(1)(2)(5) Kirksville(2)(5)

Lake Ozark-Osage Beach(1)(2)(5) Manchester (1) (5) Marshall(2)(5) Maxville(1)(5) Mexico(2)(5) Monett(1)(3)(5) Moberly(1)(2)(5) Neosho (2) (5) Nevada(1)(2)(5) Pacific(1)(2)(5) Perryville(1)(2)(5) Pond(1)(5)

(CP) Poplar Eluff(1)(2)(5) St. Charles(1)(2)(5) St. Clair(3)(5) St. Joseph (1) (5) Sedalia(2)(5) Sikeston(1)(2)(5) Union(1)(2)(5) Valley Park(1)(5) Washington(3)(5) Webb City(1)(2)(5)

FILED

- (1) Extended Area Service See Paragraph 1.4.
- (2) Message Rate Business Service obsolete-limited to existing custing (1996)
- (3) Message Rate Business Service not offered.
- (4) See Paragraph 1.1.3, preceding.
- (5) One-party service only available.

MO. PUBLIC SERVICE COMM

FEB 2 9 1996 Issued:

MAR 3 0 1996 Effective:

By HORACE WILKINS, JR., President-Missouri Southwestern Bell Telephone Compan

St. Louis, Missouri

Attachment B Page 4 of 9

Case No. TA-97-31 Exhibit II, Page 3 of 8

LOCAL EXCHANGE TARIFF 32nd Revised Sheet 8 Replacing 31st Revised Sheet 8

LOCAL EXCHANGE TARIFF

(AT) 1.3 EXCHANGES BY RATE GROUP-(Continued)

RECEIVED

(FC) 1.3.3 Rate Group C(2)

DE0 11 1884

Springfield Metropolitan Exchange

MO. PUBLIC SERVICE COMMA

Principal Zone
-Principal Zone Base Rate Area(3)

Metropolitan Calling Area-1 (MCA-1) Zones

Fair Grove (3)
Nixa(1)(3)
Republic(1)(3)
Rogersville(3)
Strafford(3)
Willard(3)

(1) Extended Area Service - See Paragraph 1.4.

(2) See Paragraph 1.1.3, preceding.

(3) One-party service only available.

JAN 11 1995

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Issued:

1994

Effective:

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LOCAL EXCHANGE TARIFF 42nd Revised Sheet 9 Replacing 41st Revised Sheet 9

LOCAL EXCHANGE TARIFF

RECEIVED

1.3 EXCHANGES BY RATE GROUP- (Continued)

FEB 29 1995

1.3.4 Rate Group D(1)

MiSSOURI

Kansas City Metropolitan Exchange St. Louis Metropolitan Exchange St. Louis Metropolitan Exchange

Principal Zone(2)

Principal Zone (2)

Metropolitan

Calling Area-1 Zones

Gladstone (2) Independence (2)

Parkville(2) Raytown (2)

South Kansas City(2)

Metropolitan

Calling Area-2 Zones

Belton(2)

Blue Springs(2)

East Independence (2)

Lee's Summit (2)

Liberty(2) Nashua (2)

(CP) Tiffany Springs(2)

Metropolitan

Calling Area-1 Zones

Ferguson (2) Ladue(2)

Mehlville (2)

Overland(2)

Riverview(2)

Sappington(2)

Webster Groves(2)

Metropolitan

Calling Area-2 Zones

Bridgeton(2)

Creve Coeur(2) Florissant (2)

Kirkwood(2)

(CP) Oakville(2)

Spanish Lake(2)

FILED

MAR 3 0 1996

(1) See Paragraph 1.1.3, preceding.

(2) One-party service only available.

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Issued: FEB 2 9 1995

Effective: MAR 3 0 1996

GTE LOCAL EXCHANGE LISTING1

Alton
Amazonia
Annapolis
Arcola
Ashland
Augusta
Aurora
Ava
Avenue City
Avilla

Belgrade
Belle
Belleview
Birch Tree
Bland
Blue Eye
Bolckow
Boss
Bourbon
Bradleyville
Branson
Branson West
Braymer

Bronaugh-Moundville Brunswick (Triplett) Buffalo Bunker

Cabool Caledonia Cameron Canton Cape Fair Cassville Caulfield Cedar Creek Centerville Centralia Chamois Clarence Clark Clarksdale Collins Columbia Concordia Conway

Crane Cross Timbers Cuba

Dadeville
Dalton
Dardenne/Lake
St. Louis
Defiance
Dora

Easton
Edgar Springs
Eldorado Springs
Elkland
Ellsinore
Elmer
Eminence
Everton
Ewing
Exeter

Fillmore
Foley
Fordland
Foristell
Forsyth
Fremont

Gainesville
Galena
Golden City
Gorin
Gower
Grenfield
Grovespring

Hallsville
Hamilton
Hartville
Hawk Point
Helena
Hermann
Hermitage
High Hill
Highlandville
Holstein
Houston

Humansville Hunnewell Hurley

Irondale Ironton

Jamestown Jenkins Jerico Springs Jonesburg

Kahoka Keytesville Kidder Kimberling City Kingston Koshkonong

LaBelle
Laddonia
LaGrange
La Plata
Lawson
Leasburg
Lesterville
Lewistown
Licking
Louisburg
Lowry City

Macon Manes Mano Mansfield Marshfield Marthasville Maysville Milo Monroe City Montauk Park Monticello Morrison Moscow Mills Mount Sterling Mt. Verton Mtn. Grove Mtn. View

Cosby

¹Source: GTE Midwest Incorporated General and Local Exchange Tariff PSC MO. NO. 1, Section 4, Sheets 6 through 15.

GTE LOCAL EXCHANGE LISTING (contd.)

Nebo New Melle Niangua Norwood

Oates O'Fallon Old Monroe Osborn Osceola Ozark

Palmyra
Paris
Perry
Pittsburg
Plattsburg
Potosi
Prairie Home
Preston
Protem

Raymondville Reeds Spring Revere Roby Rocheport Rockaway Beach Rockville Rosendale

St. James St. Peters Safe Santa Fe Sarcoxie Savannah Schell City Seymour Shelbina Shelbyville She Idon Shell Knob Sparta Stewartsville Stoutsville Sturgeon Summersville

Thayer
Theodosia
Thomasville
Timber
Trimble
Troy
Truxton
Turney

Urbana

Van Buren Vanzant Vichy

Walker
Warrenton
Washburn
Wasola
Wayland*
Weaubleau
Wentzville
West Plains
West Quincy
Wheatland
Whitesville
Willow Springs
Winfield
Winona
Wooldridge

Wright City

*Includes customers in Base Rate Area Alexandria

GENERAL EXCHANGE TARIFF

UNITED TELEPHONE COMPANY OF MISSOURI

First Revised Page 2 Cancels Original Page 2

LOCAL EXCHANGE SERVICE RATE GROUPS

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ACCESS LIMITS AND EXCHANGES BY RATE GROUPS: (Cont'd)

FEB 03 1994

B. EXCHANGES IN EACH RATE GROUP IN "A" ABOVE

MISSOURI Public Service Commission

I

Appleton City	Blackburn	Blairstown	Brazito	(TM)
Calhoun	Camden Point	Centertown	Centerview	1
Chilhowee	Clarksburg	Coal	Craig	1
Dearborn	Deepwater	Edgerton	Eugene	1
Fairfax	Green Ridge	Hardin	Henrietta	1
Holt	Hopkins	Houstonia	Ionia	
King City	Kingsville	Leeton	Lincoln	Ì
Malta Bend	Misšouri City	Montrose	New Bloomfield	
Newburg	Norborne	Orrick	Otterville	ŀ
Pickering	Russellville	St. Thomas	Smithton	
Strasburg	Sweet Springs	Syracuse	Taos	1
Tarkio	Tipton	Urich	Waverly	1
Wellington	.		· · · ·	I TM)
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 Π

Buckner	Butler	California	Cole Camp	. (MT)
Holden	Kearney	Lake Lotawana	Lexington	
Lone Jack	Mound City	Odessa	Platte City	
Pleasant Hill	Richland	St. Robert	Waynesville	
Weston	Windsor			(MT)

Ш

Clinton Ferrelview Ft. Leonard Wood Harrisonville Lebanon Maryville Oak Grove Rolla Salem Warrensburg Warsaw	(TM) { (TM)
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<u>IV</u>

Jefferson City

FILED

FEB 21 1994 94 - 237 MISSOURI Public Service Commission

ISSUED: February 3, 1994 BY: John L. Roe
Vice President - Administration
5454 West 110th Street
Overland Park, Kansas 66211

EFFECTIVE:

Case No. TA-97-31 Exhibit II, Page 8 of 8

Attachment B Page 9 of 9