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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 11th day of March, 1998.

In the Matter of the Application of EZ Talk )  
Communications, L.L.C. for a Certificate of Service )  
Authority to Provide Basic Local Telecommunications ) Case No. TA-98-184  
Service in Portions of the State of Missouri and )  
to Classify Said Service as Competitive. )

**ORDER GRANTING BASIC LOCAL CERTIFICATE OF SERVICE AUTHORITY**

EZ Talk Communications, L.L.C. (EZ Talk) applied to the Commission on November 4, 1997, for a certificate of service authority to provide prepaid basic local telecommunications service in Missouri under Sections 392.420 - .440, RSMo 1994<sup>1</sup>, and Sections 392.410 and .450, RSMo Supp. 1996. This application was amended on December 5. EZ Talk 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. EZ Talk is a Texas corporation with offices at 4727 South Main, Stafford, Texas 77477.

The Commission issued an Order on November 12, directing parties wishing to intervene to do so by December 12. The Commission granted permission to intervene to Southwestern Bell Telephone Company (SWBT) on January 9, 1998.

A Stipulation and Agreement, filed on February 5 (Attachment 1 to this order), was signed by all parties except the Office of the Public Counsel (OPC). OPC did not file a request for hearing on the Stipulation

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<sup>1</sup> All statutory references are to Revised Statutes of Missouri 1994 unless otherwise indicated.

and Agreement within five days after receiving notice. Therefore, the Stipulation and Agreement will be treated as unanimous, in accordance with 4 CSR 240-2.115. The Commission Staff (Staff) filed Suggestions in Support of the Stipulation and Agreement on February 19.

## **Background**

EZ Talk seeks certification to provide resold basic local telecommunications service on a prepaid basis. EZ Talk wants to provide basic local services in portions of Missouri that are currently served by SWBT, GTE Midwest Incorporated (GTE) and Sprint Missouri, Inc. d/b/a Sprint, f/k/a United Telephone Company of Missouri d/b/a Sprint (Sprint). EZ Talk is not asking for certification in any area that is served by a small incumbent local exchange provider (ILEC). The specific exchanges in which EZ Talk proposes to operate are described in Appendix B to the application (Attachment 2 to this order). EZ Talk 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. EZ Talk 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 EZ Talk to submit a tariff until it has executed interconnection or resale agreements with the ILECs involved. EZ Talk 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. EZ Talk will file the tariff in this case and give notice of the tariff filing to all the parties and participants. Along with that filing EZ Talk has agreed to provide a written disclosure of all interconnection and resale 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.**

The parties agreed that the evidence was sufficient for the Commission to

conclude that EZ Talk possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service. In its suggestions, Staff stated that EZ Talk demonstrates its managerial resources and abilities in Appendix C to the original application, and its technical and financial resources and abilities in Supplemental Appendix C and Supplemental Appendix D to the amended application.

Appendix C to EZ Talk's original application lists the names and qualifications of its key employees. The team members have experience in various areas of the telecommunications industry, including customer service, management, accounting, marketing and sales. Supplemental Appendix C to EZ Talk's amended application explains that EZ Talk has been a competitive local exchange carrier since November, 1996 in Texas and that it already has a customer base of over 5,000 customers in Texas. In Supplemental Appendix C, EZ Talk asserts that it has pioneered and become a leader in the utilization of OSS and has developed proprietary software that interfaces with OSS and is capable of handling all aspects of customer service from inquiries to billing and collections.

EZ Talk also submitted as Appendix D to its original application its balance sheets as of December 1, 1996, and July 31, 1996. Appendix D included EZ Talk's income statements and statements of cash flows for two periods: 1) the two months ended December 31, 1996, and 2) the seven months ended July 31, 1997. In Supplemental Appendix D to its amended application, EZ Talk provided its balance sheet for September 30, 1997, as well as an income statement, statement of cash flows, and gross profit analysis for the one and nine month periods ending September 30, 1997.

The evidence in Appendices C and D to EZ Talk's application, as supplemented by the amended application, supports EZ Talk's claim that it has sufficient managerial, technical and financial resources and abilities to provide basic local telecommunications service.

**2. The entrant's proposed services satisfy the minimum standards established by the Commission.** EZ Talk has agreed to meet the Commission's minimum basic local service standards, including quality of service and billing standards. The parties agreed that EZ Talk 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.** EZ Talk set out in its Appendix B all the exchanges in which it proposes to offer services. EZ Talk 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 EZ Talk 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.** EZ Talk has agreed to offer basic local telecommunications service as a separate and distinct service.

**5. Equitable access for all Missourians to affordable telecommunications services.** EZ Talk 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 EZ Talk should be classified as a competitive telecommunications company. The parties have also agreed that EZ Talk's switched exchange access services may be classified as a competitive service, conditioned upon certain limitations on EZ Talk's ability to charge for its access services. EZ Talk 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 EZ Talk seeks to operate. The parties have agreed that the grant of service authority and competitive classification to EZ Talk 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 EZ Talk 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 EZ Talk 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 EZ Talk 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 EZ Talk a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. EZ Talk's certificate shall become effective when its tariff becomes effective.

E. The Commission finds that EZ Talk 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 EZ Talk'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. EZ Talk 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 February 5, 1998, is approved.

2. That EZ Talk Communications, L.L.C. 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 EZ Talk Communications, L.L.C. 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 EZ Talk Communications, L.L.C. has entered into a Commission-approved interconnection or resale agreement that enables it to provide basic local exchange services.

5. That EZ Talk Communications, L.L.C. 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 or resale agreement(s). The tariff shall be filed in Case No. TA-98-184, 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 EZ Talk Communications, L.L.C. shall give notice of the filing of the tariffs described in Ordered Paragraph 5 to all parties or

participants. In addition, EZ Talk Communications, L.L.C. shall file a written disclosure of all interconnection and resale agreements which affect its Missouri service areas, all portions of Missouri service areas for which it does not have an interconnection or resale agreement, and an explanation of why no interconnection or resale agreement is necessary for those areas.

7. That the certification and competitive status of EZ Talk Communications, L.L.C. 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 March 23, 1998.

**BY THE COMMISSION**



**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  
FEB 05 1998  
MISSOURI  
PUBLIC SERVICE COMMISSION

In the Matter of the Application of )  
EZ Talk Communications, L.L.C. )  
for 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-98-184

**STIPULATION AND AGREEMENT**

1. EZ Talk Communications, L.L.C. ("EZ Talk" or "Applicant") initiated this proceeding on November 4, 1997, by filing an Application and on December 5, 1997 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, now referred to as Sprint Missouri, Inc. d/b/a Sprint ("Sprint").

2. The Commission has granted the timely application to intervene of SWB. GTE and Sprint 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)<sup>1</sup> should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

4. In determining whether EZ Talk's application for certificate of service

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<sup>1</sup> 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 Sprint.

authority should be granted, the Commission should consider EZ Talk's technical, financial and managerial resources and abilities to provide basic local telecommunications service. EZ Talk 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, EZ Talk 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, EZ Talk 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, EZ Talk 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, EZ Talk 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. EZ Talk has submitted its application without tariffs and seeks a temporary waiver of 4 CSR 240-2.060(4)(H).<sup>2</sup> EZ Talk 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 EZ Talk 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), EZ Talk shall also file and serve a written disclosure of all resale or 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. EZ Talk 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 EZ Talk's services:

STATUTORY PROVISIONS

Section 392.210.2  
Section 392.270  
Section 392.280

COMMISSION RULES

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

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<sup>2</sup>Good 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.

Section 392.290.1  
Section 392.300.2  
Section 392.310  
Section 392.320  
Section 392.330  
Section 392.340

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. EZ TALK'S CERTIFICATION**

8. EZ Talk has submitted as Appendix B to its Amended 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. EZ Talk 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 and paragraph 11 below 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, EZ Talk asserts and no other party makes a contrary assertion, that there is sufficient evidence from which the Commission should find and conclude that EZ Talk:

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. EZ Talk asserts, and no party opposes, that EZ Talk'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 EZ Talk shall remain classified as a competitive telecommunications company. EZ Talk 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 EZ Talk'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. EZ Talk'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, EZ Talk does not yet have approved resale or interconnection agreements with the large incumbent LECs. EZ Talk 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. EZ Talk 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 resale or 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 resale or interconnection agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have a resale or interconnection

agreement with the incumbent local exchange carrier; and its explanation of why such a resale or interconnection agreement is unnecessary for any such areas."

12. EZ Talk's request for waiver of the applications of the following rules and statutory provisions as they relate to the regulation of EZ Talk'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 EZ Talk'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.

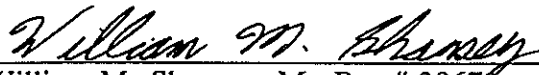
The Staff shall also have the right to provide, at any agenda meeting at which this

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.

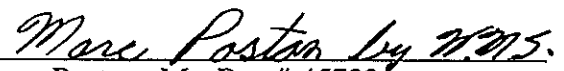
16. The Office of the Public Counsel, while not a signatory to this Stipulation and Agreement, has been contacted with regard to its filing and has offered no objection.

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 EZ Talk Communications L.L.C., subject to the conditions described above, as expeditiously as possible.

Respectfully submitted,

  
William M. Shansey, Mo Bar # 30675  
Of Counsel,  
Stewart & Keevil, L.L.C.  
1001 Cherry Street, Suite 302  
Columbia, Missouri 65201  
(573) 499-0635 -  
(573) 499-0638 facsimile

FOR: EZ Talk Communications L.L.C.

  
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Assistant General Counsel  
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FOR: Staff of the Public Service  
Commission

*Leo J. Bub by 9/9/95*

Leo J. Bub, Mo Bar #34326  
Diana J. Harter, Mo Bar #31424  
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Anthony K. Conroy, Mo Bar #35199  
Southwestern Bell Telephone Company  
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St. Louis, Missouri 63101  
(314) 235-2508  
(314) 331-2193 facsimile

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 5<sup>th</sup> day of February, 1998.

William M. Hensley

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

Leo J. Bub  
Southwestern Bell Telephone  
One Bell Center, Rm. 3518  
St. Louis, Missouri 63101-1976

Exchanges to be Served:

Exchanges Served by Southwestern Bell

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



Scott City  
Sedalia  
Senath  
Sikeston  
Slater  
Smithville  
South Kansas  
City  
Spanish Lake  
Springfield  
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      |               |

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MILWAUKEE POLICE DEPARTMENT