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April 6, 2000

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General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Case No. TA-2000-32**

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Marc D. Poston  
Senior Counsel  
(573) 751-8701  
(573) 751-9285 (Fax)

MP/lb  
Enclosure  
cc: Counsel of Record

FILED<sup>2</sup>

APR 06 2000

Missouri Public  
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

APR 06 2000

Missouri Public  
Service Commission

In the Matter of the Application of )  
Computer Business Sciences, Inc., for )  
Certificates of Service Authority to )  
Provide Facilities-based Basic Local and )  
Interexchange Telecommunications )  
Services in the State of Missouri and to )  
Classify Said Services and the Company )  
as Competitive. )

Case No. TA-2000-32

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission ("Commission") grant Computer Business Sciences, Inc. (Applicant) a certificate to provide interexchange telecommunications services and a certificate to provide basic local telecommunications services. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. (See sections 392.430 and 392.440 RSMo 1994).

2. Staff also recommends that the Commission classify the Applicant and its services as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. (See section 392.361.2 RSMo 1994). All the services a competitive company provides must be classified as competitive. (See section 392.361.3 RSMo 1994).

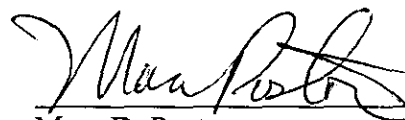
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3. Staff further recommends that the Commission approve the waivers listed in the attached recommendation. The Commission may waive the application of its rules and certain statutes if the Commission determines that the waiver is consistent with the purposes of Chapter 392 RSMo. (See sections 392.361.3 and 392.420 RSMo 1994 and section 392.185 RSMo Supp. 1999).

**WHEREFORE**, the Staff recommends that the Commission grant Computer Business Sciences, Inc. a certificate to provide interexchange telecommunications services and a certificate to provide basic local telecommunications services, grant Applicant competitive classification, approve Applicant's proposed tariff, MO P.S.C. No. 1 Original Sheet 1 through Original Sheet 42, and MO P.S.C. No. 2, Original Sheet 1 through Original Sheet 23 and approve waivers listed in the Notice of Applications.

Respectfully submitted,

DANA K. JOYCE  
General Counsel



Marc D. Poston  
Senior Counsel  
Missouri Bar No. 45722

Attorney for the Staff of the  
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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 6th day of April 2000.



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MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. TA-2000-32 File No. 20000059  
Computer Business Sciences, Inc.

FROM: Philip M. Garcia *pg BV*  
Telecommunications Department  
*Bin Vajt 040500* *Wm TK Howe 4/5/00 MP 4-6-00*  
Utility Operations Division/Date General Counsels Office/Date

SUBJECT: Recommendation to Approve Computer Business Sciences, Inc.'s Application  
for Certificate of Service Authority to Provide Basic Local Exchange and  
Interexchange Telecommunications Services and to Approve Tariffs PSC Mo #1  
and #2 with an effective date of April 15, 2000

DATE: April 4, 2000

I. Application

On July 15, 1999, Computer Business Sciences, Inc. (CBS) submitted an Application to the Public Service Commission (Commission) for a certificate of service authority in Missouri to provide facilities-based basic local and interexchange telecommunications services in the State of Missouri and to classify said services and the company as competitive.

Concurrent with the Application, CBS filed proposed MO PSC Tariffs No. 1, No. 2, and No. 3 with an effective date of August 29, 1999. This proposed set of tariffs was given Commission identification as File No. 20000059. On July 26, 1999 the Commission issued an order directing the filing of a corrected application as the standard waivers were improperly typed in the application. On July 27, 1999 the Commission issued an notice of application for CBS's application establishing August 26, 1999 as the intervention deadline for the basic local exchange element of CBS's application and August 11, 1999 as the intervention deadline for the interexchange telecommunications services element of CBS's application. On July 30, 1999 CBS filed a supplement to its application correcting the mis-typed waivers in its original application. On July 11, 1999 Southwestern Bell Telephone Company (SWBT) filed its application to intervene, and on September 8, 1999 the Commission issued an order granting intervention to SWBT. On September 9, December 13, 1999 and January 13, 2000 CBS submitted tariff extension requests ultimately to March 31, 2000. On January 18, 2000 CBS filed substitute tariff pages which were found acceptable. On January 26, 2000 CBS filed a stipulation and agreement and on January 27, 2000 Commission staff filed the suggestions in support of the stipulation and agreement. On February 3 the Commission issued an order directing filing and the answering of some questions to the Commission's

satisfaction. On February 14, 2000 Staff filed its response to the Commission's order and on February 15, 2000 CBS filed its response. On March 17, 2000 CBS submitted substitute tariff pages and also a request to extend the tariff effective date to April 15, 2000. On March 22 and 29, and April 4, 2000 CBS filed additional substitute pages.

- CBS proposes to provide facilities based and resold basic local exchange, dedicated non-switched local exchange and interexchange telecommunications service throughout all portions of Missouri that are currently served by SWBT
- CBS proposed tariff PSC No. 1 specifies that the exchanges in which it initially intends to offer services are those currently served by SWBT.
- CBS states that it will offer basic local telecommunications service as a separate and distinct service.
- CBS submitted copies of its Certificates of Incorporation from the state of Delaware, a certificate of Authority from the Missouri Secretary of State, a statement of the qualifications and experience of CBS key personnel, and latest SEC filings.

## II. Waivers

The Telecommunications Department Staff recommends that the Commission waive the standard statutes and rules as stated in the Commission's Notice of Application of July 27, 1999.

### For Competitive Basic Local Exchange Carriers:

Section 392.210.2	Uniform System of Accounts
Section 392.270	Valuation of Property
Section 392.280	Depreciation Accounts
Section 392.290.1	Issuance of Securities
Section 392.300.2	Acquisition of Stock
Section 392.310	Stock and Debt Issuance
Section 392.320	Stock Dividend Payment
Section 392.330	Issuance of Securities, Debts and Notes
Section 392.340	Reorganization
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

### For Interexchange & NonSwitched Local Exchange Carriers:

392.240(1)	Setting just and reasonable rates
392.270	Property valuation
392.280	Depreciation Accounts
392.290	Issuance of securities
392.310	Issuance of stock and debt

392.320	Stock dividend payment
392.330	Issuance of securities, debts & notes
392.340	Reorganizations
4 CSR 240-10.020	Depreciation fund income
4 CSR 240-30.010(2)(c)	Rate schedule posted at central office
4 CSR 240-30.040	Uniform System of Accounts
4 CSR 240-32.030(1)(B)	Exchange Boundary Maps
4 CSR 240-32.030(1)(C)	Track applications
4 CSR 240-32-030(2)	Records to be kept in-state
4 CSR 240-32-050(3)	Maps at public business office
4 CSR 240-32-050(4)	telephone directories
4 CSR 240-32-050(5)	intercept
4 CSR 240-32-050(6)	telephone number changes
4 CSR 240-32.070(4)	Coin telephone in each exchange
4 CSR 240-33.030	Inform customers of lowest price
4 CSR 240-33.040(5)	Financing fee

### III. Financial Resources

The Financial Analysis Department has reviewed the application and their memo of August 6, 1999, is attached, stating that CBS does meet the minimum financial qualifications.

### IV. Interconnection/Resale Agreement

On September 2, 1999, CBS filed an executed facilities based/resale agreement with SWBT for approval by this Commission, identified as Case TO-2000-209. An Order approving the Interconnection Agreement was issued October 19, 1999.

### V. Proposed Tariff

CBS plans to provide bundled regulated and unregulated services to business and residential customers by providing high broadband capacity over copper loop. In addition to basic local exchange and interexchange telecommunications services CBS will also provide video, Internet and cable TV. CBS initial plans are to provide local phone service, fast Internet access, and long distance either off-net (resell basis) or on-net, through CBS network. With its application of July 15, 1999, CBS submitted three separate tariffs: the first for basic local exchange service, the second for interexchange service and the third for exchange access service. Since that time, CBS has chosen to concur with SWBT's exchange access services, thereby reducing the need for a third

tariff specific to exchange access services. A concurrence statement appears in Tariff No. 2 addressing its concurrence with SWBT.

The proposed tariff No 1-Basic Local Exchange Services- includes the following articles:

1. Page format includes the company name, consecutive numbering of pages, Issue and Effective Dates, and the name of the issuing officer.
2. A statement that the corporation provides competitive basic local exchange services.
3. A listing of all waivers of rules and regulations requested in the Application and in the Stipulation and Agreement.
4. A listing of exchanges in which the company proposes to provide service.
5. A description of the undertaking of the company (Section 2.1) to provide resold and facilities based telecommunications services to business and residential customers.
6. A listing of terms and conditions for service (Section 2), including:
  - Descriptions of Applicant and customer liabilities and responsibilities.
  - A minimum thirty (30)-day service period, with billing, payment, collection and dispute resolution regulations.
  - A 30-day payment period.
  - A delinquent payment penalty of 1.5%
  - A one-time charge of \$20.00 for a dishonored personal check, increasing to \$40 if the face value of the check exceeds \$400. (Section 2.1).
  - CBS disconnection procedures detail when service may be discontinued, and provides 14 and 7-day notice period with a minimum 24 hr contact before disconnection (Section 2.16). The tariff indicates that failure to pay charges in dispute does not constitute grounds for disconnection. Standard language regarding charges not subject to the Commission's jurisdiction, and days permitted for customer disconnection, is included.
  - A \$31.87 restoral fee, in addition to a service application fee, to restore service after a disconnection.
  - The processing fee that are paid at the time of signing the service order will be refunded if the proposed service is canceled before the telephone service has been connected, or within 10 business days following postmarking of the service initiation statement.
7. A listing of rates and charges for services available (Section 4).

The proposed tariff No 2-Interexchange Services- includes the following articles

1. Page format includes the company name, consecutive numbering of pages, Issue and Effective Dates, and the name of the issuing officer.
2. A statement that the corporation provides competitive basic local exchange services.
3. A listing of all waivers of rules and regulations requested in the Application and in the Stipulation and Agreement.
4. Undertaking of CBS along with Rules and Regulations applicable to service.
5. Stipulations as to advance payments, and the standard Commission approved language for taxes, causes for disconnection, promotions, and private line service provided on ICB basis including xDSL service.



6. Billing procedures (Section 2.10)
7. Directory Assistance and Operator Assistance.
8. Applicable rates (Section 4) .
9. A statement of concurrence with SWBT exchange access rates.

#### VI. Summary Recommendation

The Staff has reviewed CBS application and finds that it contains the standard statement: Applicant is willing to meet all relevant service standards including, but not limited to, billing, quality of service, and tariff filing and maintenance.

The Staff further finds that:

- 1) CBS has sufficiently identified the geographic area in which it proposes to offer basic local service; and
- 2) Such areas follow exchange boundaries of the incumbent local exchange companies and such area is no smaller than an exchange; and
- 3) CBS states that it will provide basic local service as a separate and distinct service.
- 4) CBS tariffs meet Staff's review standards.

The Staff has reviewed the proposed Application and attached tariffs, and has no objections to Commission approval. Staff recommends that the Commission issue an order that approves the proposed Application and proposed tariffs. The specific tariff sheets recommended for approval are: Mo. P.S.C. No. 1 Original Sheet 1 through Original Sheet 42, and MO P.S.C. No 2, Original Sheet 1 through Original Sheet 23. Staff is unaware of any other filing that may affect, or be affected by, this filing.

*financial*

## Memorandum

**TO:** Phil Garcia  
Telecommunications Department

**FROM:** Roberta McKiddy *RM*  
Financial Analysis Department

**SUBJECT:** Computer Business Sciences, Case No. TA-2000-32

**DATE:** August 6, 1999

### Financial Analysis Comments

We have reviewed the financial information as submitted by Computer Business Sciences (Company) in their Application Case No. TA-2000-32. This financial information is the responsibility of the company's management and is provided by them. The responsibility of the Financial Analysis Department is to review the financial information as provided by the Company in the Application. We plan and perform the review to ascertain that the Company meets the minimum financial standard.

Our analysis indicates that Company ☒ does ☐ does not meet the minimum standard of 2.3 times pretax interest coverage and a total debt to total capital of 50% to 62% ☐ cash or equivalent working capital of at least four (4) months operating expenses inclusive of interest expense and taxes.

We believe that our review provides a reasonable basis for the opinion expressed above.

**Service List for  
Case No. TA-2000-32  
April 6, 2000**

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