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February 7, 2000

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ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. KOLILIS
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

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

FILED³

FEB 07 2000

Missouri Public
Service Commission

RE: Case No. TD-2000-399

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,

Cliff E. Snodgrass
Senior Counsel
(573) 751-3966
(573) 751-9285 (Fax)

CES:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

FEB 07 2000

In the Matter of the Application of Axces)
Inc. to Cancel the Certificate of Service to)
Provide Intrastate Telecommunications)
Services within the State of Missouri of)
Axces Acquisition and to Maintain the)
Certificate of Service to Provide Intrastate)
Telecommunications Services of Axces,)
Inc.)

Missouri Public
Service Commission

Case No. TD-2000-399

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) pursuant to the grant of statutory authority contained in Section 392.410 (5) RSMo 1994, and makes the following recommendation states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission (Commission) issue an Order which:

- A. Cancels the Certificate and Tariff of Axces Acquisition, Inc.
- B. Maintains and continues the Certificate and Tariff of Axces, Inc.

Respectfully submitted,

DANA K. JOYCE
General Counsel

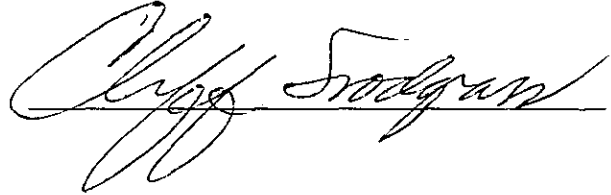


Cliff Snodgrass
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Missouri Bar No.

Attorney for 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 7th day of February, 2000.

A handwritten signature in cursive script, reading "Cliff Sodergran", is written over a horizontal line.

MEMORANDUM

RECEIVED

FEB - 4 2000

TO: Missouri Public Service Commission Official Case File
Case No. TD-2000-399
Axces, Inc. and Gemini II, Inc.

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

FROM: Sara Buyak, Telecommunications Department

Wm Hendrick 2-4-00
Utility Operations Division/Date

Wm K Hooe 2/4/00
General Counsel Office/Date

SUBJECT: Staff's Recommendation to Cancel Certificate and Tariff and to Continue the Certificate and Tariff of Axces, Inc.

DATE: January 28, 2000

On June 17, 1999, Axces, Inc. (Axces) and Gemini II, Inc. (Gemini) (jointly referred to herein as the "Applicants"), filed a joint application in Case No. TM-99-601, requesting Commission approval of the acquisition of all issued and outstanding common stock of Axces to Gemini.

Axces received a Certificate of Service Authority to provide Intrastate Telecommunications Services in Missouri, effective on December 22, 1995 in Case No. TA-96-95. Axces is a privately held Delaware corporation as is Gemini.

The proposed merger would have resulted in Gemini acquiring all of the outstanding and issued shares of Axces common stock for equitable consideration. The transaction sought to be approved involved a merger of Axces with and into Axces Acquisition, Inc. Axces Acquisition, Inc. was to emerge as the surviving corporation and it is a wholly owned subsidiary of Gemini.

Axces Acquisition Inc. subsequently applied for and was granted a Certificate of Service Authority in Case No. TA-2000-179.

On December 30, 1999, Axces filed a Motion initiating Case No. TD-2000-399, and indicated in this Motion that the transaction approved by the Commission in Case No. TM-99-601 had been abandoned. The Motion requested that the Commission cancel the Certification and Tariff of Axces Acquisition, Inc. and continue or maintain the Certification and Tariff of Axces. On January 27, 2000, Axces Acquisition, Inc. filed a pleading joining in the request of Axces to cancel the Certificate and Tariff of Axces Acquisition, Inc.

In summary, the Telecommunications Department Staff (Staff) has reviewed the motion to cancel the Certification and Tariff of Axces Acquisition, Inc., and recommends that the Commission enter an Order granting the Motion to Cancel the Certificate and Tariff of Axces Acquisition, Inc. The Staff also recommends that the Commission enter an Order maintaining or continuing the Certificate and Tariff of Axces, Inc.

Appendix A

**Service List for
Case No. TD-2000-399
February 7, 2000**

**Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102**

**William M. Wunderlich
Wunderlich & Associates
1504 Gravois Road
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