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STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 27th day of August, 1998.

In the Matter of the Application of Tel-Link,)
L.L.C., for a Certificate of Service Authority)
to Provide Basic Local Telecommunications Service) <u>Case No. TA-98-176</u>
in the State of Missouri and to Classify Said)
Services and the Company as Competitive.)
)

ORDER GRANTING CERTIFICATE TO PROVIDE BASIC LOCAL TELECOMMUNICATIONS SERVICES

Procedural History

Tel-Link, L.L.C. (Tel-Link) applied to the Commission on October 24, 1997, for a certificate of service authority to provide basic local exchange telecommunications services in Missouri under Sections 392.420 - .440, RSMo 1994¹, and Sections 392.410 and .450, RSMo Supp. 1997. Tel-Link 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. Tel-Link is a Georgia limited liability company with principal offices located at 2581 Piedmont Road, C-1135, Atlanta, Georgia 30324.

The Commission issued a notice and schedule of applicants on November 7, directing interested parties wishing to intervene to do so by December 8. No requests for intervention were filed.

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

Staff's original recommendation, filed on March 23, 1998, recommended that Tel-Link be granted competitive classification but that its certificate of service authority be conditioned upon restrictions on its access rates. Although Tel-Link currently intends to offer only resold services, Staff proposes that, if Tel-Link later provides access service, its originating and terminating access rates be no greater than the lowest Commission-approved corresponding access rates in effect at the date of certification for the large incumbent local exchange company within whose service area Tel-Link provides service. Staff recommended following Commission rules and statutes Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1997, and 392.340. The parties also agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

Staff's March recommendation included a memorandum from the Commission's Financial Analysis Department stating that the company had provided insufficient information to permit an evaluation of its financial ability to provide service. The Telecommunications Department Staff recommended approval nevertheless. The Commission did not take action on this recommendation and eventually an amended Staff recommendation was filed in August indicating that additional financial information submitted to the Financial Analysis Department had resulted in a favorable recommendation regarding financial resources. In order to complete the record in this case the Commission will direct the company to file a copy of the financial information submitted to Staff on July 22 in the Official Case File. Tel-Link may request a Protective Order if needed.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

- A. The Commission finds that competition in the basic local exchange telecommunications markets is in the public interest.
- B. The Commission finds that Tel-Link has met the requirements of 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services with the exception of the filing of a tariff with a 45-day effective date.
- C. The Commission finds that Tel-Link has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.
- D. The Commission finds that Tel-Link meets the statutory requirements for provision of basic local telecommunications services, including the requirement that the applicant possess sufficient financial resources to provide service, and has agreed to abide by those requirements in the future. The Commission determines that granting Tel-Link a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. Tel-Link's certificate shall become effective when its tariff becomes effective.
- E. The Commission finds that Tel-Link is a competitive company and should be granted waiver of the statutes and rules set out in the ordered paragraph below.

F. The Commission finds that Tel-Link's certification and competitive status should be conditioned upon Tel-Link's rates for originating and terminating access being no greater than the lowest Commission-approved corresponding access rates in effect at the date of certification for the large incumbent local exchange company within whose service area Tel-Link provides service.

Conclusions of Law

The Missouri Public Service Commission has reached the following conclusions of law:

The Commission has the authority to grant certificates of service authority to provide telecommunications service within the state of Missouri. Tel-Link has requested certification under Sections 392.420 - .440, and Sections 392.410 and .450, RSMo Supp. 1997 which permit the Commission to grant a certificate of service authority where it is in the public interest. Sections 392.361 and .420 authorize the Commission to modify or suspend the application of its rules and certain statutory provisions for companies classified as competitive or transitionally competitive.

The federal Telecommunications Act of 1996 and Section 392.455, RSMo Supp. 1997, were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunications consumers. See Section 392.185, RSMo Supp. 1997.

Based upon the Commission's review of the applicable law, the verified application, Staff's recommendation and amended recommendation, and upon its findings of fact, the Commission concludes that the certificate and competitive classification requested by Tel-Link should be granted.

IT IS THEREFORE ORDERED:

- That the Request to File Response to Order Dated November 7,
 1997 Out of Time filed by Tel-Link, L.L.C. on December 24, 1997 is granted.
- 2. That Tel-Link, L.L.C. shall file in the Official Case File the financial data submitted to Staff on July 22, 1998. Tel-Link, L.L.C. may request a Protective Order if needed.
- 3. That Tel-Link, L.L.C. is granted a certificate of service authority to provide basic local exchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above and to all applicable statutes and Commission rules except as specified in this order. The certificate of service authority shall become effective when the company's tariff becomes effective.
- 4. That Tel-Link, L.L.C. is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

392.210.2 - uniform system of accounts
392.270 - valuation of property (ratemaking)
392.280 - depreciation accounts
392.290.1 - issuance of securities
392.300.2 - acquisition of stock
392.310 - stock and debt issuance
392.320 - stock dividend payment
392.340 - reorganization(s)
392.330, RSMo Supp. 1997 - issuance of securities, debts and notes

Commission Rules

- 4 CSR 240-10.020 depreciation fund income 4 CSR 240-30.040 - uniform system of accounts 4 CSR 240-35 - reporting of bypass and customer-specific arrangements
- 5. That the request for waiver of 4 CSR 240-2.060(4)(H), which requires the filing of a 45-day tariff, is granted.

- 6. That Tel-Link, L.L.C. shall file tariff sheets with a minimum 45-day effective date reflecting the rates, rules, regulations and the services it will offer within 30 days after the effective date of a Commission order approving an interconnection agreement which will allow Tel-Link to provide services. The tariff shall be filed in Case No. TA-98-176 and shall include the list of the statutes and Commission rules waived above.
- 7. That Tel-Link, L.L.C.'s certification and competitive status are conditioned upon its rates for originating and terminating access being no greater than the lowest Commission-approved corresponding access rates in effect at the date of certification for the large incumbent local exchange company within whose service area Tel-Link, L.L.C. provides service.
 - 8. That this order shall become effective on September 9, 1998.

BY THE COMMISSION

Dale Hardy Roberts Secretary/Chief Regulatory Law Judge

Hole Hard Roberts

(SEAL)

Lumpe, Ch., Crumpton, Drainer, Murray and Schemenauer, CC., concur.

Wickliffe, Deputy Chief Regulatory Law Judge

