



Missouri Public Service Commission

Commissioners
SHEILA LUMPE
Chair
HAROLD CRUMPTON
CONNIE MURRAY
ROBERT G. SCHEMENAUER
M. DIANNE DRAINER
Vice Chair

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.ecodev.state.mo.us/psc/>

February 25, 2000

GORDON L. PERSINGER
Acting Executive Director
Director, Research and Public Affairs
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. KOLILIS
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³

FEB 28 2000

Missouri Public
Service Commission

RE: Case No. TM-2000-418

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and fourteen (14) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass
Senior Counsel
(573) 751-3966
(573) 751-9285 (Fax)

CS/dkf
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application for)	
Approval Nunc Pro Tunc of a Transfer of)	
Assets from NeTel, Inc. d/b/a Tel3 To)	Case No. TM-2000-418
OneStar Long Distance, Inc.)	

STAFF RECOMMENDATION

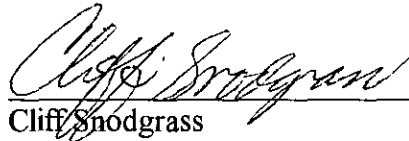
COMES NOW the Staff of the Missouri Public Service Commission (Staff) pursuant to the authority contained in the Missouri Code of State Regulations, specifically, 4 CSR 240-2.060(5), and §392.300 RSMo 1994, and for its Recommendation states:

1. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission (Commission) issue an Order which:
 - A. Prospectively approves the transfer of NeTel's (d/b/a Tel3) Dial 1+ Customer Base to OneStar Long Distance, Inc.

2

Respectfully submitted,

DANA K. JOYCE
General Counsel



Cliff Snodgrass
Senior Counsel
Illinois Bar No. 3123645

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-3966 (Telephone)
(573) 751-9285 (Fax)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 28th day of February, 2000.



Case No. TM-2000-418

Company: OneStar Long Distance / Ne Tel. Inc.

Assigned: 1-12-00

File Number: _____

From:	Initial	Date	Revised
S Claiborn-Pinto	JCP	2-25-00	_____
Wm. Voight	BV	2-25	_____
Mr. VanEschen	Absent		_____
Mr. Henderson	WH	2-25-00	_____
Legal	MP	2-25-00	_____
Staff Deadline:			_____

MEMORANDUM

RECEIVED
FEB 25 2000
DH 10:20 AM
COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION
CES
2-25-2000

To: Missouri Public Service Commission Official Case File
Tariff File No. Case No. TM-2000-418

From: Shawnee Claiborn-Pinto *SCP*
Telecommunications Department *BV*

Wend Anderson 2-25-00
Utility Operations Division/Date

Mark Poston 2-25-00
General Counsel's Office/Date

Subject: Staff Recommendation to Approve the Transfer of Assets from NeTel, Inc. to OneStar Long Distance, Inc.

Date: February 25, 2000

On January 12, 2000, OneStar Long Distance, Inc., (OneStar), filed an application for the approval of the purchase of the NeTel, Inc. (NeTel) customer base. Also on January 12, 2000, OneStar submitted direct testimony of Laura Collier, OneStar regulatory supervisor, to supplement the application.

OneStar was granted a certificate of service authority to provide interexchange telecommunications services in Case TA-98-50. On December 14, 1999, NeTel filed for Chapter 11 bankruptcy with the US Bankruptcy Court of the Southern District of Florida (Docket No 98-28929-BKC-PGH). In connection with its plan for relief under Chapter 11, NeTel solicited offers for its telecommunications assets, and OneStar responded. The parties reached an agreement whereby NeTel would sell all of its existing Dial 1+ Customer Base, receipts and proceeds therefrom and all accounts receivable from the Dial 1+ Customer Base. This agreement was approved by the Bankruptcy Court on July 19, 1999. OneStar updated its tariff to include rate plans similar to those offered by NeTel and began transitioning the NeTel customer base to its service. OneStar reports that the change was not detrimental to the 228 affected Missouri customers. OneStar notified customers of the transition by letter (attached to application) and reports no complaints from customers since the transition.

OneStar states that there are no final judgments against it from any state or federal agency and states that it will be providing the services for NeTel customers under OneStar's current tariff (which has been updated to offer NeTel customers similar rate plans). Additionally, this transaction does not appear to be against the public interest.

The Telecommunications Department Staff (Staff) has reviewed the application for the transfer of assets and has no objections to the proposed transaction. OneStar asked for the transfer to be approved *nunc pro tunc*. However, Staff recommends the Commission issue an order to approve the transfer of NeTel's Dial 1+ Customer Base to OneStar, *prospectively*. The Staff is unaware of any filing which affect or would be affected by this transfer.

**Service List for
Case No. TM-2000-418
February 28, 2000**

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Ami Larrison, Regulatory Manager
Onestar Long Distance, Inc.
7100 Eagle Crest Blvd., Ste. B
Evansville, IN 47715

Christina Weiksnar
Metrolink Communications, Inc.
70 West Madison, Ste. 5500
Chicago, IL 60602

Mark W. Comley
Newman, Comley & Ruth P.C.
601 Monroe St., Ste. 301
P.O. Box 537
Jefferson City, MO 65102-0537