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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 July, 2000.

In the Matter of the Application of J D )  
Services, Inc., d/b/a American Freedom Net- )  
work, for a Certificate of Service Authority ) Case No. TA-2000-698  
to Provide Interexchange Telecommunications )  
Services. )

In the Matter of the Application of J D )  
Services, Inc., a Utah Corporation, and J D )  
Services, Inc., a Nevada Corporation, for an ) Case No. TM-2000-699  
Order Authorizing the Acquisition by Merger )  
of J D Services, Inc., a Utah Corporation, )  
by J D Services, Inc., a Nevada Corporation. )

**ORDER APPROVING INTEREXCHANGE AND NONSWITCHED  
LOCAL EXCHANGE CERTIFICATES OF SERVICE AUTHORITY,  
ORDER APPROVING TARIFF, AND ORDER APPROVING  
MERGER OF ASSETS AND CANCELLATION OF CERTIFICATE**

**Case Number TA-2000-698 – Application for Certificate of Authority**

In case number TA-2000-698, J D Services, Inc., a Nevada corporation (JDS Nevada), filed with the Missouri Public Service Commission (Commission) an application on April 28, 2000, for a certificate of service authority to provide intrastate interexchange telecommunications services in Missouri under Section 392.440, RSMo 1994<sup>1</sup>. JDS Nevada 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. The

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

principal office of JDS Nevada is located at 1890 South 3850 West, Salt Lake City, Utah 84104.

On May 5, 2000, the Commission issued an order requiring filing of a first amended application. JDS Nevada filed its first amended application on May 17, 2000.

JDS Nevada states that it is merging with a Utah corporation that uses a similar name (J D Services, Inc., a Utah corporation; JDS Utah below) and has concurrently filed an application for merger approval. That application was assigned case number TM-2000-699. JDS Nevada will be the surviving corporate entity and proposes to adopt the tariff of JDS Utah.

The Commission issued a Notice of Applications for Intrastate Certificates of Service Authority and Opportunity to Intervene on May 9, 2000, and established an intervention date of May 24, 2000. 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). No applications to intervene have been filed. Since no one has asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the application.

In its recommendation and memorandum filed on June 21, 2000, the Staff of the Commission (Staff) stated that the Commission may grant a certificate to provide interexchange telecommunications services upon a finding that the grant of authority is in the public interest pursuant to Sections 392.430 and 392.440. Staff recommended that the Commission grant

JDS Nevada a certificate of service authority, competitive status, and waiver of the statutes and rules listed in the notice. Staff recommended that the Commission approve JDS Nevada's request to adopt the tariff of JDS Utah effective with the date of an order approving the merger in case number TM-2000-699.

Finally, Staff recommended that JDS Nevada be directed to submit a revised tariff sheet within 15 days after certification to reflect the waivers typically approved by the Commission and described in the notice of applications issued on May 9, 2000.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and that JDS Nevada should be granted a certificate of service authority. The Commission finds that the services JDS Nevada proposes to offer are competitive and that JDS Nevada 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 the request to adopt the existing tariff of JDS Utah should be approved effective with the Commission's order approving the merger in case number TM-2000-699.

### **Case Number TM-2000-699 – Application for Approval of Merger**

In case number TM-2000-699, JDS Utah and JDS Nevada (jointly, Applicants), filed their joint application on April 28, 2000, requesting Commission approval for the acquisition by merger of JDS Utah by JDS Nevada, pursuant to Section 392.300. The merger plan was outlined in

Exhibit A of the application. JDS Nevada will survive the merger with JDS Utah. JDS Utah was issued a certificate of authority to provide intrastate interexchange telecommunications in Missouri in case number TA-96-131.

In its memorandum filed on June 21, 2000, Staff stated that, in accordance with Commission Rules 4 CSR 240-2.060(5) and (6), the Applicants stated that the proposed merger would have no impact on the tax revenues of any political subdivision in Missouri, and that there were no pending actions or final unsatisfied judgments or decisions from any state or federal agency or court involving customer service or rates. Staff stated that, according to Commission Rule 4 CSR 240-2.060(3), competitively classified companies are exempt from providing certain information (such as public interest information) in applications to merge, consolidate or sell or transfer assets. Thus, Staff concluded, based on the limited information provided to it, that Staff does not believe the transaction will be detrimental to the public interest.

Staff stated that it had reviewed the JDS Nevada application for certificate of authority (filed under case number TA-2000-698) to provide interexchange telecommunications services and finds that the application meets the Commission's statutory requirements. Staff said it had no objection to JDS Nevada's adoption of JDS Utah's interexchange tariff PSC MO No. 1. Furthermore, Staff said, it had no objection to the Commission granting approval of the merger between JDS Utah and JDS Nevada and discontinuing the interexchange certificate of JDS Utah.

Staff stated that JDS Nevada stated it will adopt JDS Utah's tariff in full, without changes, and the change in corporate ownership would not affect and be transparent to customers. Staff recommended that the Commission approve the merger between JDS Utah and JDS Nevada, withdraw JDS Utah's certification (as per the Applicants' request), and allow JDS Nevada to adopt JDS Utah's tariff, i.e., PSC MO No. 1, original page 1 to second revised page 23.

Staff also requested that these actions be scheduled to coincide with the Staff recommendations presented in case number TA-2000-698.

In both of these cases, the Commission has reviewed the applications, the Staff's recommendations, and the official case files. The Commission finds that the authority requested should be granted and that the approval of the merger is not detrimental to the public interest.

**IT IS THEREFORE ORDERED:**

1. That J D Services, Inc., a Nevada corporation, is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to all applicable statutes and Commission rules except as specified in this order.

2. That J D Services, Inc., a Nevada corporation, is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

**Statutes**

392.210.2 - uniform system of accounts  
392.240.1 - rates-rentals-service & physical connections  
392.270 - valuation of property (ratemaking)  
392.280 - depreciation accounts  
392.290 - 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. 1999 - issuance of securities,  
debts and notes

Commission Rules

4 CSR 240-10.020 - depreciation fund income  
4 CSR 240-30.010(2)(C) - posting of tariffs  
4 CSR 240-30.040 - uniform system of accounts  
4 CSR 240-33.030 - minimum charges  
4 CSR 240-35 - reporting of bypass and  
customer-specific arrangements

3. That the tariff of J D Services, Inc., a Utah corporation, may be adopted by J D Services, Inc., a Nevada corporation, effective with the effective date of the order approving the merger in case number TM-2000-699.

4. That J D Services, Inc., a Nevada corporation, shall submit a revised tariff sheet within 15 days after the effective date of this order to reflect the waivers approved by the Commission in this order.

5. That the application for approval of acquisition by merger filed on April 28, 2000, by J D Services, Inc., a Utah corporation, and J D Services, Inc., a Nevada corporation, is approved and that the Applicants are authorized to take any and all actions necessary to effect the plan of merger as described in the joint application, the agreement marked as Exhibit A and attached thereto, and as authorized by this order.

6. That J D Services, Inc., a Utah corporation, and J D Services, Inc., a Nevada corporation, shall report to the Missouri Public Service Commission within ten business days of the completion of the approved merger that such has been accomplished.

7. That nothing in this order shall be considered a finding by the Missouri Public Service Commission of the value for ratemaking purposes of the transactions herein involved.

8. That the Missouri Public Service Commission reserves the right to consider any ratemaking treatment to be afforded the transactions herein involved in a later proceeding.

9. That this order shall become effective on July 21, 2000.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Lumpe, Ch., Drainer, Murray,  
Schemenauer, and Simmons, CC.,  
concur.

Hopkins, Senior Regulatory Law Judge  
Thornburg, Regulatory Law Judge