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December 8, 1999

FILED²

DEC 8 1999

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Room 530
Jefferson City, MO 65101

Re: In the Matter of the Application of CCCMO, Inc. d/b/a Connect! For a
Certificate of Service Authority to Provide Basic Local Telecommuni-
cations Services and Local Exchange Telecommunications Service in the
State of Missouri, and to Classify said Services as Competitive; Case No.
TC-2000-199
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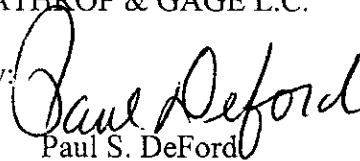
Dear Secretary Roberts:

Enclosed for filing in the above-captioned matter are the original and fourteen copies
of the Stipulation and Agreement executed by all parties.

Very truly yours,

LATHROP & GAGE L.C.

By:


Paul S. DeFord

PD/jf

Enclosures

cc: Office of Public Counsel
All Parties of Record

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

FILED²
DEC 8 1999

In the Matter of the Application of CCCMO,)
Inc. d/b/a Connect! For a Certificate of Service)
Authority to Provide Basic Local Telecommuni-)
cations Services and Local Exchange)
Telecommunications Service in the State of)
Missouri, and to Classify said Services)
as Competitive.)

Case No. TA-2000-199

Missouri Public
Service Commission

STIPULATION AND AGREEMENT

1. CCCMO, Inc. d/b/a Connect! ("Connect!") initiated this proceeding on August 31, 1999, by filing an Application requesting a certificate of service authority to provide all forms of resold and facilities based basic local and local exchange telecommunications services in exchanges currently served by Southwestern Bell Telephone Company, Sprint/United Telephone Company and GTE Midwest, Inc., in the State of Missouri.

2. Southwestern Bell Telephone Company has intervened in this proceeding.

3. For purposes of this Stipulation and Agreement, the parties agree that applications for basic local exchange service authority in exchanges served by "large" local exchange companies (LECs)¹ should be processed in a manner similar to that in which applications for interexchange and local exchange authority are currently handled.

4. In determining whether Connect!'s application for certificate of service authority should be granted, the Commission should consider the applicant's technical, financial and managerial resources and abilities to provide basic local telecommunications service. Connect! must demonstrate that the basic local services it proposes to offer satisfy the minimum standards established by the Commission, including but not limited to, the applicant agreeing to file and maintain basic local service tariffs with the Commission in the same manner and form as the

¹Large LECs are defined as LECs who serve 100,000 or more access lines in Missouri Section 386.020 R.S.MO. The current large LECs are Southwestern Bell Telephone Company, GTE, and United.

Commission requires of incumbent local exchange telecommunications companies with which Connect! seeks to compete. Further, Connect! agrees to meet the minimum basic local service standards, including quality of service and billing standards, as the Commission requires of the incumbent local exchange telecommunications companies with which Connect! seeks to compete. Notwithstanding the provisions of Section 392.500 R.S.Mo.(1994), as a condition of certification and competitive classification, Connect! agrees that, unless otherwise ordered by the Commission, Connect!'s originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect for the large incumbent LECs within whose service areas Connect! seeks authority to provide service. Further, Connect! agrees to offer basic local telecommunications service as a separate and distinct service and has identified the geographic service area in which it proposes to offer basic local service. Such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same area, and is no smaller than an exchange. Finally, Connect! agrees to provide equitable access to affordable telecommunications services, as determined by the Commission, for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of residence or income. See Section 392.455 R.S.Mo.

5. Connect! has submitted its application without tariffs and seeks a temporary waiver of 4 CSR 240-2.060(4)(H).² Applicant will file its initial tariff in this certification docket and serve all parties thereto with written notice at the time the initial tariff is submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff will be provided by the applicant to such parties immediately upon request. Any service authority shall be regarded as

²Good cause for failure to file proposed tariffs with the application must be shown. The lack of an approved interconnection agreement (47 USC 252) constitutes good cause.

conditional and shall not be exercised until such time as such tariff(s) for service have been approved by the Commission and such tariffs have become effective. When filing its initial basic local tariff, Connect! shall also file and serve a written disclosure of all interconnection agreements which affect its Missouri service areas; all portions of its Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is unnecessary for any such areas.

6. Connect! has, pursuant to Section 392.420 R.S.Mo. requested that the Commission waive the application for the following statutory provisions and rules regarding all of its services, and all parties agree that the Commission should grant such request provided that Section 392.200 R.S.Mo. should continue to apply to all of Connect!'s services.

<u>Statutes</u>	<u>Rules</u>
Section 392.210.2	4 CSR 240-10.020
Section 392.270	4 CSR 240-30.040
Section 392.280	4 CSR 240-35
Section 392.290.1	
Section 392.300.2	
Section 392.310	
Section 392.320	
Section 392.330	
Section 392.340	

7. In negotiating the remaining provisions of this Stipulation and Agreement, the parties have employed the foregoing standards and criteria, which are intended to meet the requirements of existing law and Sections 392.450 and 392.455 R.S.Mo., regarding applications for certificates of local exchange authority to provide basic local telecommunications services.

B. CONNECT! CERTIFICATION

8. Connect! hereby agrees that its original Application should be deemed amended as required to include by reference the terms and provisions described in paragraphs 4-6 herein above to the extent that its original Application might be inconsistent therewith.

9. Based upon its verified Application, as amended by this Stipulation and Agreement, Connect! asserts and no other party makes a contrary assertion, that there is sufficient evidence from which the Commission should find and conclude that Connect!:

A. possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service;

B. proposes and agrees to offer basic local services that will satisfy the minimum standards established by the Commission;

C. has sufficiently identified the geographic area in which it proposes to offer basic local service and such area follows exchange boundaries of the incumbent local exchange telecommunications companies in the same areas, and such area is no smaller than an exchange;

D. will offer basic local telecommunications services as a separate and distinct service;

E. has agreed to provide equitable access as determined by the Commission for all Missourians within the geographic area in which it proposes to offer basic local service, regardless of where they live or their income, to affordable telecommunications services; and

F. has sought authority which will serve the public interest.

10. Connect! asserts, and no party opposes, that Connect!'s application and request for authority to provide basic local exchange telecommunications service should be granted. All services authorized herein should be classified as competitive telecommunications services, provided that the requirements of Section 392.200 continue to apply and Applicant shall remain classified as a competitive telecommunications company. Applicant asserts and no party opposes, that such new services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of Applicant's services consistent with the protection of ratepayers and the promotion of the public interest. Such classification should become effective upon the tariffs for

the services becoming effective. Such authority should be conditional, not to be exercised until such time as tariffs for those services have been filed (together with the written disclosure as stipulated above) and have become effective. The Commission's Order should state the foregoing conditions substantially as follows:

“The service authority and service classification herein granted are subject to the requirements of Section 392.200 and are conditional and shall not be exercised until such time as tariffs for services have become effective.”

The parties agree that the applicant's switched exchange access services may be classified as competitive services. The parties further agree that Applicant's switched exchange access services are subject to Section 392.200. Any increases in switched access service rates above the maximum switched access service rates as set forth in paragraph 4 herein shall be cost-justified and be made pursuant to 392.220 and 392.230 and not 392.500 and 392.510. The Commission's order should state the foregoing conditions substantially as follows:

“The service authority and service classification for switched exchange access granted herein is expressly conditioned on the continued applicability of Section 392.200 and the requirement that any increases in switched access service rates set forth herein shall be cost justified and made pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510.”

11. Connect!'s request for a temporary waiver of 4 CSR 240-2.060(4)(H), which requires applications to include a proposed tariff with a 45-day effective date, is not opposed by the parties and should be granted, because applicant does not yet have approved interconnection agreements with the large LECs. Applicant agrees that at such time as all facts necessary for the development of tariffs become known, it will submit tariffs in this docket, with a minimum 45-day proposed effective date, to the Commission for its approval, together with the written disclosure stipulated above. Applicant shall serve notice to all parties to this docket of the filing of its tariff(s) at the time they are filed with the Commission, and serve them with the aforesaid

written disclosure, and shall upon request immediately provide any party with a copy of those tariffs. The Commission's order should state the temporary waiver of 4 CSR 240-2.060(4)(H), substantially as follows:

"Applicant's request for temporary waiver of 4 CSR 240-2.060(4)(H) is hereby granted for good cause in that Applicant does not yet have an approved interconnection agreements with certain incumbent LECs; provided, when applicant files its tariffs in this docket to the Commission such tariffs shall have a minimum of a 45-day effective date and applicant shall serve written notice upon the parties hereto of such filing, and shall provide copies of such tariffs to such parties immediately upon request. When filing its initial basic local tariff in this docket, the applicant shall also file and serve a written disclosure of: all interconnection agreements which affect its Missouri service areas; all portions of Missouri service areas for which it does not have an interconnection agreement with the incumbent local exchange carrier; and its explanation of why such an interconnection agreement is not necessary for such areas."

12. Connect!'s request for waiver of the application of the following rules and statutory provisions as they relate to the regulation of all of Connect!'s services should be granted:

<u>Statutes</u>	<u>Rules</u>
Section 392.210.2	4 CSR 240-10.020
Section 392.270	4 CSR 240-30.040
Section 392.280	4 CSR 240-35
Section 392.290.1	
Section 392.300.2	
Section 392.310	
Section 392.320	
Section 392.330	
Section 392.340	

13. This Stipulation and Agreement has resulted from negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof. The Stipulations herein are specific to the resolution of this proceeding and are made without prejudice to the rights of the signatories to take other positions in other proceedings.

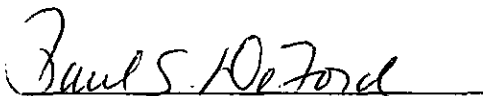
14. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties and participants waive, with respect to the issues resolved herein; their respective rights pursuant to Section 536.080.1, R.S.Mo.(1994), to present testimony, to cross-examine witnesses, and to present oral argument or written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 R.S.Mo.(1994); and their respective rights to rehearing pursuant to Section 386.500 R.S.Mo.(1994) and to seek judicial review pursuant to Section 386.510 R.S.Mo.(1994). The parties agree to cooperate with the Applicant and with each other in presenting this Stipulation and Agreement for approval of Connect!'s application made herein.

15. The Staff may submit a Staff Recommendation concerning matters not addressed in this Stipulation. In addition, if requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each party of record and participant herein shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties and participants. All memoranda submitted by the parties shall be considered privileged in the same manner as settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties and participants, and shall be maintained on a confidential basis by all parties and participants, and shall not become a part of the record of this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

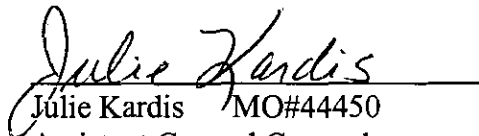
The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other parties and participants with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. The Staff's oral explanation shall be subject to public disclosure.

16. The Office of Public Counsel, while not a signatory to this Stipulation and Agreement, has been contacted with regard to its filing and has offered no objection.

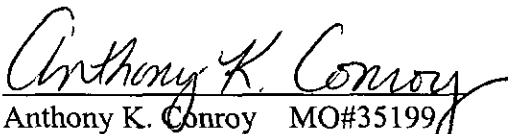
WHEREFORE, the signatories respectfully request the Commission to issue its Order approving the terms of this Stipulation and Agreement and issue its Order granting authority and classification and waiving certain statutes and rules as requested by Connect!, subject to the conditions described above, as expeditiously as possible.



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