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Missouri Public Service Commission

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November 15, 1999

GORDON L. PERSINGER  
Acting Executive Director  
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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

RE: Case No. TA-2000-252

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,

Julie A. Kardis  
Assistant General Counsel  
(573) 751-8706  
(573) 751-9285 (Fax)

JAK/jb  
Enclosure  
cc: Counsel of Record

FILED<sup>2</sup>

NOV 15 1999

Missouri Public  
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**FILED<sup>2</sup>**

NOV 15 1999

Missouri Public  
Service Commission

In the Matter of the Application of Cap )  
Rock Telecommunications Corp. for a )  
Certificate of Service Authority to Provide )  
Basic Local Telecommunications Service, )  
For Classification as a Competitive )  
Telecommunications Company, and for )  
Waiver of Certain Statutory and )  
Regulatory Provisions )

Case No. TA-2000-252

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation states:

In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Missouri Public Service Commission conditionally grant Cap Rock Telecommunications Corp. (Applicant) a certificate of service authority to provide basic local telecommunications service, order Applicant to file a basic local telecommunications tariff within 30 days following the Commission's approval of an interconnection agreement, and order that the filed tariff have an effective date 45 days following the date the tariff is filed with the Commission.

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Respectfully submitted,

DANA K. JOYCE  
General Counsel

Julie A. Kardis

Julie A. Kardis  
Assistant General Counsel  
Missouri Bar No. 44450

Attorney for the Staff  
Missouri Public Service Commission  
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### **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 15th day of November 1999.

Julie A. Kardis

# MEMORANDUM

FILED<sup>2</sup>

NOV 15 1999

Missouri Public  
Service Commission

To: Missouri Public Service Commission Official Case File  
Case No. TA-2000-252  
Cap Rock Telecommunications Corp.

From: Tom Solt *TS* *BN*  
Telecommunications Department

*West Henderson* 11-10-99  
Utility Operations Division/Date

*Wm K. Hoag* 11/15/99  
General Counsel's Office/Date

*OK*  
11-10-99

Subject: Staff Recommendation to Approve Certificate of Service Authority to Provide  
Basic Local Telecommunications Services

Date: November 8, 1999

On September 27, 1999, Cap Rock Telecommunications Corp. (Cap Rock), filed an application for authority to provide basic local telecommunications service in portions of Missouri and for classification as a competitive telecommunications company. On September 29, 1999, Cap Rock filed a copy of the verification page which had been omitted inadvertently from the original filing. The Missouri Public Service Commission (Commission) issued a Notice of Applications on October 5, 1999, establishing an intervention deadline of November 4, 1999. No parties filed for intervention in the case.

Cap Rock proposes to offer service in all exchanges currently served by Southwestern Bell Telephone Company, Sprint/United Telephone Company, and GTE Midwest, Inc. Cap Rock refers to the lists of exchanges appearing in the aforementioned companies' tariffs as the specific exchanges in which it requests authority to serve.

Cap Rock requested a temporary waiver of 4 CSR 240-2.060(4)(H), which requires applicants to file a tariff. It submitted copies of its certificate of service authority from the Missouri Secretary of State, a description of the qualifications and experience of its key employees, and a copy of its financial statements. The Financial Analysis Department's review of the financial information indicated that Cap Rock does meet minimum standards. Cap Rock stated in its application that it will comply with all billing, quality of service and tariff requirements of the Commission. Cap Rock also states that it will offer basic local telecommunications services as a separate and distinct service, and that it will provide equitable access to subscribers within the area proposed to be served.

Cap Rock requests waivers that are routinely granted for competitive basic local telecommunications companies. Cap Rock seeks to offer and provide all forms of basic local telecommunications services.

The Telecommunications Department Staff (Staff) has reviewed Cap Rock's application and finds it meets the required managerial, technical, and financial standards. Staff recommends

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Appendix A

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MISSOURI  
Public Service Commission

Commission grant Cap Rock a certificate of service authority to provide basic local telecommunications service with the following three requirements: 1) notwithstanding the provisions of Section 392.500 RSMo (1994), as a condition of certification and competitive classification, unless otherwise ordered by the Commission, the applicant's originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates for the large incumbent LEC(s) for each service area within which the applicant seeks authority to provide service; 2) the grant of service authority and competitive classification to Cap Rock should be expressly conditioned on the continued applicability of Section 392.200, RSMo. Supp. 1998, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in item number 1 (above), must be filed pursuant to Sections 392.220, RSMo Supp. 1998 and 392.230 RSMo (1994), rather than Sections 392.500 and 392.510 RSMo (1994); and, 3) that Cap Rock's certificate becomes effective on the same day its tariff becomes effective.

Staff recommends the Commission order Cap Rock to file a basic local telecommunications tariff within 30 days following the Commission's approval of an interconnection agreement, and that the filed tariff have an effective date 45 days following the date the tariff is filed with the Commission. Cap Rock has not filed any proposed interconnection agreements with this Commission.

Copies:            Director – Utility Operations Division  
                      Director – Research and Public Affairs Division  
                      Director – Utility Services Division  
                      General Counsel  
                      Mark P. Johnson - Attorney for Applicant  
                      Office of the Public Counsel

# MEMO

**To:** Tom Solt  
Telecommunications Department  
**From:** David Broadwater  
Financial Analysis Department  
**Subject:** CapRock Telecommunications  
**Date:** November 8, 1999

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MO PSC Case No. TA-2000-252

## Financial Analysis Department Comments

We have reviewed the financial information as submitted by CapRock Telecommunications (Company) in their Application TA-2000-252. This financial information is the responsibility of the Company's management and is provided by them. The responsibility of the Financial Analysis Department is to review the financial information as provided by the Company in the Application. We plan and perform the review to ascertain that the Company meets the minimum financial standard.

Our analysis indicates that the Company does meet the minimum standard cash or equivalent working capital of at least four (4) months operating expenses inclusive of interest expense and taxes.

We believe that our review provides a reasonable basis for the opinion expressed above.

**Service List for  
Case No. TA-2000-252  
November 15, 1999**

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