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April 10, 2000

FILED<sup>2</sup>

APR 10 2000

Missouri Public  
Service Commission

Mr. Dale Hardy Roberts  
Executive Secretary-Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102-0360

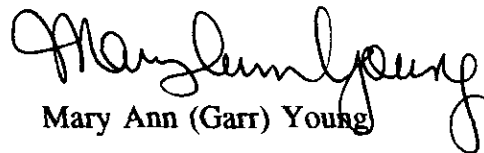
RE: Case No. TA-2000-396  
Application of Reitz Rentals, Inc. d/b/a SouthWest TeleConnect for a Certificate of  
Service Authority to Provide Basic Local Telecommunications Services

Dear Mr. Roberts:

Enclosed please find an original and fourteen copies of a Stipulation and Agreement for  
filing with the Commission in the above-referenced case. The Stipulation is filed in lieu of a  
procedural schedule.

Thank you for your assistance in processing this filing. Copies are being served on the  
Office of Public Counsel, General Counsel, and Southwestern Bell Telephone Company. If there  
are any questions, please call me at 634-8109.

Sincerely,

  
Mary Ann (Garr) Young

Enclosure

cc: Michael Dandino  
William K. Haas  
Mimi McDonald  
Jaqualin Friend Peterson, FWCLZ

FILED<sup>2</sup>

APR 10 2000

Missouri Public  
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

In the matter of the Application of )  
Reitz Rentals, Inc. d/b/a SouthWest )  
TeleConnect for Certificate of Service ) Case No. TA-2000-396  
Authority to Provide Basic Local )  
Telecommunications Service in Missouri, )  
for Competitive Classification, and for )  
Waiver of Statutory Provisions and Rules )

STIPULATION AND AGREEMENT

Reitz Rentals, Inc. d/b/a SouthWest TeleConnect (Applicant or SouthWest TeleConnect) initiated this proceeding on December 29, 1999, by filing an Application requesting certificate of service authority to provide basic local telecommunications services in those portions of Missouri that are currently served by Southwestern Bell Telephone Company (SWBT), GTE Midwest, Incorporated (GTE) and Sprint Missouri, Inc. d/b/a Sprint (Sprint).

The Missouri Public Service Commission (Commission) has granted the timely application to intervene of Southwestern Bell Telephone Company (SWBT).

A. Standards and Criteria

1. For purposes of this Stipulation and Agreement, the parties agree that applications for local exchange and basic local exchange service authority in exchanges served by "large" local exchange companies (LECs)<sup>1</sup> should be processed in a manner similar to that in which applications for interexchange authority are currently handled.

2. In determining whether SouthWest TeleConnect's application for certificate of service authority should be granted, the Commission should consider Applicant's technical, financial and managerial resources and abilities to provide basic local telecommunications service. Applicant must

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<sup>1</sup>Large LECs are defined as LECs who serve 100,000 or more access lines §386.020 RSMo. Supp. 1999. In Missouri, the current large LECs are SWBT, GTE and Sprint.

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demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including but not limited to the filing and maintenance of basic local service tariffs with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies (ILECs) with which applicant seeks to compete. Further, Applicant agrees to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the ILECs with which applicant seeks to compete. Notwithstanding the provisions of §392.500 RSMo. (1994), as a condition of certification and competitive classification, Applicant agrees that, unless otherwise ordered by the Commission, SouthWest TeleConnect's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for the large ILEC(s) within whose service areas Applicant seeks authority to provide service. Further, Applicant agrees to offer basic local telecommunications service as a separate and distinct service and has sufficiently identified the geographic service area in which it proposes to offer basic local service. Such area follows exchange boundaries of the ILECs in the same area and is no smaller than an exchange. Finally, Applicant agrees to provide equitable access to affordable telecommunications services, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of residence or income. See §392.455 RSMo. Supp. 1999.

3. The parties acknowledge that the Commission is currently examining the extent to which competitive LEC (CLEC) switched access rates should be regulated in Case No. TO-99-596. SouthWest TeleConnect will comply with any applicable Commission order regarding intrastate CLEC switched access rates, and the parties acknowledge that SouthWest TeleConnect can comply with any such order notwithstanding any contrary terms contained in this Stipulation.

4. SouthWest TeleConnect submitted its application without a tariff and seeks a temporary waiver of 4 CSR 240-2.060(4)(H). SouthWest TeleConnect agrees to file its initial tariff in this certification docket and serve all parties thereto with written notice at the time the initial tariff is submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff will be provided by Applicant to such parties immediately upon request. Any service authority shall be regarded as conditional and shall not be exercised until such time as a tariff for service has become effective. When filing its initial basic local tariff, SouthWest TeleConnect shall also file and serve a written disclosure of all resale and/or interconnection agreements which affect its Missouri service areas, all portions of its Missouri service areas for which it does not have a resale and/or interconnection agreement with the incumbent local exchange carrier, and its explanation of why such a resale and/or interconnection agreement is unnecessary for such areas.

5. SouthWest TeleConnect has, pursuant to §392.420 RSMo., requested that the Commission waive the application of the following statutory provisions and rules to its basic local telecommunications services, and the parties agree that the Commission should grant such request provided that §392.200 RSMo. should continue to apply to all of SouthWest TeleConnect's services:

STATUTORY PROVISIONS

§392.210.2  
§392.270  
§392.280  
§392.290.1  
§392.300.2  
§392.310  
§392.320  
§392.330  
§392.340

COMMISSION RULES

4 CSR 240-10.020  
4 CSR 240-30.040  
4 CSR 240-35

6. In negotiating the remaining provisions of this Stipulation and Agreement, the parties employed the foregoing standards and criteria, which are intended to meet the requirements of existing law and §§392.450 and 392.455 RSMo. regarding applications for certificates of local exchange service authority to provide basic local telecommunications service

B. SouthWest TeleConnect Certification

7. SouthWest TeleConnect hereby agrees that its application should be deemed amended to include by reference the terms and provisions described in paragraphs 2-5 above.

8. Based upon its verified Application, as amended by this Stipulation and Agreement, SouthWest TeleConnect asserts, and no party makes a contrary assertion, that there is sufficient evidence from which the Commission can find and conclude that SouthWest TeleConnect:

- A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service, including exchange access service;
- B. proposes and agrees to offer basic local services that satisfy the minimum standards established by the Commission;
- C. has sufficiently identified the geographic area in which it proposes to offer basic local service and such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;
- D. will offer basic local telecommunications service as a separate and distinct service;
- E. has agreed to provide equitable access to affordable telecommunications services, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income; and
- F. has sought authority which will serve the public interest.

9. SouthWest TeleConnect asserts, and no party opposes, that SouthWest TeleConnect's application and request for authority to provide basic local telecommunications services should be granted. All services authorized herein should be classified as competitive telecommunications services provided that the requirements of §392.200 RSMo. continue to apply, and SouthWest TeleConnect shall remain classified as a competitive telecommunications company. SouthWest TeleConnect asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the ILECs to justify a lesser degree of regulation of SouthWest TeleConnect's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for the services becoming effective. Such authority should be conditional, not to be exercised until such time as tariffs for those services have been filed (together with the written disclosure as stipulated above) and have become effective. The Commission's Order should state the foregoing conditions substantially as follows:

The service authority and service classification herein granted are subject to the requirements of §392.200 RSMo. and are conditional and shall not be exercised until such time as tariffs for services have become effective.

The parties agree that Applicant's switched exchange access services may be classified as competitive services. The parties further agree that Applicant's intrastate switched exchange access services are subject to §392.200 RSMo. Any increases in intrastate switched access service rates above the maximum switched access service rates as set forth in paragraph 2 herein shall be cost justified and shall be made pursuant to §§392.220 and 392.230 RSMo. and not §§392.500 and 392.510 RSMo.

The Commission's Order should state the foregoing conditions substantially as follows:

The service authority and service classification for switched exchange access granted herein is expressly conditioned on the continued applicability of §392.200 RSMo. and the requirement that any increases in switched access service rates above the maximum switched access service rates set forth herein shall be cost justified and shall

be made pursuant to §392.220 and 392.230 RSMo. and not §392.500 and 392.510 RSMo.

10. SouthWest TeleConnect's request for a temporary waiver of 4 CSR 240-2.060(4)(H), which requires applications to include a proposed tariff with a 45-day effective date, is not opposed by the parties and should be granted. SouthWest TeleConnect and Southwestern Bell Telephone Company entered a resale agreement which was recently approved by the Commission (Case No. TO-2000-426, Order Approving Resale Agreement 3/17/2000). SouthWest TeleConnect does not yet have approved resale and/or interconnection agreements with Sprint and GTE, although a resale agreement with Sprint Missouri was filed with the Commission on April 4, 2000. Applicant agrees that at such time as all facts necessary for the development of tariffs become known, it will submit tariffs in this docket, with a minimum 45-day proposed effective date, to the Commission for its approval, together with the written disclosure as stipulated above. SouthWest TeleConnect shall serve notice to all parties and participants in this docket of the filing of its tariffs at the time they are filed with the Commission and serve them with the aforesaid written disclosure and shall upon request immediately provide any party with a copy of those tariffs. The Commission's Order should state these obligations as conditions to the waiver of 4 CSR 240-2.060(4)(H), substantially as follows:

Applicant's request for temporary waiver of 4 CSR 240-2.060(4)(H) is hereby granted for good cause in that applicant does not yet have approved resale and/or interconnection agreements with Sprint and GTE, and applicant's resale agreement with SWBT was only recently approved. When applicant submits its tariffs in this docket to the Commission, such tariffs shall have a minimum of a 45-day effective date and the applicant shall serve written notice upon the parties hereto of such submittal, and shall provide copies of such tariffs to such parties immediately upon request. When filing its initial basic local tariff in this docket, the applicant shall also file and serve upon the parties hereto a written disclosure of: all resale and/or interconnection agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have a resale and/or interconnection agreement with the incumbent local exchange carrier; and its explanation of why such a resale and/or interconnection agreement is unnecessary for any such areas.

11. SouthWest TeleConnect's request for waiver of the application of the following rules and statutory provisions as they relate to the regulation of Applicant's services should be granted:

STATUTORY PROVISIONS

§392.210.2  
§392.270  
§392.280  
§392.290.1  
§392.300.2  
§392.310  
§392.320  
§392.330  
§392.340

COMMISSION RULES

4 CSR 240-10.020  
4 CSR 240-30.040  
4 CSR 240-35

12. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The Stipulations herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings.

13. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein: their respective rights pursuant to §536.070(2) and §536.080.1 RSMo. 1994, to present testimony, to cross examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2 RSMo. 1994; and their respective rights to seek rehearing pursuant to §386.500 RSMo. 1994 and to seek judicial review pursuant to §386.510 RSMo. 1994. The parties agree to cooperate with the Applicant and with each other in presenting



this Stipulation for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of SouthWest TeleConnect's application made herein.

14. The Staff may submit a Staff Recommendation concerning matters not addressed in this Stipulation. In addition, if requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant herein shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties and participants. All memoranda submitted by the parties shall be considered privileged in the same manner as settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

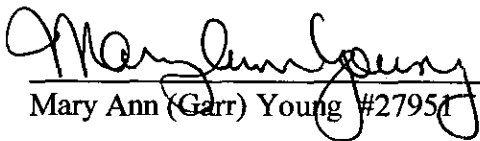
The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure.

15. The Office of Public Counsel, while not a signatory to this Stipulation and Agreement, has been contacted with regard to its filing and has offered no objection.

16. Finally, SouthWest TeleConnect will comply with all applicable Commission rules and regulations except those which are specifically waived by the Commission.

WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by SouthWest TeleConnect, subject to the conditions described above, at its earliest convenience.

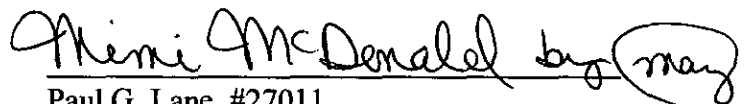
Respectfully submitted,

  
Mary Ann (Garr) Young #27951

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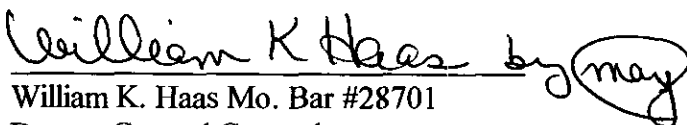
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FOR: Reitz Rentals d/b/a SouthWest  
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FOR: Southwestern Bell Telephone  
Company

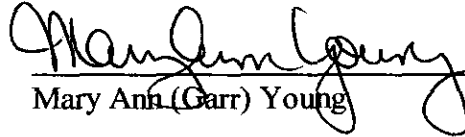
  
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FOR: Staff of the Missouri  
Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid, to the parties of record listed below, on this 10<sup>th</sup> day of April 2000.

  
Mary Ann (Garr) Young

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