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(16)

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of PaeTec)
Communications, Inc., for a Certificate)
of Service Authority to Provide Competitive) Case No. TA-99-379
Intrastate Interexchange Telecommunications) Tariff No. 9900646
Services within the State of Missouri)

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY
AND ORDER APPROVING TARIFF

PaeTec Communications, Inc. (PaeTec) applied to the Commission on March 4, 1999 for a certificate of service authority to provide interexchange (intraLATA and interLATA toll) telecommunications services to customers in Missouri under Sections 392.410-.450, RSMo 1994 and RSMo Supp. 1998¹. PaeTec 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. PaeTec is a Delaware corporation, with its principal office located at 290 Woodcliff Drive, Fairport, New York 14450.

The Commission issued a Notice of Application and Opportunity to Intervene on March 9, 1999, directing parties wishing to intervene to file their requests by March 24, 1999. 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.

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

Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the verified application.

PaeTec filed a proposed tariff in conjunction with its application and filed substitute sheets on April 22, 1999. On April 22, 1999, PaeTec agreed to extend the tariff's effective date to May 17, 1999. PaeTec's tariff describes the rates, rules, and regulations it intends to use, identifies PaeTec as a competitive company, and lists the waivers requested. PaeTec intends to provide interexchange telecommunication services, including 1+, 800/888/877, directory assistance and travel card services.

In its Memorandum filed on May 4, 1999, the Staff of the Missouri Public Service Commission (Staff) stated that PaeTec's proposed services are similar to existing IXC offerings. Staff recommended that the Commission grant PaeTec a certificate to provide interexchange telecommunications services. Staff recommended that the Commission grant PaeTec: (a) competitive classification; (b) approval of PaeTec's proposed tariff, P.S.C. Mo. No. 1, with a proposed effective date of May 17, 1999; and (c) waiver of the statutes and rules listed on the Notice.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and PaeTec should be granted a certificate of service authority. The Commission finds that the services PaeTec proposes to offer are

competitive and PaeTec 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 PaeTec's proposed tariff details the services, equipment, and pricing it proposes to offer. The Commission finds that the proposed tariff filed on March 4, 1999, shall be approved as amended to become effective on May 17, 1999.

IT IS THEREFORE ORDERED:

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

2. That PaeTec Communications, Inc. is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

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

Commission Rules

- | | |
|------------------------|-------------------------------|
| 4 CSR 240-10.020 | - depreciation fund income |
| 4 CSR 240-30.010(2)(C) | - rate schedules |
| 4 CSR 240-30.040 | - Uniform System of Accounts |
| 4 CSR 240-32.030(1)(B) | - exchange boundary maps |
| 4 CSR 240-32.030(1)(C) | - record keeping |
| 4 CSR 240-32.050(3) | - local office record keeping |
| 4 CSR 240-32.050(4) | - telephone directories |
| 4 CSR 240-32.050(5) | - call intercept |
| 4 CSR 240-32.050(6) | - telephone number changes |
| 4 CSR 240-32.070(4) | - public coin telephone |
| 4 CSR 240-33.030 | - minimum charges rule |
| 4 CSR 240-35 | - Bypass |

3. That the tariff filed by PaeTec Communications, Inc. on March 4, 1999, with substitute sheets filed April 22, 1999, tariff file number 9900646, is approved as amended to become effective on May 17, 1999. The tariff approved is:

P.S.C. Mo. No. 1

4. That this order shall become effective on May 17, 1999.
5. That this case may be closed on May 18, 1999.

BY THE COMMISSION

Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

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

Dated at Jefferson City, Missouri,
on this 11th day of May, 1999.

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COMMISSION ON APPEALS
PUBLIC SERVICE COMMISSION