

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 1st  
day of July, 1994.

In the matter of Southwestern Bell Telephone Company's )  
tariff sheets designed to remove the temporary nature ) Case No. TT-94-218  
of Open Network Architecture (ONA) in Missouri. )  
)

ORDER APPROVING STIPULATION

On December 16, 1993, Southwestern Bell Telephone Company (SWB) submitted a tariff to the Commission designed to make permanent the Open Network Architecture (ONA) portion of its access service tariff. By order issued January 19, 1994, the Commission suspended the proposed tariff and notice of this case was given. In addition, the Commission set a prehearing conference so the parties could recommend a procedural schedule to the Commission. By order issued February 25, 1994, MCI Telecommunications Corporation (MCI), GTE Midwest Incorporated, Midwest Independent Coin Payphone Association, AT&T Communications of the Southwest, Inc., and the United States Department of Defense and all other Federal Executive Agencies were granted intervention in the case. By order issued March 15, 1994, the Commission suspended the tariff an additional six months, established a procedural schedule and a Protective Order.

On May 4, 1994, MCI filed a withdrawal of its request for affirmative relief in this case. MCI indicated that it was withdrawing its request because of its reduced interest in purchasing the Complimentary Network Services (CNS) which are available through the ONA tariff. SWB, in response to MCI's withdrawal, filed a motion to suspend the procedural schedule. The Commission suspended the procedural schedule as requested on May 13, 1994.

On June 17, 1994, the parties in this case filed a Stipulation resolving all of the issues regarding SWB's ONA tariff. Subject to certain conditions, the Stipulation approves SWB's ONA tariff as submitted. Those conditions include imputation by SWB of the tariffed rates for any Missouri intrastate Basic Service Arrangement (BSA), Basic Service Element (BSE), or CNS, as well as procedures for the provisioning and billing of CNS. In addition, SWB agrees to file appropriate tariff changes to its Missouri ONA tariff to mirror any future element structures and/or services offered or unbundled through its interstate ONA tariffs.

The Commission has reviewed the pleadings filed in this case and the Stipulation and finds that the Stipulation is reasonable and should be adopted. The Stipulation is attached to this order as Attachment A and incorporated herein by reference. The withdrawal of MCI's opposition to the tariff and Staff's agreement to the Stipulation removes the impetus behind the original suspension. The ONA tariffs are designed to aid enhanced service providers in obtaining unbundled features and service from SWB, and this Stipulation and MCI's action appear to resolve any conflict over SWB's proposed tariff.

**IT IS THEREFORE ORDERED:**

1. That the Stipulation filed in this case, which is attached to this order as Attachment A and incorporated herein by reference, be hereby approved and adopted.

2. That the tariff submitted by Southwestern Bell Telephone Company on December 6, 1993, to make permanent the Open Network Architecture provision of its access tariff is hereby approved for service on and after July 12, 1994. The tariff approved is:

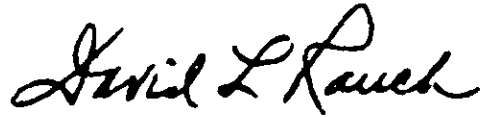
P.S.C. Mo.-No. 36

5th Revised Sheet 2 Replacing 4th Revised Sheet 2

3. That this order shall become effective on the 12th day of July,

1994.

BY THE COMMISSION

A handwritten signature in cursive script, reading "David L. Rauch".

David L. Rauch  
Executive Secretary

(S E A L)

Mueller, Chm., McClure,  
Perkins and Crumpton, CC.,  
concur.  
Kincheloe, C., absent.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of Southwestern Bell )  
Telephone Company's tariffs to establish )  
open network architecture in Missouri )  
and implement ONA features in its )  
MicroLink II service. )

Case No. TT-94-218

STIPULATION

Southwestern Bell Telephone Company ("SWBT"), the Staff of the Missouri Public Service Commission (the "Commission Staff"), the Office of Public Counsel, AT&T Communications of the Southwest, Inc., Midwest Independent Coin Phone Association, Department of the Army, GTE North Incorporated, GTE Missouri, GTE of Eastern Missouri, and GTE Systems of Missouri, hereby agree and stipulate to the matters set forth in this Stipulation and recommend that the Commission accept it in its entirety as a resolution to this proceeding. (The signatories to this Stipulation are referred to collectively as the "signatories"). If accepted by the Commission, this Stipulation would eliminate the need for a hearing on this matter.

1. Subject to the following terms, conditions, and modifications, SWBT's currently pending Open Network Architecture ("ONA") tariffs would be approved by the Commission without further objection.

2. The Commission would, as part of any order accepting this Stipulation, order SWBT to impute the tariff rates (as opposed to its costs) for any Missouri intrastate BSA, BSE or Complementary Network Service ("CNS") used by SWBT to provide its Missouri intrastate enhanced services for the purpose of setting the price for such services. The Commission would recognize, in any order accepting this Stipulation, that SWBT would not be foreclosed from seeking relief from such imputation requirement. That recognition would not create any inference that SWBT is entitled to such relief due to filing such a request, nor would any signatory to this Stipulation be foreclosed from opposing or addressing such a request.

3. With respect to the provisioning of CNS, the signatories agree to proceed on the following basis and as set forth above:

(a) Subject to the following terms and conditions, SWBT would accept orders for CNS from enhanced services providers ("ESPs") without the need for a written authorization or agency agreement from their enhanced service customers.

(b) The ESP will be responsible for payment for all CNS it orders. However, the ESP's enhanced service customers would be ultimately responsible for payment of all CNS charges if the ESP fails to pay for the CNS service, except in the absence of a written authorization if such customer denies authorizing the service. SWBT will bill and seek payment from the ESP prior to seeking payment from the end-user. SWBT will allow normal time after billing in accordance with its business practices for payment from ESPs and will not seek payment from any end-users for charges which an ESP disputes.

(c) Each CNS so ordered by an ESP would be used as if the ESP's enhanced service customers had ordered such CNS (e.g., the ESP may not aggregate its enhanced service customers and order one CNS service for use by such customers when, had such customers ordered directly from SWBT, each such customer would have had to order a separate CNS). This requirement would not apply to those CNSs purchased by an ESP for its own internal, administrative uses (i.e., not used to provide enhanced services to its enhanced service customers).

(d) The CNSs subject to this Paragraph 4 will be those services which are specified as CNSs in the ONA Services Users Guide, as it currently exists and may be updated in the future.

(e) Upon the request of the ordering ESP, SWBT would bill such ESP for all charges associated with the ordered CNS and accept payment therefrom. No charge would be made to the ESPs for such billing. In each such instance, SWBT will notify the customer of any ordered CNS with the following note on the "Other Charges and Credits" bill page on the first month after the CNS is ordered:

At the request of an enhanced service provider, Southwestern Bell Telephone has added a complementary network service to your account. Though you are ultimately responsible for payment of associated charges, the bill for that service is sent to and will be paid by the service provider from whom Southwestern Bell Telephone accepted the order.

An ESP shall not pass on a charge to its enhanced service customer which exceeds SWBT's tariff rate for any such CNS. This prohibition shall not require an ESP to separately identify the charge for the CNS on the bill to its enhanced service customer nor shall the ESP be required to itemize the charges for other portions of the service contemporaneously provided.

(f) Billing to ESPs would initially be performed as follows:

(i) Due to current technical limitations, SWBT can only include 360 customer accounts per bill from any Revenue Accounting Office. To provide billing to an ESP, an ESP's enhanced service customers would need to be separated between residential and business customer categories, such categories being determined by the classification of the enhanced service customer's basic telephone service. For each category and then for every 360 Missouri enhanced service customers that fall within the same category, the ESP would receive a separate bill.

(ii). The signatories understand that the billing arrangement set forth herein is based upon current SWBT billing systems. As those billing systems evolve, the form of billing may change.

4. SWBT would propose for its Missouri ONA tariffs to mirror any future element structures and/or services offered or unbundled (i.e., BSAs, BSEs or possible changes with respect to the elimination of the Feature Groups) through its interstate ONA tariffs by filing appropriate tariff changes with the Commission to offer such services in Missouri. This provision does not require that SWBT propose the same intrastate rates as may be proposed for interstate services, nor does this provision and any resultant filing with the Commission mean that Missouri is a parity state.

5. SWBT confirms its intention to comply, as required by law and regulation, with its Cost Allocation Manual ("CAM") in the provision of enhanced services and to provide tariffed BSAs, BSEs and CNSs to third parties, including its own affiliates, pursuant to its applicable interstate and Missouri tariffs.

6. The following general provisions are an integral part of this Stipulation:

a. The matters set forth in this Stipulation shall be received into evidence without the necessity of any witness taking the stand.

b. In the event that the Commission accepts this Stipulation, the signatories hereto waive their right to cross-examine any witnesses of the other signatories with respect to this proceeding. The Stipulation shall not otherwise bar or restrict any cross-examination of any witness in this or any other proceeding. Further, the signatories also waive their right to initiate an appeal of this proceeding, whether through a writ of review or otherwise, if the Commission adopts the Stipulation.

c. The matters set forth in this Stipulation are interdependent. In the event the Commission does not adopt the matters set forth in this Stipulation in their entirety, this Stipulation shall be void and no signatory shall be bound by any of the matters contained herein.

d. This Stipulation shall be null and void and have no effect whatsoever if the Commission grants an evidentiary hearing in response to a request for a hearing filed by a non-signatory party to this Case opposing this Stipulation. Due to such effect, no signatory shall be prejudiced or bound by any of the matters set forth herein.

e. This Stipulation is executed solely for the purpose of resolving by negotiated settlement various controverted issues raised by this proceeding. This Stipulation does not constitute an acknowledgment or acceptance by any signatory that the position of any other signatory is correct or would or should prevail as a matter of fact, law, or policy in this or any other proceeding. Except as may be specifically provided herein, none of the signatories to this Stipulation shall be prejudiced or bound by the

stipulations contained herein in any future proceeding, or in any proceeding currently pending under a separate docket in this or any other jurisdiction.

f. Except as may be specifically set forth herein, this Stipulation is only entered into for Missouri intrastate purposes, and shall not be effective or have any effect whatsoever with regard to any of the signatories in any other state or in the federal jurisdiction.

g. At the Commission's request, the Staff shall have the right to submit to the Commission, in confidential memorandum or oral briefing form, an explanation of its rationale for entering into this Stipulation, and to provide to the Commission whatever further explanation the Commission requests. The Staff's confidential memorandum or briefing shall not become part of the record of this proceeding and shall not bind or prejudice the Staff in any future proceeding. In the event the Commission does not approve this Stipulation, the Staff's confidential memorandum or briefing shall not bind or prejudice the Staff in this proceeding. Any rationale advanced by the Staff in such a confidential memorandum or briefing are its own and are not acquiesced in or otherwise adopted by the other signatories.

WHEREFORE, the undersigned parties respectfully request that the Commission accept this Stipulation in its entirety and issue an order consistent herewith.

SOUTHWESTERN BELL TELEPHONE COMPANY

By: Katherine C. Swaller  
Katherine C. Swaller  
Attorney  
100 North Tucker, Room 630  
St. Louis, MO 63101-1976



COMMISSION STAFF

By: Robert Hack  
Robert Hack  
General Counsel  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

GTE MIDWEST, INC.

By: \_\_\_\_\_  
James C. Stroo  
GTE Telephone Operations  
1000 GTE Drive, Building A  
P. O. Box 307  
Wentzville, MO 63385

AT&T COMMUNICATIONS OF THE SOUTHWEST, INC.

By: Mark Witcher  
Mark Witcher  
Senior Attorney  
8911 Capital of Texas Highway  
Suite 1300  
Austin, TX 78759

MIDWEST INDEPENDENT COIN PHONE ASSOCIATION

By: \_\_\_\_\_  
William M. Barvick  
Attorney  
240 East High, Suite 202  
Jefferson City, MO 65101

DEPARTMENT OF THE ARMY

By: \_\_\_\_\_  
Cecil O. Simpson, Jr.  
General Attorney  
Regulatory Law Office  
901 North Stuart Street  
Arlington, VA 22203-1837

OFFICE OF PUBLIC COUNSEL

By: Randy Bakewell by RJA  
Randy Bakewell  
P. O. Box 7800  
Jefferson City, MO 65102