

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 3rd
day of January, 1995.

In the matter of the application of Communication)
TeleSystems International, Inc. for a certificate) CASE NO. TA-95-115
of service authority to provide interexchange)
telecommunications services.)

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY AND
ORDER APPROVING TARIFF

On October 5, 1994, Communication TeleSystems International, Inc., d/b/a CTS, Inc., (CTS, Inc., or Applicant) applied to the Public Service Commission (Commission) for a certificate of service authority to provide intrastate interexchange telecommunications services within the state of Missouri and for classification as a competitive telecommunications company pursuant to §§ 392.361 and 392.440 RSMo Supp. 1993. Applicant also requested waiver of certain statutes and Commission rules as authorized by § 392.420 RSMo Supp. 1993. The Commission issued its Notice and Schedule of Applicants on October 18, 1994, directing parties wishing to intervene in the case to do so by November 2, 1994. There were no motions filed for permission to intervene or for hearing. CTS, Inc., was also directed to file a proposed tariff, carrying a thirty-day effective date, reflecting the rates, rules, and regulations under which it proposes to offer services in Missouri.

CTS, Inc., filed its proposed tariff on November 7, 1994, with an effective date of December 9, 1994. In addition to the rates, rules, and regulations it intends to use for providing services, the tariff also

identifies Applicant as a competitive telecommunications provider, and indicates the statutory and regulatory requirements expected to be waived by the Commission. CTS filed substitute sheets on December 6, 12, and 19, 1994. On December 12, 1994, the applicant requested that the effective date of its tariff to December 23, 1994, and on December 16, CTS requested a further extension to January 6, 1995. CTS, Inc., is proposing to provide interexchange telecommunications services, including "1+" long distance, 800 number, travel card, debit card and operator services.

On December 23, 1994, the Staff of the Commission (Staff) filed its Memorandum recommending approval of Company's application and proposed tariff. Staff stated that Applicant's proposed services are the same or equivalent to the services which were 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) and recommended that the Commission grant Applicant competitive status on that basis. Staff also recommended that CTS, Inc., be granted waiver of certain statutes and Commission rules which have been waived for other competitive telecommunications companies. In addition, Staff recommended waiver of 4 CSR 240-33.040(5) (finance fee) which has been waived on particular request.

Staff stated that it had reviewed the proposed tariff and substitute sheets and concluded that the tariff clearly and comprehensively describes the terms and conditions of the services to be offered, and that those services are within the scope of the certificate of authority requested. Staff concluded that the proposed tariff is consistent with service offerings currently available from other interexchange carriers and

approved by the Commission and is in compliance with Commission rules and regulations. Staff recommended that the tariff be approved, as amended, for services on and after January 6, 1995.

The requirements of due process have been satisfied when interested persons have been given notice and an opportunity to be heard. Notice, in this case, was sent by the Commission on October 18, 1994, and interested parties were directed to intervene on or before November 2, 1994. Since no one has filed an application to intervene or request for hearing, the Commission determines that a hearing is not necessary and the Applicant may submit evidence in support of its application by verified statement. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo.App. 1989).

After reviewing Applicant's verified statement and Staff's recommendation, the Commission finds that Applicant is a California corporation authorized to do business in the state of Missouri, with its principal office or place of business at 4350 LaJolla Village Drive, Suite 100, San Diego, California 92122. The Commission finds that Applicant has filed current financial information and a brief description of the type of service it proposes to provide, and has agreed to comply with all applicable rules and regulations of the Commission, and with any terms and conditions which the Commission may lawfully impose.

The Commission finds that additional competition in the intrastate interexchange market is in the public interest and a certificate of service authority should be granted to Applicant. The Commission also finds that the services Applicant proposes to offer are competitive, and that waiving the statutes and Commission rules set out below is reasonable and not detrimental to the public interest. Therefore, the Commission

concludes that Applicant should be classified as a competitive company pursuant to § 392.361 RSMo Supp. 1993.

The Commission determines that, pursuant to § 392.470 RSMo Supp. 1993, certain regulatory requirements should be imposed upon Applicant as a reseller of telecommunications services in Missouri. Applicant should be subject to the following regulatory requirements as reasonable and necessary conditions of certification:

- (1) Applicant is required to comply with reasonable requests by Staff for financial and operating data to allow Staff to monitor the intraLATA toll market pursuant to § 386.320.3 RSMo (1986).
- (2) Applicant is required to file tariffs containing rules and regulations applicable to customers, a description of the services provided, and a list of rates associated with those services pursuant to § 392.220 RSMo Supp. 1993, and 4 CSR 240-30.010.
- (3) Applicant's tariff filing must contain a preliminary section which states that Company is a competitive carrier and identifies the statutory and rule waivers granted it by the Commission.
- (4) Applicant is precluded from unjustly discriminating between and among its customers pursuant to §§ 392.200 and 392.400 RSMo Supp. 1993.
- (5) Applicant is required by § 386.570 RSMo (1986), and § 392.360 RSMo Supp. 1993, to comply with all applicable rules of the Commission except those which have been specifically waived by this order.

- (6) Applicant is required to file a Missouri-specific annual report pursuant to §§ 392.210 and 392.390.1 RSMo Supp. 1993.
- (7) Applicant is required to comply with jurisdictional reporting requirements as set out in each local exchange company's access services tariffs pursuant to § 392.390.3 RSMo Supp. 1993.
- (8) A copy of the jurisdictional report submitted to local exchange companies shall be submitted to the staff on a confidential basis within ten (10) days of the date on which it is submitted to the local exchange company.

The Commission finds that CTS, Inc.'s proposed tariff details the services, equipment, and pricing it proposes to offer, and that the proposed tariff is similar to those which have been approved for other Missouri certificated interexchange carriers providing similar services. The Commission further finds that the proposed tariff filed on November 7, 1994, should be approved, as amended, for services on and after January 6, 1995.

IT IS THEREFORE ORDERED:

1. That Communication TeleSystems International, Inc., d/b/a CTS, Inc., be granted a certificate of service authority to provide intrastate interexchange telecommunication services in the state of Missouri, subject to the conditions of certification set out above.

2. That Communication TeleSystems International, Inc., d/b/a CTS, Inc., be classified as a competitive telecommunications company for which 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 240-32.030(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) | - finance fee |

3. That Communication TeleSystems International, Inc., d/b/a CTS, Inc., shall file its PIU reports as set out above.

4. That the tariff filed by Communication TeleSystems International, Inc., d/b/a CTS, Inc., on November 7, 1994, be approved, as amended, for services on and after January 6, 1995. The tariff approved is:

P.S.C. Mo. No. 1.

5. That this order shall become effective on the 6th day of January, 1995.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.