

## STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 6th day of January, 1998.

In the Matter of the Application of Fast

Connections, Inc., for a Certificate of Service

Authority to Provide Basic Local Telecommunications

Service and Local Exchange Telecommunications

Service in Portions of the State of Missouri and to Classify Said Services as Competitive.

## **ORDER APPROVING TARIFF**

The Commission granted to Fast Connections, Inc. (Fast Connections) a certificate of service authority to provide basic local and local exchange telecommunications services in Missouri by order issued on April 9, 1997. The order, which took effect on April 22, directed the company to file tariff sheets reflecting the rates, rules, and regulations it will use and the services it will offer, and provided that Fast Connections's certificate would become effective concurrent with the effective date of the company's proposed tariffs.

The April 9 order temporarily waived the filing of a 45-day tariff as required by 4 CSR 240-2.060(4)(H) because Fast Connections had not obtained Commission approval for any interconnection agreement that enabled it to provide basic local and local exchange services at the time the application for a certificate was filed. However, Fast Connections had already filed its interconnection agreement with Southwestern Bell Telephone Company (SWBT) in Case No. TO-97-147, requesting Commission approval. This interconnection agreement was approved prior to April 9,

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and so the Commission ordered Fast Connections to file tariff sheets for approval no later than May 19.

Fast Connections' certificate of service authority covers wire centers that are currently served by SWBT, by GTE Midwest Incorporated (GTE) and by United Telephone Company of Missouri d/b/a Sprint (Sprint-United). When Fast Connections applied for its certificate, Fast Connections stated that it intended to offer both resold and facilities-based services. However, the interconnection agreement between Fast Connections and SWBT covers only resale of services in exchanges served by SWBT. Fast Connections has not yet filed any additional interconnection agreement(s) for Commission approval.

Fast Connections originally met the tariff filing deadline by filing tariff sheets on May 19, but eventually withdrew this tariff on October 16. Fast Connections filed a new tariff (P.S.C. MO Tariff No. 1) on November 24, with an effective date of December 24. Fast Connections simultaneously filed a Certification of Notice of Tariff Filing which was served on all parties to this case. The company filed substitute sheets on December 11, December 18, December 22 and December 24, and extended the tariff effective date to January 7, 1998.

The Commission's Staff (Staff) reviewed the tariff sheets and filed its Memorandum on December 24, 1997. Staff stated that P.S.C. MO Tariff No. 1 applies to resold two-way switched voice service within SWBT's territory. Staff pointed out that, while Fast Connections' certificate is broad enough to cover nonswitched private line service within the local calling scope, the proposed tariff does not contain provisions for Fast Connections to offer such service. Also, Fast Connections' tariff covers SWBT's local calling scope as required by the Commission's April 9 order,

but does not provide for optional calling plans such as the optional Metropolitan Calling Area (MCA) and Out-state Calling Area (OCA) plans. Fast Connections customers would be able to call 911, but would not have access to toll calling or operator calling.

Staff also stated that Fast Connections intends to offer service at a rate of \$40.99 per month plus all applicable taxes, assessments and surcharges. Fast Connections offers its services on a prepaid basis and does not require deposits from its customers. Optional features of call waiting and nonpublished number are each rated at \$5.00 per month plus \$5.00 each for installation. Call waiting, call forwarding and three-way calling would be made available as a package for \$10.00 per month plus a \$10.00 installation fee. Caller ID is priced at \$10.00 per month plus a \$10.00 installation fee. When a customer initiates service, the customer would be required to pay \$40.99 for the first month's service and a one-time "initiation fee" of \$69.00. The rights and responsibilities of Fast Connections' customers are set forth in a statement (entitled "Rights and Responsibilities of Missouri's Residential Telephone Customers") that is given to them when they initiate service. The installation fee is fully refundable for ten business days following the date on which the statement is either mailed or hand-delivered to the customer. This statement also sets forth all rates and charges, payment arrangements, and procedures for disconnection or suspension of service, reconnection of service and handling inquiries, and explains that toll and operator services are blocked.

The Staff recommended that the Commission approve Fast Connections' tariff, stating that the tariff complies with the Commission's rules and regulations and that it is consistent with the Commission's

Report and Order issued December 2 in Case No. TA-97-342, involving Max-Tel Communications, Inc. (Max-Tel), another prepaid services provider with comparable rates. The Staff recommended that Fast Connections be subjected to the same quality of service standards that the Commission applied to Max-Tel in Case No. TA-97-342.

The Commission has reviewed the tariff sheets, the Staff's recommendation, and the pleadings in this case and the other related cases discussed above. The Commission agrees that Fast Connections' tariff contains rates and terms and conditions that are similar to the Max-Tel tariff approved in Case No. TA-97-342, but notes that Fast Connections' offering is even more expensive to initiate than Max-Tel's because the \$69.00 initiation fee to be paid to Fast Connections prior to obtaining service does not include the first month's charges, whereas Max-Tel's initiation fee includes the first month of service.

The Commission does not find Fast Connections' rates to be unjust or unreasonable, or against the public interest. However, the Commission finds, for the reasons set forth in Case No. TA-97-342, that all initial charges, including both the \$69.00 initiation fee and any monthly charges collected prior to the provision of service, should be refundable for ten business days following the date on which the customer statement is delivered to Fast Connections' customers.

The Commission finds that the tariff sheets conform to the Commission's order of April 9, are consistent with prior Commission orders and should be approved as amended to become effective on January 7, 1998. The Commission concludes that the conditions stated in the April 9 order for Fast Connections' certificate of service authority to provide basic

local and local exchange telecommunications service will be fulfilled at the time P.S.C. MO Tariff No. 1 takes effect.

## THEREFORE, IT IS ORDERED:

1. That the tariff sheets filed by Fast Connections, Inc. on November 24, 1997, are approved as amended to become effective on January 7, 1998. The tariff sheets approved are:

## P.S.C. MO Tariff No. 2 Original Title Page through Original Sheet No. 37

- 2. That Fast Connections, Inc. shall mail the following information to its customers, at least ten business days prior to the date on which its initiation fee of \$69.00 and any monthly charges collected prior to provision of service become nonrefundable:
  - a. The Rights and Responsibilities of Missouri's Residential Telephone Customers described in the Staff's December 26, 1997, Memorandum; and
  - b. A statement that the customer's \$69.00 initial fee and any monthly charges collected prior to the provision of service are refundable for ten days following the date on which the packet containing the statement and information is postmarked.
- 3. That the date on which the information described in Ordered Paragraph 2 is postmarked by the United States Postal Service shall be treated as the date of "mailing" for purposes of interpreting Ordered Paragraph 2 in circumstances where the information is mailed to the customer.

- 4. That the certificate of service authority granted to Fast Connections, Inc. on April 9, 1997, to provide basic local and local exchange telecommunications service shall take effect on January 7, 1998.
  - 5. That this order shall become effective on January 7, 1998.
  - 6. That this case shall be closed on January 16, 1998.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory

Hole HARD Roberts

Secretary/Chief Regulatory Law Judge

(SEAL)

Lumpe, Ch., Crumpton, Drainer and Murray, CC., concur.

Randles, Regulatory Law Judge