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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 13th day of January, 1998.

In the Matter of the Application of Metro Connection, Inc. d/b/a TransAmerican Telephone for a Certificate of Service Authority to Provide Basic Local Telecommunications Service in Portions of the State of Missouri and to Classify Said Services as Competitive.)
)
) **Case No. TA-97-556**
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)
)

ORDER GRANTING BASIC LOCAL CERTIFICATE OF SERVICE AUTHORITY

Metro Connection, Inc. d/b/a TransAmerican Telephone (Metro Connection) applied to the Commission on June 23, 1997, for a certificate of service authority to provide basic local telecommunications service in Missouri under Sections 392.420 - .440, RSMo 1994¹, and Sections 392.410 and .450, RSMo Supp. 1996. This application was amended on October 16. Metro Connection asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420. Metro Connection is a Texas corporation with offices at 209 East University, Danton, Texas 76201.

The Commission issued an Order and Notice on July 1, directing parties wishing to intervene in the case to do so by August 1. The Commission granted permission to intervene to Southwestern Bell Telephone Company (SWBT) on August 13. The Commission subsequently adopted a procedural schedule.

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

The parties filed a Stipulation and Agreement on December 12 (Attachment 1 to this order). The Commission Staff (Staff) filed Suggestions in Support of the Stipulation and Agreement on December 23.

Background

Metro Connection wishes certification to provide resold basic local telecommunications service. Metro Connection wants to provide basic local services in portions of Missouri that are currently served by SWBT, GTE Midwest Incorporated (GTE) and United Telephone Company of Missouri d/b/a Sprint (Sprint-United). Metro Connection is not asking for certification in any area that is served by a small incumbent local exchange provider (ILEC). The specific exchanges in which Metro Connection proposes to operate are described in Exhibit B to the application that was filed on June 23 (Attachment 2 to this order). Metro Connection is requesting that its basic local exchange services be classified as competitive and that the application of certain statutes and regulatory rules be waived.

Discussion

A. Requirements of 4 CSR 240-2.060(4).

Commission rule 4 CSR 240-2.060(4) requires a foreign corporation applying for certification to provide telecommunications services to include in its application a certificate from the Secretary of State showing it is authorized to do business in Missouri, a description of the types of service it intends to provide, a description of the exchanges where it will offer service, and a proposed tariff with a 45-day effective date. Metro Connection has provided all the required documentation except for the proposed tariff. The company has requested a temporary waiver of

4 CSR 240-2.060(4)(H) because it is impractical for Metro Connection to submit a tariff until it has executed interconnection agreements with the ILECs involved. Metro Connection cannot price its resold services until it has reached price agreements with the ILECs from which it will purchase those services. The company has agreed that, once it is possible to do so, it will submit to the Commission for approval a proposed tariff with a minimum 45-day effective date. Metro Connection will file the tariff in this case and give notice of the tariff filing to all the parties and participants. Along with that filing Metro Connection has agreed to provide a written disclosure of all interconnection agreements it has entered into which affect its Missouri service areas.

B. Basic Local Service Certification

Section 392.455, RSMo Supp. 1996, sets out the requirements for granting certificates to provide basic local telecommunications service to new entrants. A new entrant must: (1) possess sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service; (2) demonstrate that the services it proposes to offer satisfy the minimum standards established by the Commission; (3) set forth the geographic area in which it proposes to offer service and demonstrate that such area follows exchange boundaries of the incumbent local exchange telecommunications company and is no smaller than an exchange; and (4) offer basic local telecommunications service as a separate and distinct service. In addition, the Commission must give due consideration to equitable access for all Missourians to affordable telecommunications services, regardless of where they live or their income.

1. Technical, financial and managerial resources and abilities.

Metro Connection submitted Exhibit C with its application that lists the

names and qualifications of its key personnel. In addition to academic credentials, the team members have experience in various areas of the telecommunications industry, including technical expertise and computer programming, billing, sales and marketing. Metro Connection also submitted as Exhibit D its 1994, 1995 and 1996 statements of: 1) cash flows, 2) revenues and expenses, and 3) assets, liabilities and stockholder's equity. The parties agreed that the evidence was sufficient for the Commission to conclude that Metro Connection possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service. The evidence in Exhibits C and D to Metro Connection's application supports such a conclusion.

2. The entrant's proposed services satisfy the minimum standards established by the Commission. Metro Connection has agreed to meet the Commission's minimum basic local service standards, including quality of service and billing standards. The parties agreed that Metro Connection proposes to offer basic local services that satisfy the minimum standards established by the Commission.

3. The geographic area in which the company proposes to offer service. Metro Connection set out in its Exhibit B all the exchanges in which it proposes to offer services. Metro Connection has defined its service area by means of the tariffed exchange areas of the ILECs presently providing basic local service in those exchanges. The company has agreed that its service area must follow ILEC exchange boundaries and be no smaller than an exchange. The parties agreed that Metro Connection has sufficiently identified the geographic area in which it proposes to offer basic local service and that the area follows ILEC exchange boundaries and is no smaller than an exchange.

4. The offering of basic local telecommunications service as a separate and distinct service. Metro Connection has agreed to offer basic local telecommunications service as a separate and distinct service in the Stipulation and Agreement.

5. Equitable access for all Missourians to affordable telecommunications services. Metro Connection has agreed to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it will offer basic local services in compliance with Section 392.455(5), RSMo Supp. 1996.

C. Competitive Classification

The Commission may classify a telecommunications provider as a competitive company if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. § 392.361.2. In making that determination the Commission may consider such factors as market share, financial resources and name recognition, among others. In the matter of the investigation for the purpose of determining the classification of the services provided by interexchange telecommunications companies within the State of Missouri, 30 Mo. P.S.C. (N.S.) 16 (1989); In the matter of Southwestern Bell Telephone Company's application for classification of certain services as transitionally competitive, 1 Mo. P.S.C. 3d 479, 484 (1992). In addition, all the services a competitive company provides must be classified as competitive. § 392.361.3. The Commission has found that whether a service is competitive is a subject for case-by-case examination and that different criteria may be given greater weight depending upon the service being considered. *Id.* at 487.

The parties have agreed that Metro Connection should be classified as a competitive telecommunications company. The parties have also agreed that Metro Connection's switched exchange access services may be classified as a competitive service, conditioned upon certain limitations on Metro Connection's ability to charge for its access services. Metro Connection has agreed that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect at the date of certification for the large incumbent LECs within those service areas in which Metro Connection seeks to operate. The parties have agreed that the grant of service authority and competitive classification to Metro Connection shall be expressly conditioned on the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

The parties agreed that waiver of the following statutes is appropriate: Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1996, and 392.340. The parties also agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

- A. The Commission finds that competition in the basic local exchange telecommunications market is in the public interest.
- B. The Commission finds that Metro Connection has met the requirements of 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services with the exception of the filing of a tariff with a 45-day effective date.
- C. The Commission finds that Metro Connection has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.
- D. The Commission finds that Metro Connection meets the statutory requirements for provision of basic local telecommunications services and has agreed to abide by those requirements in the future. The Commission determines that granting Metro Connection a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. Metro Connection's certificate shall become effective when its tariff becomes effective.
- E. The Commission finds that Metro Connection is a competitive company and shall be granted waiver of the statutes and rules set out in Ordered Paragraph 3.
- F. The Commission finds that Metro Connection's certification and competitive status are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to

Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law:

The Commission has the authority to grant certificates of service authority to provide telecommunications service within the state of Missouri. Metro Connection has requested certification under Sections 392.420 - .440, and Sections 392.410 and .450, RSMo Supp. 1996. Those statutes permit the Commission to grant a certificate of service authority where the grant of authority is in the public interest. Sections 392.361 and .420 authorize the Commission to modify or suspend the application of its rules and certain statutory provisions for companies classified as competitive or transitionally competitive.

The Federal Telecommunications Act of 1996 and Sections 392.185 and 392.455, RSMo Supp. 1996, were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunications consumers. Section 392.185, RSMo Supp. 1996, states that "the provisions of this chapter shall be construed to: (1) Promote universally available and widely affordable telecommunications services; . . . (3) Promote diversity in the supply of telecommunications services and products throughout the state of Missouri; . . . (6) Allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest . . ."

The Commission has the legal authority to accept a Stipulation and Agreement as offered by the parties as a resolution of the issues raised

in this case, pursuant to Section 536.060, RSMo Supp. 1996. Based upon the information contained within the Stipulation and Agreement of the parties and on its findings of fact, the Commission concludes that the Stipulation and Agreement shall be approved.

IT IS THEREFORE ORDERED:

1. That the stipulation of the parties, filed on December 12, 1997, is approved.

2. That Metro Connection, Inc. d/b/a TransAmerican Telephone is granted a certificate of service authority to provide basic local telecommunications services in the state of Missouri, subject to the conditions of certification set out above, to become effective when the company's tariff becomes effective.

3. That Metro Connection, Inc. d/b/a TransAmerican Telephone is classified as a competitive telecommunications company. The following statutes and regulatory rules shall be waived:

Statutes

- 392.210.2 - uniform system of accounts
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290.1 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.340 - reorganization(s)
- 392.330, RSMo Supp. 1996 - issuance of securities, debts and notes

Commission Rules

- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts
- 4 CSR 240-35 - reporting of bypass and customer-specific arrangements

4. That the filing of a 45-day tariff as required by 4 CSR 240-2.060(4) (H) is waived until Metro Connection, Inc. d/b/a TransAmerican Telephone has entered into a Commission-approved interconnection agreement that enables it to provide basic local exchange services.

5. That Metro Connection, Inc. d/b/a TransAmerican Telephone shall file tariff sheets for approval reflecting the rates, rules, regulations and the services it will offer within 30 days after Commission approval of the necessary interconnection agreement(s). The tariff shall be filed in Case No. TA-97-556, shall carry a 45-day effective date, and shall include a listing of the statutes and Commission rules waived under Ordered Paragraph 3.

6. That Metro Connection, Inc. d/b/a TransAmerican Telephone shall give notice of the filing of the tariffs described in Ordered Paragraph 5 to all parties or participants. In addition, Metro Connection, Inc. d/b/a TransAmerican Telephone shall file a written disclosure of all interconnection agreements which affect its Missouri service areas, all portions of Missouri service areas for which it does not have an interconnection agreement, and an explanation of why no interconnection agreement is necessary for those areas.

7. That the certification and competitive status of Metro Connection, Inc. d/b/a TransAmerican Telephone are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access service rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

8. That this order shall become effective on January 23, 1998.

BY THE COMMISSION

A handwritten signature in cursive script that reads "Dale Hardy Roberts".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer
and Murray, CC., concur.

Randles, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

FILED

DEC 12 1997

MISSOURI
PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
Metro Connection, Inc. d/b/a)
TransAmerican Telephone for Certificates)
of Service Authority to Provide Basic Local)
Telecommunications Service and Local)
Exchange Telecommunications Service)
in Portions of the State of Missouri and)
to Classify Said Services as Competitive.)

Case No. TA-97-556

STIPULATION AND AGREEMENT

1. Metro Connection, Inc. d/b/a TransAmerican Telephone ("Metro Connection" or "Applicant") initiated this proceeding on June 23, 1997, by filing an Application and on October 16 filed an Amended Application requesting certificate of service authority to provide basic local telecommunications service, local exchange telecommunications service and exchange access service in exchanges currently served by Southwestern Bell Telephone Company ("SWB"), GTE Midwest Incorporated ("GTE"), and United Telephone Company of Missouri d/b/a Sprint ("Sprint-United").

2. The Commission has granted the timely applications to intervene of SWB. GTE and United did not seek and have not been granted intervention in this proceeding.

3. For purposes of this Stipulation and Agreement, the parties agree that applications for local exchange authority in exchanges served by "large" local exchange companies (LEC's)¹ should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

¹ Large LEC's are defined as LEC's who serve 100,000 or more access lines. Section 386.020 RSMo. Supp. 1996. In Missouri, the current large LEC's are SWB, GTE and United.

4. In determining whether Metro Connection's application for certificate of service authority should be granted, the Commission should consider Metro Connection's technical, financial and managerial resources and abilities to provide basic local telecommunications service. Metro Connection must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including but not limited to the applicant agreeing to file and maintain basic local service tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies with which the applicant seeks to compete. Further, Metro Connection agrees to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which the applicant seeks to compete.

Notwithstanding the provisions of Section 392.500 RSMo. (1994), as a condition of certification and competitive classification, Metro Connection agrees that, unless otherwise ordered by the Commission, the applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect at the date of certification for the large incumbent LEC(s) within those service area(s) applicant seeks authority to provide service. Further, Metro Connection agrees to offer basic local telecommunications service as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service. Such area must follow exchange boundaries of the incumbent local exchange telecommunications companies and must be no smaller than an exchange. Finally, Metro Connection 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 their income. See Section 392.455 RSMo. (1996 Supp.)

5. Metro Connection has submitted its application without tariffs and seeks a temporary waiver of 4 CSR 240-2.060(4)(H).² Metro Connection agrees to file its initial tariff(s) in the certification docket and serve all parties with written notice at the time the initial tariff(s) are submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff(s) will be provided by Metro Connection to such parties immediately upon request. Any service authority shall be regarded as conditional and shall not be exercised until such time as tariff(s) for services have become effective. When filing its initial basic local tariff(s), Metro Connection shall also file and serve a written disclosure of all interconnection agreements which affect its Missouri service areas, all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for such areas.

6. Metro Connection has, pursuant to Section 392.420 RSMo. requested that the Commission waive the application of any or all of the following statutory provisions and rules to basic local telecommunications services, and all parties agree that the Commission should grant such request provided that Section 392.200 RSMo. should continue to apply to all of Metro Connection's services:

²Good cause for failure to file proposed tariffs with the Application must be shown. The lack of an approved interconnection agreement (47 USC 252) constitutes good cause.

STATUTORY PROVISIONS

COMMISSION RULES

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

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

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

B. METRO CONNECTION'S CERTIFICATION

8. Metro Connection has submitted as Appendix B to its Application a listing of the specific exchanges in which it seeks authority to provide service. The exchanges identified are those currently served by SWB, GTE and Sprint-United. Metro Connection hereby agrees that its Amended Application should be deemed further amended as-required to include by reference the terms and provisions described in paragraphs 4-6 hereinabove to the extent that its Amended Application might be inconsistent therewith.

9. Based upon its verified Amended Application, as amended by this Stipulation and Agreement, Metro Connection asserts and no other party makes a contrary assertion, that there is sufficient evidence from which the Commission should find and conclude that Metro

Connection:

A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service and local exchange telecommunications service, including exchange access service;

B. proposes and agrees to offer basic local services that will 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 services as a separate and distinct service;

E. has agreed to provide equitable access 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, to affordable telecommunications services; and

F. has sought authority which will serve the public interest.

10. Metro Connection asserts, and no party opposes, that Metro Connection's application and request for authority to provide basic local telecommunications service and local exchange telecommunications services (including exchange access service) should be granted. All services authorized herein should be classified as competitive telecommunications services, provided that the requirements of Section 392.200 continue to apply, and Metro Connection shall remain classified as a competitive telecommunications company. Metro

Connection asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of Metro Connection'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 Section 392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective."

The parties agree that the applicant's switched exchange access services may be classified as competitive services. The parties further agree that the applicant's switched exchange access services are subject to Section 392.200. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 4 herein shall be cost-justified and be made pursuant to 392.220 and 392.230 and not 392.500 and 392.510. 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 Section 392.200 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 be made pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510."

11. Metro Connection'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 because, at the time of the filing of the application, Metro Connection does not yet have approved interconnection agreements with the large incumbent LECs. Metro Connection 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. Metro Connection 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 to the temporary 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 did not yet have an approved interconnection agreement with the incumbent local exchange carriers within whose service areas it seeks authority to provide service; provided, 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 interconnection agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for any such areas."

12. Metro Connection's request for waiver of the applications of the following rules and statutory provisions as they relate to the regulation of Metro Connection's new services should be granted:

STATUTORY PROVISIONS

COMMISSION RULES

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

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

13. 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 and Agreement 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.

14. 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 Section 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 Section 536.080.2 RSMo. 1994; and their respective rights to seek rehearing pursuant to Section 386.500 RSMo 1994 and to seek judicial review pursuant to Section 386.510, RSMo. 1994. The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of the Metro Connection's application made herein.

15. 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 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

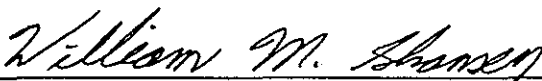
other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

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 the Staff. Staff's oral explanation shall be subject to public disclosure.

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

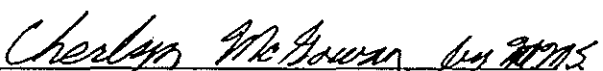
WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification as requested by Metro Connection, Inc. d/b/a TransAmerican Telephone, subject to the conditions described above, as expeditiously as possible.

Respectfully submitted,



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FOR: Metro Connection, Inc.



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FOR: Staff of the Public Service
Commission

Anthony K. Conroy by 9/11/5

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FOR: Southwestern Bell Telephone
Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Stipulation and Agreement was served upon the following persons by depositing a true copy thereof in the United States Mail, postage prepaid, or by hand delivery, this 12th day of December, 1997.

William M. Hanson

Cherlyn McGowan
Assistant General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Anthony K. Conroy
Southwestern Bell Telephone
One Bell Center, Rm. 3510
St. Louis, Missouri 63101-1976

Metro Connection, Inc.
d/b/a TransAmerican Telephone

Case No. _____

EXHIBIT B

Exchanges Served by Southwestern Bell

Adrian	Delta	Independence	Oakville
Advance	Dexter	Jackson	Old Appleton
Agency	Downing	Jasper	Oran
Altenburg-frohnn	E. Independence	Joplin	Osage Beach
Antonia	East Prairie	Kansas City	Overland
Archic	Edina	Kennett	Pacific
Argyle	Eldon	Kirksville	Parkville
Armstrong	Elsberry	Kirkwood	Patton
Ash Grove	Essex	Knob Noster	Paynesville
Beaufort	Eureka	La Monte	Perryville
Bell City	Excelsior Springs	Ladue	Pierce City
Belton	Fair Grove	Lake Ozark	Pocahontas- New Wells
Benton	Farley	Lamar	Pond
Billings	Farmington	Lancaster	Poplar Bluff
Bismarck	Fayette	Leadwood	Portages des Sioux
Bloomfield	Fenton	Lees Summit	Portageville
Bloomsdale	Ferguson	Liberty	Puxico
Blue Springs	Festus- Crystal City	Lilbourne	Quin
Bonne Terre	Fisk	Linn	Raytown
Boonville	Flat River	Lockwood	Republic
Bowling Green	Florissant	Louisiana	Richmond
Bridgeton	Frankford	Macks Creek	Richwoods
Brookfield	Frankford	Malden	Risco
Camdenton	Fredericktown	Manchester	Riverview
Campbell	Freeburg	Marble Hill	Rogersville
Cape Girardeau	Fulton	Marceline	Rushville
Cardwell	Gideon	Marionville	Saint Charles
Carl Junction	Gladstone	Marshall	Saint Clair
Carrollton	Glasgow	Marston	Saint Joseph
Carthage	Grain Valley	Maxville	Saint Louis
Caruthersville	Gravois Mills	Mehlville	Saint Marys
Cedar Hill	Gray Summit	Meta	Sainte Genevieve
Center	Greenwood	Mexico	San Antonio
Chaffee	Hannibal	Moberly	Sappinton
Charleston	Harvester	Monett	Scott City
Chesterfield	Hayti	Montgomery City	Sedalia
Chillicothe	Herculaneum- Pevely	Morchouse	Senath
Clarksville	Higbee	Nashua	Sikeston
Clever	High Ridge	Neosho	Slater
Climax Springs	Hillsboro	Nevada	Southville
Creve Couer	Holcomb	New Franklin	South Kansas City
De Kalb	Homersville	New Madrid	
De Soto	Imperial	Nixa	
Deering		Oak Ridge	

Spanish Lake
Springfield
St. Charles
St. Louis
Stanberry
Strafford
Tiffany Springs
Trenton
Tuscumbia
Union
Valley Park
Versailles
Vienna
Walnut Grove
Wardell
Ware
Washington
Webb City
Webster Groves
Wellsville
Westphalia
Willard
Wyatt

Exchanges Served by GTE Midwest, Inc.

Alton	Everton	Louisburg	Schell City
Anapolis	Ewing	Lowry City	Seymour
Arcola	Exeter	Manes	Shelbina
Augusta	Foley	Mano	Shelbyville
Aurora	Fordland	Marshfield	Sheldon
Avilla	Foristell	Marthasville	Shell Knob
Belgrade	Forsyth	Milo	Sparta
Belk	Fremont	Monroe City	Stoutsville
Bellevue	Gainesville	Montauk	Thayer
Birch Tree	Galena	Monticello	Theodosia
Bland	Golden City	Morrison	Thomasville
Blue Eye	Gorin	Moscow Mills	Theodosia
Bourbon	Greenfield	Mount Sterling	Timber
Bradleyville	Groverspring	Mount Vernon	Troy
Branson	Hallsville	Mountain Grove	Truxton
Branson West	Hartville	Mountain View	Turney
Bronaugh	Hawk Point	Nebo	Urbana
Brunswick	Helena	New Melle	Van Buren
Buffalo	Hermann	Niangua	Vanzant
Bunker	Hermitage	Norwood	Vichy
Cabool	High Hill	O'Fallon	Walker
Caledonia	Highlandville	Oates	Warrenton
Canton	Holstein	Old Monroe	Washburn
Cape Fair	Houston	Ozark	Wasola
Cassville	Hunnewell	Palmyra	Wentzville
Caulfield	Hurley	Paris	West Plains
Cedar Creek	Irondale	Perry	West Quincy
Centerville	Ironton	Pittsburg	Wheatland
Chamois	Jamestown	Plattsburg	Willow Springs
Clarence	Jenkins	Potosi	Winfield
Concordia	Jerico Springs	Prairie Home	Winona
Conway	Jonesburg	Preston	Woolridge
Cross Timbers	Keytesville	Protem	Wright City
Cuba	Kimberling City	Raymondville	
Dadeville	Koshonong	Reeds Spring	
Dalton	La Belle	Revere	
Dardenne	La Grange	Roby	
Defiance	La Plata	Rockaway Beach	
El Dorado	Laddonia	Rockville	
Springs	Lawson	Safe	
Elkland	Leasburg	Saint James	
Ellsmore	Lesterville	Saint Peters	
Elmer	Lewistown	Santa Fe	
Eminence	Licking	Sarcoxi	

Exchanges Served by GTE North, Inc

Amazonia	Clarksdale	Hamilton	Rocheport
Ashland	Collins	Humansville	Rosendale
Ava	Columbia	Kahoka	Savannah
Avenue City	Cosby	Kidder	Stewartsville
Bolckow	Crane	Kingston	Sturgeon
Boss	Dora	Macon	Trimble
Brayner	Easton	Mansfield	Wayland
Cameron	Edgar Springs	Maysville	Weaubleau
Centralia	Fillmore	Osborn	Whitesville
Clark	Gower	Osceola	

United Telephone Company of Missouri

Appleton City	Holden	Platte City
Blackburn	Holt	Pleasant Hill
Blairstown	Holts Summit	Richland
Brazito	Hopkins	Rolla
Buckner	Houstonia	Russelville
Butler	Ionia	Saint Robert
Calhoun	Jefferson City	Saint Thomas
California	Kearney	Salem
Camden Point	King City	Smithton
Centertown	Kingsville	Strasburg
Centerview	Lake Lotawana	Sweet Springs
Chilhowee	Lebanon	Syracuse
Clarksburg	Leeton	Taos
Clinton	Lexington	Tarkio
Coal	Lincoln	Tipton
Cole Camp	Lonejack	Urich
Craig	Malta Bend	Warrendburg
Dearborn	Maryville	Warsaw
Deepwater	Missouri City	Waverly
Edgerton	Montrose	Waynesville
Eugene	Mound City	Wellington
Fairfax	New Bloomfield	Weston
Ferrelview	Newburg	Windsor
Fort Leonard	Norborne	
Wood	Oak Grive	
Green Ridge	Odessa	
Hardin	Orrick	
Harrisonville	Otterville	
Henrietta	Pickering	