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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 5th
day of August, 1997.

In the Matter of the Application of)
Max-Tel Communications, Inc. for a)
Certificate of Service Authority to)
Provide Basic Local Telecommunications)
Service in Portions of the State of)
Missouri and to Classify Said Services)
and the Company as Competitive.)

CASE NO. TA-97-342

**ORDER SUSPENDING TARIFF SHEET
AND SETTING SCHEDULING CONFERENCE**

Max-Tel Communications, Inc. (Max-Tel) applied to the Missouri Public Service Commission on February 21, 1997, for a certificate of service authority to provide basic local telecommunications services within the state of Missouri, for classification as a competitive telecommunications company, and for waiver of certain statutes and Commission rules as authorized by statute. The Commission issued an Order and Notice on February 28, directing parties wishing to intervene in the case to do so by April 10. Max-Tel requested a waiver of 4 CSR 240-2.060(4)(H) that requires the filing of a proposed tariff with its application, carrying a forty-five-day effective date.

The Commission issued an order on April 21 granting intervention to the Small Telephone Company Group, Fidelity Telephone Company and Bourbeuse Telephone Company, and Southwestern Bell Telephone Company (SWBT). The order directed the parties to file a proposed procedural schedule no later than May 6. The parties filed a Stipulation and Agreement on May 6 and the Commission Staff (Staff) filed Suggestions in Support of the stipulation on May 13. Since the parties were in

agreement and there were no requests for hearing the Commission granted the certificate without a hearing as permitted by State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo.App. 1989).

The Commission issued its Order Granting Certificate of Service Authority to Provide Basic Local Telecommunications Service on June 6. The order granted the requested waiver of 4 CSR 240-2.060(4)(H) and directed Max-Tel to file tariff sheets for approval no later than 30 days after Commission approval of the interconnection agreement required for the company to begin providing services.

The Commission approved a Resale Agreement between Max-Tel and SWBT on July 15 in Case No. TO-97-501. In the meantime, Max-Tel had filed proposed tariff sheets on June 9, with an effective date of July 9. The company filed substitute sheets on several occasions and extended the effective date as well. The effective date has now been extended to August 7.

Staff filed a memorandum on July 29 recommending approval of the proposed tariff sheets submitted by Max-Tel on June 9, as amended. Staff's recommendation noted, among other things, the high cost of the prepaid services described by the tariff filing, and the toll-blocking features.

There are several cases involving the provision of prepaid basic local telecommunications services pending before the Commission. The Commission has expressed concern about the additional rule waivers requested by some companies, and about protections needed for the targeted end users of this particular type of service. The Commission conducted hearings regarding the certification cases filed by Local Line America, Inc., Case No. TA-97-251, on July 16 and Comm South Companies, Case No.

TA-97-203, on July 25. Neither case has been decided.

The Commission has reviewed the tariff filing and Staff's recommendation, and has considered its pending cases and the need to make a well-reasoned policy decision regarding prepaid service providers. The Commission finds that approval of Max-Tel's tariff sheets at this time would not be in the public interest. The Commission needs additional time to consider what protections, if any, should be provided for end users before providers are permitted to offer prepaid services. Accordingly, the tariff sheets filed by Max-Tel on June 9 shall be suspended for 120 days beyond the current effective date until December 5, unless otherwise ordered by the Commission. The issues involved in this tariff filing may be resolved by Commission action on pending prepaid services applications. Therefore, the Commission will not establish an expedited procedural schedule but will schedule an early prehearing conference for September 16. Since the parties are not in conflict, the purpose of the prehearing conference will be solely to establish whatever procedural schedule the Commission determines necessary.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets, submitted on June 9, 1997, by Max-Tel Communications, Inc. are suspended for a period of one hundred and twenty days beyond the current effective date to December 5, 1997, or until otherwise ordered by this Commission:

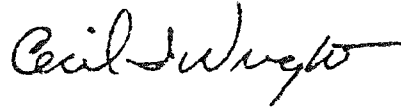
P.S.C. Mo. No. 1 Missouri Telecommunications Tariff
Original Sheet No. 1 through Original Sheet No. 19.2

2. That the Commission shall conduct a scheduling conference on Tuesday, September 16, 1997, at 10:00 a.m. in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

3. That anyone with special needs as addressed by the Americans With Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days before the prehearing or hearing at one of the following numbers: Consumer Services Hotline - 1-800-392-4211 or TDD Hotline - 1-800-829-7541.

4. That this order shall become effective on August 5, 1997.

BY THE COMMISSION

A handwritten signature in cursive script, appearing to read "Cecil I. Wright".

Cecil I. Wright
Executive Secretary

(S E A L)

Zobrist, Chm., Crumpton, Murray,
Lumpe and Drainer, CC., concur.

ALJ: Wickliffe