

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of the application of Value-Added )  
Communications, Inc. for a certificate of au- )  
thority to provide competitive intrastate )  
telecommunications services. )

CASE NO. TA-92-17

APPEARANCES: James M. Fischer, Attorney at Law, Akre, Wendt & Fischer,  
102 East High Street, Suite 200, Jefferson City, Missouri  
65102, for Applicant.

Randy Bakewell, Assistant Public Counsel, Office of Public  
Counsel, P. O. Box 7800, Jefferson City, Missouri 65102,  
for the Office of the Public Counsel and the Public.

Lee Tieman, Assistant General Counsel, Missouri Public Service  
Commission, P. O. Box 360, Jefferson City, Missouri 65102,  
for the Staff of the Missouri Public Service Commission.

HEARING

EXAMINER: C. Gene Fee

REPORT AND ORDER

On August 19, 1991, Value-Added Communications (Applicant) filed its verified application for a certificate of service authority authorizing it to provide competitive intrastate interexchange telecommunications services.

The Commission issued its Order and Notice on August 30, 1991, directing its Executive Secretary to send notice of this application. No applications to intervene or motions to schedule a hearing were filed in response to the notice.

On October 15, 1991, Applicant filed a motion seeking waiver of the application of certain rules and statutory provisions. On October 16, 1991, the Office of the Public Counsel (OPC) filed a motion seeking a hearing in the event the Applicant did not withdraw its request for a waiver of 4 CSR 240-33.030 which requires the telephone utility to inform its customers of the lowest cost service available. On October 30, 1991, OPC filed its Request For Permission To Withdraw Motion For Hearing. That request was granted by the Commission's order issued

November 6, 1991, which gave additional notice of the Applicant's request for waiver of rules and statutory provisions and established a new intervention date.

On November 8, 1991, the Staff of the Missouri Public Service Commission (Staff) filed its memorandum recommending approval of the original application. On November 19, 1991, the Applicant filed a withdrawal of its request for waiver of Section 392.240(3), RSMo 1986, as being inadvertently included in its motion for waiver. On December 26, 1991, the Staff filed its supplemental recommendation of approval of the waiver of the statutes and rules sought by the Applicant.

#### 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.

Pursuant to Section 392.440, RSMo Cum. Supp. 1990, Applicant requests authority to provide intrastate interexchange telecommunications services in the State of Missouri. Pursuant to Section 392.361, RSMo Cum. Supp. 1990, Applicant also requests that the Commission classify it as a competitive telecommunications company.

The requirement of a hearing has been fulfilled when all those having a desire to be heard are offered such an opportunity. In this case, notice was sent by the Executive Secretary of the Commission to any persons or entities known to the Telecommunications Department of the Public Service Commission to be rendering identical or similar services within the service area proposed by this application, as well as to each telephone company rendering local exchange service in Missouri. Interested persons or entities were directed to intervene on or before September 30, 1991. By subsequent order the Commission gave notice of the filing of the motion seeking a waiver of certain statutory provisions and rules, and established further intervention date. Since no proper party or governmental entity filed an application to intervene and neither the Staff nor the Office of Public Counsel now seeks a hearing, the Commission determines that an oral 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).

The Commission finds that Applicant is a Delaware corporation authorized to do business in the state of Missouri, with its principal office or place of business located at 1901 South Meyers Road, Suite 530, Oakbrook Terrace, Illinois 60181. The Commission further 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 any terms and conditions which the Commission may impose. By memorandum filed herein Staff recommends that the Commission grant Applicant a certificate of service authority, competitive status, and waiver of several rules and statutory provisions.

Based upon the verified statements of Applicant and the recommendations of Staff, the Commission finds that Applicant is qualified to perform the service proposed. Pursuant to Sections 392.440 and 392.530, RSMo Cum. Supp. 1990, the Commission will assume that additional competition in the intraLATA and interLATA toll markets is in the public interest. The Commission does not deem it necessary to determine a public need for each reseller's services as the market would eliminate any reseller for which there is no public need. Consequently, pursuant to Section 392.440, RSMo Cum. Supp. 1990, the Commission finds that it is in the public interest to grant Applicant a certificate of service authority to provide intrastate interexchange telecommunications services.

Applicant proposes to provide the following services: peripheral call processing systems and related services to aggregators of long-distance direct dial, credit card and collect calls. By its recommendation filed herein the Staff states that that the Applicant's proposed service is comparable to services offered by other competitive telecommunication companies, therefore, it should be granted competitive status. By its supplemental recommendation the Staff expresses the opinion that all of the statutory provisions and rules described in the Applicant's waiver request, as amended, have been waived for other competitively classified

telecommunications companies as found in the Commission's Report and Order for Case Nos. TO-88-142 and TO-88-128.

Based upon the verified statement of Applicant and Staff's recommendation, the Commission finds that all of the services Applicant proposes to offer are competitive and that Applicant should, therefore, be classified as a competitive company. The Commission further finds that the statutory and regulatory requirements waived in Case No. TO-88-142 for competitive companies and their services pursuant to Section 392.361, RSMo Cum. Supp. 1990, should be waived for Applicant, as listed hereinafter.

Pursuant to Section 392.470, RSMo Cum. Supp. 1990, the Commission determines that certain regulatory requirements should be imposed upon resellers authorized to provide telecommunications services in Missouri. Since the Applicant proposes to operate as a reseller of telecommunications services in this state, the Commission finds that the following regulatory requirements should be imposed upon Applicant as reasonable and necessary conditions of certification:

- (1) Applicant is required to comply with reasonable requests by the Staff for financial and operating data to allow the Staff to monitor the intraLATA toll market pursuant to Section 386.320.3, RSMo Cum. Supp. 1990;
- (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 the services pursuant to Section 392.220, RSMo Cum. Supp. 1990, and 4 CSR 240-30.010;
- (3) Applicant is precluded from unjustly discriminating between and among its customers pursuant to Section 392.200, RSMo Cum. Supp. 1990, and Section 392.400, RSMo Cum. Supp. 1990;
- (4) Applicant is required by Sections 386.570, RSMo 1986, and 392.360,

RSMo Cum. Supp. 1990 to comply with all applicable rules of the Commission except those which are specifically waived by the Commission pursuant to Section 392.420, RSMo Cum. Supp. 1990;

- (5) Applicant is required to file a Missouri-specific annual report pursuant to Section 392.210, RSMo Cum. Supp. 1990, and Section 392.390.1, RSMo Cum. Supp. 1990;
- (6) Applicant is required, until the Commission orders otherwise, to submit to the Staff on a confidential basis, quarterly reports showing its percentage of interstate use and intrastate interLATA and intraLATA use pursuant to Section 392.390.3, RSMo Cum. Supp. 1990;
- (7) Pursuant to Section 392.390.3, RSMo Cum. Supp. 1990, Applicant is required to comply with the jurisdictional reporting requirements as set out in each local exchange company's access services tariff.

Finally, the Commission finds that Applicant should file appropriate tariffs within thirty (30) days of the effective date of this Report and Order. The certificate to be granted herein will become effective only upon approval by the Commission of these tariffs.

#### Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law. \

Applicant proposes to provide service to the public as a competitive intrastate interexchange telecommunications company subject to the Commission's jurisdiction pursuant to Chapters 386 and 392, RSMo Cum. Supp. 1990.

Based upon the verified application of Applicant and the recommendation of its Staff, the Commission has found that Applicant has complied with the Commission's standards pertaining to applications requesting authority to provide intrastate interexchange telecommunications services and is qualified to perform said services. The Commission concludes that additional competition in the intrastate interexchange market is in the public interest and a certificate of service authority should be

granted. The Commission also has found that all the services Applicant proposes to offer are competitive. Therefore, the Commission concludes that Applicant should be classified as a competitive company pursuant to Section 392.361, RSMo Cum. Supp. 1990.

IT IS THEREFORE ORDERED:

1. That Value-Added Communications, Inc. be granted hereby a certificate of service authority to provide intrastate interexchange telecommunications services in Missouri. This certificate of service authority is subject to the conditions of certification set out herein and shall not become effective until the Commission approves Applicant's tariffs.

2. That Value-Added Communications, Inc. be classified hereby as a competitive telecommunications company for which the effect of the following statutory and regulatory requirements shall be waived:

4 CSR 240-30.010(2)(C)	--	Posting of exchange rates at central operating offices.
4 CSR 240-30.060(5)(B) through (5)(O)	--	Minimum filing requirements for proposed rate increases of rate base regulated telecommunications companies.
4 CSR 240-32.050(3) through (6)	--	Information concerning local service tariffs, maps, directories, and telephone numbers.
4 CSR 240-32.070(4)	--	Coin telephone availability.
4 CSR 240-33.030	--	Information regarding lowest price available.
Section 392.240(1)	--	Rates -- Reasonable average return on investment.
Section 392.270	--	Property valuation.
Section 392.280	--	Depreciation rates.
Section 392.310	--	Issuance of stocks and bonds.
Section 392.320	--	Stock dividends.
Section 392.340	--	Capitalization Reorganization.

3. That Value-Added Communications, Inc. shall file tariffs, identifying the specific rules and regulations that have been waived, within thirty (30) days of the effective date of this Report and Order.

4. That nothing contained herein shall be construed as a finding by the Commission of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the values placed upon said properties by the Applicant.

5. That Value-Added Communications, Inc. shall file with the Commission's Staff on a quarterly basis reports showing its percentage of interstate use and intrastate interLATA and intraLATA use. The first such report shall be filed in the next quarterly period following the effective date of this Report and Order and quarterly thereafter on a confidential basis, unless otherwise ordered by the Commission.

6. That this Report and Order shall become effective on the 14th day of January, 1992.

BY THE COMMISSION



Brent Stewart  
Executive Secretary

(S E A L)

Steinmeier, Chm., Mueller, Rauch,  
McClure and Perkins, CC., concur.

Dated at Jefferson City, Missouri,  
on this 3rd day of January, 1992.