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May 2, 2000

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Secretary/Chief Regulatory Law Judge

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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-2000-496

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) 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,

Bruce H. Bates
Assistant General Counsel
(573) 751-7434
(573) 751-9285 (Fax)

BHB/lb
Enclosure
cc: Counsel of Record

FILED³
MAY 02 2000

Missouri Public
Service Commission

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

FILED³

MAY 02 2000

Missouri Public
Service Commission

In the Matter of the Application of O1)
Communications of Missouri, LLC for a)
Certificate of Service Authority to Provide)
Basic Local Telecommunications Service,)
Local Exchange Telecommunications)
Service, and Interexchange)
Telecommunications Service in the State)
of Missouri and to Classify Said Services)
and the Company as Competitive.)

Case No. TA-2000-496

STAFF RECOMMENDATION

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

1. In the attached *Memorandum*, which is labeled *Appendix A*, Staff recommends that the Missouri Public Service Commission ("Commission") grant O1 Communications of Missouri, LLC ("Applicant") a certificate of service authority to provide local exchange, basic local exchange, and interexchange telecommunications services. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. (See Sections 392.430 and 392.440, RSMo 1994).

2. Staff also recommends that the Commission classify Applicant and its services as competitive. The Commission may classify a telecommunications provider or its services as competitive if the Commission determines it is subject to sufficient competition to justify a lesser

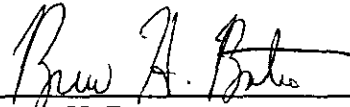
degree of regulation. (See Section 392.361.2, RSMo 1994.) All the services a competitive company provides must be classified as competitive. (See Section 392.361.3, RSMo 1994.)

3. Staff further recommends that the Commission approve the waivers listed in the *Memorandum*. The Commission may waive the application of its rules and certain statutes if the Commission determines that the waiver is consistent with the purposes of Chapter 392, RSMo. (See Sections 392.361.3 and 392.420, RSMo 1994, as well as Section 392.185, RSMo Cum.Supp. 1999.)

WHEREFORE Staff recommends that the Commission grant Applicant a certificate of service authority to provide local exchange, basic local exchange, and interexchange telecommunications services. Staff also recommends that the Commission grant Applicant competitive classification and approve the waivers listed in the *Memorandum*.

Respectfully submitted,

DANA K. JOYCE
General Counsel

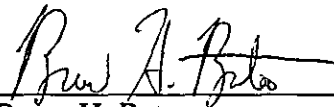


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel or parties of record as shown on the attached service list this 2nd day of May 2000.



Bruce H. Bates

MEMORANDUM

RECEIVED

MAY 02 2000
12:58
COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

To: Missouri Public Service Commission Official Case File
Case No. TA-2000-496
O1 Communications of Missouri, LLC

From: Philip M. Garcia *PG*
Telecommunications Department *BN*

[Signature] 5/1/00
Utility Operations Division/Date

Wm K Hase 5/2/00 *BTH* 5-2-00
General Counsel's Office/Date

Subject: Staff Recommendation to Approve Certificate of Service Authority to Provide Basic Local Telecommunications Services, Local Exchange Telecommunications Service, and Interexchange Telecommunications Services in the State of Missouri and to Classify Said Services and the Company as Competitive

Date: April 26, 2000

On February 16, 2000, O1 Communications of Missouri, LLC (O1) submitted an Application for Certificate of Service Authority to Provide Basic Local Exchange Telecommunications Services, Local Exchange Telecommunications Services, and Interexchange Telecommunications Services in the State of Missouri and to Classify Said Services and the Company as Competitive. On February 16, 2000, O1 also filed a Motion for Protective Order. On February 28, 2000 the Commission issued an Order Directing Filing and Granting Protective Order. The Order concluded that a protective order should be granted; also that O1 needed to clarify its filing as to the correct waivers and the inclusion of the street and mailing address of its principal office or place of business. On March 9, 2000 O1 filed a Supplement to Application in which it correctly listed the request for additional waivers and the street and mailing address of its principal place of business. On March 21, 2000 the Commission issued its Notice of Application establishing April 5, 2000 as the intervention deadline for O1's application for interexchange and local exchange authority and April 20, 2000 as the intervention deadline for O1's application for basic local exchange authority. No parties filed for intervention in the case. O1 requests classification as a competitive telecommunications carrier and proposes to provide basic local exchange telecommunications service and dedicated, non-switched local exchange private line services, on a facilities and resold basis, throughout all exchanges currently served by incumbent local exchange carriers Southwestern Bell Telephone Company (SWBT) Sprint/United Telephone Company (Sprint) and GTE Midwest, Inc. (GTE). O1 also proposes to provide interexchange telecommunications service on a facilities and resold basis throughout the State of Missouri.

O1 requests a temporary waiver of 4 CSR 240-2.060(4)(H) which requires applicants to file a tariff with the application for certificate of service authority. O1 submitted copies of its Certificate of Authority from the Missouri Secretary of State, its Articles of Incorporation, a brief description of the qualifications and experience of its key management employees, and a copy of its financial statements under protective seal. A copy of the Financial Analysis Department's memo which states that Applicant meets the minimum standards is attached.

O1's application states that it will comply with all billing, quality of service, and tariff requirements of the Commission. It also states that O1 will offer basic local telecommunications service as a separate and distinct service, and give consideration to equitable access for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income.

O1 requested waivers of the following Commission rules and statutes:

Section 392.210.2	Establish uniform system of accounts.
Section 392.240(1)	Setting just and reasonable rates.
Section 392.270	Ascertain property values.
Section 392.280	Establish depreciation accounts.
Section 392.290	Issuance of securities.
Section 392.300.2	Acquisition of stock.
Section 392.310	Issuance of stock and debt.
Section 392.320	Stock dividend payment.
Section 392.330	Issuance of securities, debts & notes.
Section 392.340	Reorganization(s).
4 CSR 240-10.020	Depreciation fund income.
4 CSR 240-30.010(2)(c)	Rate schedules should be posted at central office.
4 CSR 240-30.040	Uniform system of accounts.
4 CSR 240-32.030(4)(c)	File exchange boundary maps with Commission.
4 CSR 240-33.030	Inform customers of lowest price.
4 CSR 240-35	Reporting of bypass.

O1 states that it intends to offer and provide resold and facilities-based telecommunications services to business and residential customers. The Telecommunications Department Staff (Staff) has reviewed O1's Application and concludes that:

1. O1 possesses sufficient technical, financial, and managerial resources to provide basic local exchange telecommunications service. In Exhibits 2 and 3 (under seal) of its application, O1 demonstrates its technical, financial and managerial resources and abilities.

2. O1 has sufficiently identified the geographic area in which it proposes to offer basic local service and the area follows exchange boundaries of the ILEC's and is no smaller than an exchange.
3. O1 will provide basic local exchange service as a separate and distinct service.
4. O1 has demonstrated that the services it proposes to offer satisfy the minimum standards established by the Commission and that it will comply with those minimum standards.
5. O1 will provide equitable access to affordable telecommunications services for all Missourians, regardless of where they live or their income.
6. Except for the filing of an interexchange tariff, O1 has met the statutory requirements for a certificate of authority to provide interexchange telecommunications service in the state of Missouri;

Therefore, the Staff recommends the Commission grant O1 a Certificates of Service Authority to Provide Local exchange, Basic Local exchange, and interexchange telecommunications services, with the following condition: if O1 is to provide exchange access service, its originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for each ILEC within whose service area O1 seeks authority to provide service, unless authorized by the Commission pursuant to Sections 392.220 and 392.230 RSMo. Staff also recommends that the Commission order O1 to file basic local exchange, interexchange and if applicable exchange access tariffs within thirty (30) days following the Commission's approval of an interconnection agreement, and that the proposed tariffs have an effective date forty-five (45) days following the date the tariffs are filed with the Commission. Additionally, Staff recommends that O1 and the services it provides be classified as competitive, and that O1's certificate become effective when the applicable tariffs are approved and become effective. Lastly, Staff recommends the Commission grant O1 waivers of the previously mentioned Commission rules and statutes.

The Staff is unaware of any other filing which affects, or which would be affected by, this filing. O1 has not filed any proposed interconnection agreements with this Commission.

Attachment

Service List for
Case No. TA-2000-496
May 2, 2000

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