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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

Case No. TA-2000-179

**ORDER APPROVING INTEREXCHANGE AND
NON-SWITCHED LOCAL EXCHANGE CERTIFICATES
OF SERVICE AUTHORITY AND ORDER APPROVING TARIFF**

Axces Acquisition, Inc. (Axces Acquisition) applied to the Public Service Commission on August 23, 1999, for certificates of service authority to provide intrastate interexchange and non-switched local exchange telecommunications services in Missouri under Sections 392.410-.450, RSMo 1994 and RSMo Supp. 1998¹. Axces Acquisition asked the Commission to classify it as a competitive company and to waive certain statutes and rules as authorized by Sections 392.361 and 392.420. Axces Acquisition is a Delaware corporation, with its principal office located at 2500 Wilcrest, Suite 300, Houston, Texas 77042.

Along with its application, Axces Acquisition filed a Motion for Expedited Treatment. That motion indicated that certification of Axces Acquisition is required to facilitate the consummation of an Agreement and Plan of Reorganization by and among Axces, Inc., and Gemini II, Inc.,

¹All further statutory references are to the Revised Statutes of Missouri 1994 unless otherwise indicated.

presently before the Commission for approval in Case No. TM-99-601. The Motion also indicates that the parties wished to complete the Agreement and Plan of Reorganization on or before September 7, 1999. For that reason Axces Acquisition sought expedited review of its application.

In response to Axces Acquisition's request for expedited review, the Commission, on August 25, issued an Order Directing Staff to Respond. That order directed the Staff of the Commission (Staff) to file, no later than August 30, a response indicating whether or not it would be able to provide a Staff Recommendation regarding Axces Acquisition's Application by September 3. Staff filed its response on August 27, indicating that it could not file its recommendation by September 3. Staff requested that it be allowed until September 10 to file its Recommendation. Axces Acquisition did not file any response to Staff's Response. On September 1, the Commission issued an Order Establishing Date for Staff to File Recommendation, directing Staff to file its Recommendation no later than September 10.

The Commission issued a Notice of Applications and Opportunity to Intervene on August 24, directing parties wishing to intervene to file their requests by September 3. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has asked permission to intervene

or requested a hearing, the Commission may grant the relief requested based on the verified application.

Axcas Acquisition filed a proposed tariff in conjunction with its application and filed substitute sheets on September 8. The tariff's effective date is October 4. Axcas Acquisition's tariff describes the rates, rules, and regulations it intends to use, identifies Axcas Acquisition as a competitive company, and lists the waivers requested. Axcas Acquisition intends to provide interexchange and non-switched local exchange telecommunications services including 1+, 800/888/877, Directory Assistance and Travel Card services.

Staff filed its Recommendation on September 10. Staff indicated that Axcas Acquisition's proposed services are similar to existing IXC offerings. Staff recommended that the Commission grant Axcas Acquisition a certificate of interexchange service authority, and a certificate of service authority for local exchange telecommunication services on condition that this authority be restricted to providing dedicated, non-switched local exchange private line services. Staff recommended that the Commission grant Axcas Acquisition competitive status. Staff recommended that the Commission approve the proposed tariff as amended to become effective on October 4.

Staff also recommended that the Commission grant Axcas Acquisition waiver of the statutes and rules listed in the Notice. Staff noted that Axcas Acquisition's application does not request that application of 4 CSR 240-10.020 be waived, although waiver of that regulation is requested

in the proposed tariff. Axces Acquisition has not yet filed an amendment to its application to add a request for the waiver of this regulation. Staff indicates that such a waiver is normally granted in similar cases and Staff recommends that the Commission grant a waiver of 4 CSR 240-10.020.

The Commission finds that competition in the intrastate interexchange and non-switched local exchange telecommunications markets is in the public interest and that Axces Acquisition should be granted certificates of service authority. The Commission finds that the services Axces Acquisition proposes to offer are competitive and Axces Acquisition should be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest. The Commission finds that Axces Acquisition's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri certificated interexchange and non-switched local exchange carriers. The Commission finds that the proposed tariff filed on August 23 shall be approved as amended to become effective on October 4.

IT IS THEREFORE ORDERED:

1. That Axces Acquisition, Inc., is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above.

2. That Axces Acquisition, Inc., is granted a certificate of service authority to provide local exchange telecommunications services in the state of Missouri limited to providing dedicated, non-switched local exchange private line services, subject to all applicable statutes and Commission rules except as specified in this order.

3. That Axces Acquisition, Inc., is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

392.240(1) - ratemaking
392.270 - valuation of property (ratemaking)
392.280 - depreciation accounts
392.290 - issuance of securities
392.310 - stock and debt issuance
392.320 - stock dividend payment
392.340 - reorganization(s)
392.330, RSMo Supp. 1998 - issuance of securities, debts and notes

Commission Rules

4 CSR 240-10.020	- depreciation fund income
4 CSR 240-30.010(2)(C)	- rate schedules
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 keeping
4 CSR 240-32.030(2)	- in-state record keeping
4 CSR 240-32.050(3)	- local office record keeping
4 CSR 240-32.050(4)	- telephone directories
4 CSR 240-32.050(5)	- call intercept
4 CSR 240-32.050(6)	- telephone number changes
4 CSR 240-32.070(4)	- public coin telephone
4 CSR 240-33.030	- minimum charges rule
4 CSR 240-33.040(5)	- financing fees

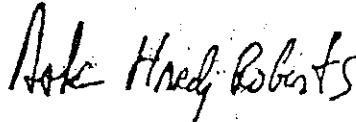
4. That the tariff filed by Axces Acquisition, Inc., on August 23, 1999, and assigned tariff number 0000147, is approved as amended to become effective on October 4, 1999. The tariff approved is:

MO. P.S.C. No. 1

5. That this order shall become effective on October 4, 1999.

6. That this case may be closed on October 5, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Morris L. Woodruff, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1),
(November 30, 1995) and Section 386.240,
RSMo 1994.

Dated at Jefferson City, Missouri,
on this 13th day of September, 1999.

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION