

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of June, 1996.

In the Matter of the Application)
of McLeod Telemanagement, Inc.,)
d/b/a McLeod Telemanagement) CASE NO. TA-96-291
Organization, for a Certificate of)
Service Authority to Provide Inter-)
exchange Telecommunications Services.)

**ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY AND
ORDER APPROVING TARIFF**

McLeod Telemanagement, Inc. d/b/a McLeod Telemanagement
Organization (McLeod) applied to the Public Service Commission on
March 6, 1996, for a certificate of service authority to provide
intrastate interexchange telecommunications services in Missouri under
§ 392.440 RSMo 1994¹. McLeod asked the Commission to classify it as a
competitive company and waive certain statutes and rules as authorized
by §§ 392.361 and 392.420. Applicant is an Iowa corporation, with its
principal office located at Town Centre, Suite 500, 221 3rd Avenue SE,
Cedar Rapids, Iowa 52401.

The Commission issued a Notice and Schedule of Applicants on
March 19, 1996, directing parties wishing to intervene in the case to do
so by April 3, 1996. Since no one requested a hearing or permission to

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

intervene, the Commission determines that no hearing is necessary. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo.App. 1989).

McLeod filed a proposed tariff at the time of its application on March 6, 1996, and filed substitute sheets on June 3, 1996. The tariff's effective date was originally April 20, 1996, but the effective date of the tariff was subsequently extended on several occasions to June 20, 1996. McLeod's tariff describes the rates, rules, and regulations it intends to use, identifies McLeod as a competitive company, and lists the waivers requested. McLeod intends to provide interexchange telecommunications services including 1+, 800, and operator services.

In its Memorandum filed June 4, 1996, the Staff of the Commission stated that Applicant's proposed services are the same or equivalent to those classified as competitive in Case No. TO-88-142, *In re 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 (September 1989). Staff recommended that the Commission grant Applicant a certificate of service authority, competitive status, and waiver of the statutes and rules listed in the Notice. Staff recommended that the Commission approve the proposed tariff, effective June 20, 1996. In addition, Staff noted that McLeod's method for determining charges for customer bills is different than the normal method used by other telecommunications

companies, which is based on the plan selected by the customer. Instead, McLeod calculates charges for each customer by rating all calls for the month under each rate plan, and then selecting the single option which results in the lowest cost to the customer for that month.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and Applicant should be granted a certificate of service authority. The Commission finds that the services Applicant proposes to offer are competitive and Applicant should be classified as a competitive company. The Commission is of the opinion that waiving the statutes and Commission rules set out in Ordered Paragraph 2 is reasonable and not detrimental to the public interest. In addition, the Commission is of the opinion that the method used by McLeod for the calculation of customer charges will allow customers to be billed at the lowest possible charges without unduly discriminating between classes of customers.

The Commission determines, by authority of § 392.470, that Applicant should comply with the following regulatory requirements as reasonable and necessary conditions of certification:

- (1) Applicant must comply with reasonable requests by Staff for financial and operating data to allow Staff to monitor the intraLATA toll market. § 386.320.3.
- (2) Applicant must file tariffs containing rules and regulations applicable to customers, a description of the services

provided, and a list of rates associated with those services in accordance with 4 CSR 240-30.010 and § 392.220.

- (3) Applicant may not unjustly discriminate between its customers.
§§ 392.200, 392.400.
- (4) Applicant must comply with all applicable rules of the Commission except those specifically waived by this order.
§§ 386.570, 392.360.
- (5) Applicant must file a Missouri-specific annual report.
§§ 392.210, 392.390.1.
- (6) Applicant must comply with jurisdictional reporting requirements as set out in each local exchange company's access services tariffs. § 392.390.3.
- (7) Applicant must submit to the staff, on a confidential basis, a copy of the jurisdictional report it submits to local exchange companies. The report must be submitted within ten (10) days of the date on which it is submitted to the local exchange company.

The Commission finds that McLeod's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri certificated interexchange carriers. The Commission finds that the proposed tariff filed on March 6, 1996, and amended on June 3, 1996, should be approved, effective June 20, 1996.

IT IS THEREFORE ORDERED:

1. That McLeod Telemanagement, Inc. d/b/a McLeod Telemanagement Organization be granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above.

2. That McLeod Telemanagement, Inc. d/b/a McLeod Telemanagement Organization be classified as a competitive telecommunications company. The following statutes and regulatory rules shall be waived:

Statutes

392.240(1)	- ratemaking
392.270	- valuation of property (ratemaking)
392.280	- depreciation accounts
392.290	- issuance of securities
392.310	- stock and debt issuance
392.320	- stock dividend payment
392.330	- issuance of securities, debts and notes
392.340	- reorganization(s)

Commission Rules

4 CSR 240-10.020	- depreciation fund income
4 CSR 240-30.010(2)(C)	- rate schedules
4 CSR 240-30.040(1)	- Uniform System of Accounts
4 CSR 240-30.040(2)	- Uniform System of Accounts
4 CSR 240-30.040(3)	- Uniform System of Accounts
4 CSR 240-30.040(5)	- Uniform System of Accounts
4 CSR 240-30.040(6)	- 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 240-32.030(2)	- in-state 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 240-33.040(5)	- financing fees

3. That the tariff filed by McLeod Telemanagement, Inc. d/b/a McLeod Telemanagement Organization on March 6, 1996, be approved as amended, effective June 20, 1996. The tariff approved is:

P.S.C. Mo. No. 1

4. That this order shall become effective on June 20, 1996.

BY THE COMMISSION



David Rauch
Executive Secretary

(SEAL)

Zobrist, Chm., McClure,
Kincheloe, Crumpton and Drainer,
CC., Concur.

ALJ: Bensavage