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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 20th  
day of June, 1997.

In the Matter of the Application of       )  
Friendship Village of West County for    )  
Certificate of Service Authority to       )  
Provide Shared Tenant Services within    )  
the State of Missouri.                    )

CASE NO. TA-97-353

**ORDER APPROVING CERTIFICATE OF SERVICE AUTHORITY  
TO PROVIDE SHARED TENANT SERVICES**

Friendship Village of West County (Friendship Village) applied to the Missouri Public Service Commission (Commission) on February 28, 1997, for a certificate of service authority to provide shared tenant services (STS) in Missouri under Sections 392.410 and .520.<sup>1</sup> Friendship Village is a Missouri corporation with its principal office at 15201 Olive, Chesterfield, Missouri. Friendship Village proposes to provide residential STS to its multi-building nursing home and retirement apartments located at 15201 Olive, Chesterfield, Missouri 63017.

The Commission issued an Order and Notice on March 4 directing parties wishing to intervene in the case to do so by April 3. Southwestern Bell Telephone Company (SWBT) filed an application to intervene on March 13. Friendship Village filed its objection to the application to intervene on March 26 along with a verified statement and diagram of the premises which is the subject of the application. SWBT withdrew its application to intervene on April 28. Since no one was granted intervention and no proper

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<sup>1</sup>All statutory references are to Revised Statutes of Missouri, 1994, or to the 1996 Supplement.

party requested a hearing, the Commission determines that no hearing is necessary. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

In its Memorandum filed on May 16, the Staff of the Commission stated that Friendship Village had provided adequate documentation to accompany its application and that Friendship Village meets the requirements for STS set out by the Commission. Specifically, Staff stated that Friendship Village has agreed to abide by all of the Commission's rules and regulations which are applicable to STS providers. Staff stated that the application for a certificate of service authority should be approved. Staff raised no objection to the technical or financial qualifications of Friendship Village to provide STS.

Staff filed an amended recommendation on June 6 in order to address which of the STS standard waivers should apply to Friendship Village. Staff recommended that the Commission approve the application and grant all of the standard waivers for STS providers as established in In re Carr Square Tenant Corp., Case No. TA-96-283 (Order Granting Waivers issued July 31, 1996). Nevertheless, Staff's memorandum incorrectly lists 4 CSR 240-32.030(2) as "telephone directories," whereas the correct references are to 4 CSR 240-32.030(2) as "records kept within state"; 4 CSR 240-32.050(4-6) as "telephone directories"; and 4 CSR 240-32.050(3) as "local office record keeping." Staff's list also appears to have inadvertently omitted Section 392.340, "reorganizations," which was also included in Case No. TA-96-283.

Staff records the waiver of the uniform system of accounts as 4 CSR 240-30.040(1-3, 5-6); however, because of an amendment to that rule effective on October 30, 1996, a reference to the appropriate material is 4 CSR 240-30.040, which includes paragraphs (1) through (5). Finally, the

statute referring to depreciation is Section 392.280, not Section 393.380. The corrected list of standard waivers is stated in ordered paragraph 5 of this order.

Private STS is governed by Section 392.520 which provides that STS providers shall be subject to the minimum regulation permitted by statute for competitive telecommunications services. The statute specifically exempts STS providers from the tariff filing requirements of Sections 392.220, 392.230, 392.370(4) and (5), and 392.500. The statute also states that the Commission may exempt STS providers from Section 392.390(1) and (3), and Section 386.370.

When granting a certificate of service authority to provide shared tenant services, the Commission must determine whether certification is in the public interest. Section 392.440. The Commission established 12 conditions for certification of STS providers in *In re Establishment of Appropriate Permanent Tariffs for the Provision of Shared Tenant Services (STS) within Local Telephone Company Exchanges*, 29 Mo. P.S.C. (N.S.) 373, 395 (1988):

1. The LEC will retain its provider of last resort obligation for all STS locations.
2. STS may only be provided to tenant premises which are located in an entire single building or less, unless a waiver of this condition is granted by the Commission. The definition of an entire single building is as approved in the interim tariffs in Case No. TC-84-233.
3. An LEC shall only provide one point of demarcation to an STS location regardless of the number of PBXs connected at the STS location.
4. The STS location shall consist of all tenant premises where STS is provide by the STS provider which meet the conditions of paragraph 2.
5. STS providers shall pay the flat trunk PBX access rate for access to the LEC system.
6. The STS conditions in this order shall apply to service to all nontransient tenants as described in this order.
7. Customer-owned coin telephones shall access the local exchange telephone network through a separate access line under separate tariffs.

8. STS providers will comply with the filing requirements listed in this order and those which may additionally be ordered by the Commission.
9. The STS provider shall utilize a PBX which is registered with the Federal Communications Commission and riser cable and other facilities must conform to the specifications of the LEC.
10. STS providers shall provide the LEC 180 days' notice that the STS provider will be providing service in a newly constructed building. If the 180-day notice is not provided, the STS provider shall be responsible for the incremental cost of any facilities in excess of the facilities requested by the STS provider which the LEC constructed in anticipation of providing service directly to the tenants of the new building. The STS provider will also provide the LEC the size and location of the STS tenants.
11. The STS provider shall contract with the LEC to allow the LEC the right-of-use to STS riser cable and other facilities necessary to provide service to any tenant at an STS location which requests service from the LEC.
12. STS providers who establish an STS arrangement in an existing building shall give notice to the LEC of the location of STS tenants at the time of connection to the LEC network.

Condition No. 2 was developed to meet the "discrete private premises" requirement of Section 392.520. The single building standard was revised in 1995 when the Commission concluded that discrete private premises would be defined as premises where "(1) all buildings are located on either a continuous tract of land or upon adjacent and abutting tracts of land only separated by a public thoroughfare; (2) all buildings and land must be subject to common ownership interest or associated ownership interests; and (3) all building and land should be located in the same wire center." See In re GE Capital-Rescom, L.P., Case No. TA-95-125 (Oct. 25, 1995), aff'd, No. CV195-1522CC (Cole Co. Cir. Ct., May 29, 1996). The Commission also stated that it may review whether the requesting company has the experience, financial expertise, and technical expertise to provide adequate services to the public. Id.

Having reviewed Friendship Village's application and Staff's recommendation, the Commission finds that Friendship Village has provided

the documentation and met the other requirements of In re GE Capital-Rescom. The Commission finds that the premises described in the application meet the definition of discrete private premises established by the Commission and that granting this application would be in the public interest. Therefore, the Commission finds that Friendship Village should be granted a certificate of service authority to provide shared tenant services at the locations described in its application. The Commission further finds that the waivers in ordered paragraph 5 of this order should be granted to Friendship Village.

**IT IS THEREFORE ORDERED:**

1. That Friendship Village of West County is granted a certificate of service authority to provide shared tenant telecommunications services at the locations described in its application filed on February 28, 1997, and as depicted in its diagram and verified statement filed on March 26, 1997.

2. That the certificate granted by this order applies only to the buildings and locations described in the application and diagram filed in this case and does not extend to any other building or geographic location.

3. That Friendship Village of West County shall comply with the annual reporting requirements set out in ***In re Establishment of Appropriate Permanent Tariffs for the Provision of Shared Tenant Services (STS) within Local Telephone Company Exchanges***, 29 Mo. P.S.C. (N.S.) 373, 395 (1988).

4. That Friendship Village of West County shall comply with all the conditions for provision of STS set out in this order.

5. That Friendship Village of West County is exempted from compliance with the following statutes and rules:

Statutes

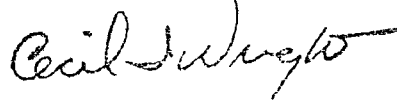
392.220 File tariffs with the Commission.  
392.230 Charges for short and long distance service.  
392.370(4) Submission of cost information.  
392.370(5) Application of 392.220 and 392.230 for transitionally competitive services.  
392.390(3) Separations reports.  
392.500 Changes in rates.  
392.240(1) Rates - reasonable average return on investment.  
392.270 Property valuation.  
392.280 Depreciation.  
392.290 Issuance of stocks and bonds.  
392.310 Issuance of stocks and bonds.  
392.320 Issuance of stocks and bonds.  
392.330 Issuance of stocks and bonds.  
392.340 Reorganization.

Commission Rules

4 CSR 240-10.020 Income on depreciation fund investments.  
4 CSR 240-30.010(2)(C) Post exchange rates in 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) Record of access line.  
4 CSR 240-32.030(2) Records kept within state.  
4 CSR 240-32.050(3) Local office record keeping.  
4 CSR 240-32.050(4-6) Telephone directories.  
4 CSR 240-32.070(4) Coin telephones.  
4 CSR 240-33.030 Inform customers of the lowest-priced services.  
4 CSR 240-33.040(5) Finance fee.

6. That this order shall become effective on July 1, 1997.

BY THE COMMISSION



Cecil I. Wright  
Executive Secretary

(S E A L)

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

ALJ: George