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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, 1997.

In the Matter of the Application of American)
Communication Services of Kansas City, Inc. for)
Certificates of Service Authority to Provide)
Basic Local Telecommunications Services, Local)
Exchange Telecommunications Services, Exchange) CASE NO. TA-96-455
Access Services, and IntraLATA Interexchange)
Telecommunications Services in the State of)
Missouri, and to Classify the Company and Its)
Service as Competitive.)

ORDER APPROVING TARIFF

The Missouri Public Service Commission (Commission) granted to American Communication Services of Kansas City, Inc. (ACS-KC) a certificate of service authority to provide basic local telecommunications services in Missouri by Report and Order issued on March 19, 1997. The order directed the company to file tariff sheets for approval no later than 30 days after the Commission approved the required interconnection agreement or agreements. The Commission subsequently approved an interconnection agreement between American Communication Services, Inc. (ACSI)¹ and Southwestern Bell Telephone Company (SWBT) on July 31. ACS-KC filed its tariff on July 28, with an effective date of August 27. On the same date, ACS-KC also filed a motion for expedited approval of its tariff in less than 30 days. ACS-KC subsequently extended the effective date of its

¹ACSI is the parent corporation of ACS-KC, which is ACSI's Missouri operating subsidiary. The interconnection agreement was executed by the parent company rather than the operating subsidiary for economy of effort, so that in the event an additional Missouri operating company is formed, or if the parent company's Missouri operations are reorganized, no new interconnection agreement will be necessary.

tariff to September 1. In addition, ACS-KC filed substitute tariff sheets on August 11, August 15, and August 18.

On August 21 the Staff of the Commission (Staff) filed a memorandum containing its recommendation. Staff states that ACS-KC initially proposes to offer basic local service on a resale basis, but intends to offer facilities-based basic local service in the near future. According to its tariff, ACS-KC will initially offer service to business customers in the area consisting of the Kansas City Principal Zone and Metropolitan Calling Areas 1 and 2 of the Kansas City Metropolitan Exchange (MCA-1 and MCA-2). Staff notes that under ACS-KC's tariff, the company will provide service only to business customers, although it may offer services to residential customers in the future pursuant to subsequent tariffs. Staff points out that ACS-KC's proposed tariff is similar to the previously-approved tariff of Brooks Fiber. Additionally, Staff notes that as part of the certification process, ACS-KC agreed that it would "provide equitable access as determined by the Commission for all Missourians within the geographical area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services." With regard to ACS-KC's limitation of service to business customers only, Staff believes it is acceptable for a company to structure its services to a particular type of customer as long as the company offers non-discriminatory access to all of those particular customers regardless of their income or where they live.

In addition, Staff lists various services to be offered by ACS-KC, and states that the proposed rates for these services are comparable to the rates of other companies offering similar services. Staff also indicates that ACS-KC concurs in the rates, terms, and conditions of SWBT's tariff for switched access service in compliance with its agreement that

its switched access rates would be no greater than the lowest access rate for the large local exchange companies (LECs) within the service area of ACS-KC's operations. Staff further indicates that at the request of the telecommunications department staff, ACS-KC incorporated additional tariff language which the Staff believes clarifies ACS-KC's services. Staff maintains that the added language is sufficient to bring ACS-KC's tariff into compliance with Commission rules and regulations. Finally, Staff recommends approval of ACS-KC's proposed basic local service tariff, as amended. Staff adds that a sister company, ACSI Local Switched Services, Inc., filed an application and tariff to provide interexchange and local exchange telecommunications service in Case No. TA-98-57. Other than the filing in Case No. TA-98-57, Staff is unaware of any other filing which affects or would be affected by this filing.

The Commission first notes that given the extension of the tariff effective date to September 1, ACS-KC's motion for approval of its tariff in less than 30 days is now moot. The Commission has reviewed the tariff sheets and Staff's recommendation, and finds that the tariff sheets conform to the Commission's order of March 19, and should be approved as amended to become effective on September 1.

IT IS THEREFORE ORDERED:

1. That the tariff filed by American Communication Services of Kansas City, Inc. on July 28, 1997 is approved as amended to become effective on September 1, 1997. The tariff approved is:

PSC Mo. No. 1

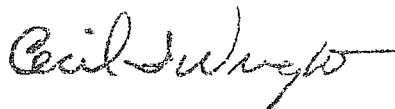
Original Sheet Page 1 through Original Sheet Page 86.

2. That the certificate of service authority to provide basic local telecommunications services previously granted to American Communication Services of Kansas City, Inc. in the Commission's Report and

Order issued on March 19, 1997 is effective as of the effective date of this order.

3. That this order shall become effective on September 1, 1997.

BY THE COMMISSION

A handwritten signature in dark ink, appearing to read "Cecil I. Wright", with a stylized, flowing script.

Cecil I. Wright
Executive Secretary

(S E A L)

Lumpe, Chm., Crumpton,
Murray, and Drainer,
CC., Concur.

ALJ: Bensavage