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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)
Z-Tel Communications, Inc. for a)
Certificate of Service Authority to) **Case No. TA-99-15**
Provide Competitive Intrastate)
Telecommunications Services in Missouri.)

ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE AUTHORITY AND
ORDER APPROVING TARIFF

Z-Tel Communications, Inc. (Z-Tel or Applicant) applied to the Public Service Commission on July 8, 1998, for a certificate of service authority to provide intrastate interexchange telecommunications services in Missouri under § 392.440, RSMo 1994¹. Z-Tel asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by §§ 392.361 and 392.420. Applicant is a Delaware corporation, with its principal office located at 777 South Harbour Island Boulevard, Suite 990, Tampa, Florida 33602.

The Commission issued a Notice and Schedule of Applicants on July 28, directing parties wishing to intervene to file their requests by August 12. The notice indicated that the Applicant had requested the standard waivers. A motion to intervene was filed by Z-Tel, Inc. (Intervenor) on August 12. The Commission issued an order on August 18 suspending the tariff until October 21 in order to allow the Applicant an opportunity to respond to the motion to intervene. Objections to the intervention were filed on August 20 and on August 24 the Intervenor

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

withdrew its motion for intervention. An order suspending the tariff and granting the Intervenor's request to withdraw was issued on October 15. That order further suspended the tariff until November 14 so that a corrected notice could be issued and additional time for interventions allowed. The order also granted the Intervenor's request to withdraw its motion to intervene. On October 20, a second Notice and Schedule of Applicants was issued which indicated that the Applicant was requesting the standard waivers and also requested waivers of 4 CSR 240-35, Section 392.210.2, and Section 392.300.2. The notice directed parties wishing to intervene to file their requests by November 4.

The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo.App. 1989). Since no one has intervened or requested a hearing, the Commission may grant the relief requested based on the verified application.

Z-Tel filed a proposed tariff in conjunction with its application and filed substitute sheets on September 23. The tariff's effective date has been suspended until November 14. Z-Tel's tariff describes the rates, rules, and regulations it intends to use, identifies Z-Tel as a competitive company, and lists the waivers requested. Z-Tel intends to provide interexchange telecommunications services including "1+" and Directory Assistance services.

In its Memorandum filed on October 6, the Staff of the Commission stated that Applicant's proposed services are similar to existing IXC offerings. Staff recommended that the Commission grant Applicant a certificate of service authority, competitive status, and waiver of the

statutes and rules including the three non-standard waivers. Staff stated that these three "non-standard" waivers were recently approved for another interexchange carrier in Case No. TA-98-361. Staff recommended that the Commission approve the proposed tariff as amended.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and Applicant should be granted a certificate of service authority. The Commission finds that the services Applicant proposes to offer are competitive and Applicant should be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest.

The Commission finds that Z-Tel's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri certificated interexchange carriers. The Commission finds that the proposed tariff filed on July 8 shall be approved as amended to become effective on November 14.

IT IS THEREFORE ORDERED:

1. That Z-Tel Communications, Inc. is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to all applicable statutes and Commission rules except as specified in this order.

2. That Z-Tel Communications, Inc. is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

- 392.210.2 - system of accounts
- 392.240(1) - ratemaking
- 392.270 - valuation of property (ratemaking)

- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.300.2 - stock ownership and sale
- 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 240-30.010(2)(C) - rate schedules
- 4 CSR 240-30.040 - Uniform System of Accounts
- 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) - financing fees
- 4 CSR 240-35 - by pass

3. That the tariff filed by Z-Tel Communications, Inc. on July 8, 1998, is approved as amended to become effective on November 14, 1998.

The tariff approved is:

P.S.C. Mo. No. 1

- 4. That this order shall become effective on November 14, 1998.
- 5. That this case may be closed on November 15, 1998.

BY THE COMMISSION

Dale Hardy Roberts

(S E A L)

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

Nancy Dippell, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1),
(November 30, 1995) and Section 386.240,
RSMo 1994.

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

Dated at Jefferson City, Missouri,
on this 9th day of November, 1998.