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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 18th day of December, 1997.

In the Matter of the Application of TCG St. Louis )  
for a Certificate of Service Authority to Provide )  
Basic Local Telecommunications Services in Certain ) **Case No. TA-97-446**  
Exchanges Served by GTE Midwest Incorporated. )  
)

**ORDER GRANTING CERTIFICATE TO PROVIDE  
BASIC LOCAL TELECOMMUNICATIONS SERVICES**

**Procedural History**

TCG St. Louis (TCG) applied to the Commission on April 9, 1997, for a certificate of service authority to provide basic local telecommunications service in Missouri under Sections 392.420 - .440, RSMo 1994<sup>1</sup>, and Sections 392.410 and .450, RSMo Supp. 1996. TCG subsequently amended its application on April 22 to clarify that it intends to provide both facilities-based and resold basic local telecommunications services. TCG asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420. TCG St. Louis is a New York general partnership whose partnership interests are currently owned by TCG Partners (60.8 percent), TCG St. Louis Holdings, Inc. (26.8 percent), and Teleport Communications Group, Inc. (12.4 percent), with offices located at 2025 Craigshire Road, St. Louis,

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<sup>1</sup> All statutory references are to Revised Statutes of Missouri 1994 unless otherwise indicated.

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Missouri 63146. "TCG St. Louis" is registered as a fictitious name with the Missouri Secretary of State's Office.

The Commission issued an Order and Notice on April 28, directing parties wishing to intervene in the case to do so by May 26. The Commission granted permission to intervene to GTE Midwest Incorporated (GTE) on June 6.

The parties filed a Stipulation and Agreement (Attachment A to this order) on July 8. The Commission Staff (Staff) filed Suggestions in Support of the Stipulation and Agreement on July 15.

On October 29, the Commission found it required additional financial and managerial information from TCG. The company filed its response containing the requested information on November 10. Additionally, TCG filed a Petition Clarifying Ownership of TCG St. Louis on November 26.

On December 5, the Commission found that a discrepancy in TCG's application made it difficult to determine what entity was applying for certification. The Commission ordered TCG St. Louis to clarify its application and demonstrate that the entity seeking certification is authorized to do business in Missouri.

TCG St. Louis filed its response on December 9, indicating the New York general partnership (described above) is the business entity seeking certification. TCG appended appropriate documents from the Missouri Secretary of State demonstrating that the TCG St. Louis partnership is authorized to do business in Missouri.

## **Background**

TCG, which is certificated in Missouri to provide state-wide intrastate interexchange, local exchange services,<sup>2</sup> and basic local telecommunications services in certain Southwestern Bell Telephone Company (SWBT) exchanges,<sup>3</sup> wishes certification to provide facilities-based and resold basic local telecommunications service in portions of Missouri that are currently served by GTE. TCG is not asking for certification in any area that is served by a small incumbent local exchange provider (ILEC). The specific exchanges in which TCG proposes to operate are described in Exhibit C to the amended application (Attachment B to this order). TCG is requesting that its basic local exchange services be classified as competitive and that the application of certain statutes and regulatory rules be waived.

## **Discussion**

### **A. Requirements of 4 CSR 240-2.060(4)**

Commission rule 4 CSR 240-2.060(4) requires a foreign corporation applying for certification to provide telecommunications services to include in its application a certificate from the Secretary of State

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<sup>2</sup> TCG America, Inc. (TCG America), was granted a certificate of service authority to provide intrastate interexchange and local exchange services (limited to dedicated non-switched private line services) on May 18, 1994 in Case No. TA-94-160. The certificate became effective on September 22, 1994, after approval of the company's tariff. The certificate of service authority granted to TCG America was conditionally transferred to TCG St. Louis on October 13, 1995, in Case No. TM-95-422. The transfer became effective on March 29, 1996.

<sup>3</sup> TCG St. Louis was conditionally granted a certificate of service authority to provide basic local telecommunications services in areas of Missouri currently served by Southwestern Bell Telephone Company on February 11, 1997, in Case No. TA-96-345.

showing it is authorized to do business in Missouri, a description of the types of service it intends to provide, a description of the exchanges where it will offer service, and a proposed tariff with a 45-day effective date. TCG has provided all the required documentation except for the proposed tariff. The company has requested a temporary waiver of 4 CSR 240-2.060(4)(H) because it is impractical for TCG to submit a tariff until it has executed interconnection agreements with the ILECs involved. TCG cannot price its resold services until it has reached price agreements with the ILECs from which it will purchase those services. The company has agreed that, once it is possible to do so, it will submit to the Commission for approval a proposed tariff with a minimum 45-day effective date. TCG will file the tariff in Case No. TA-97-446 and give notice of the tariff filing to all parties and participants. Along with that filing TCG has agreed to provide a written disclosure of all interconnection agreements it has entered into which affect its Missouri service areas.

## **B. Basic Local Service Certification**

Section 392.455, RSMo Supp. 1996, sets out the requirements for granting certificates to provide basic local telecommunications service to new entrants. A new entrant must: (1) possess sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service; (2) demonstrate that the services it proposes to offer satisfy the minimum standards established by the Commission; (3) set forth the geographic area in which it proposes to offer service and demonstrate that such area follows exchange boundaries of the incumbent local exchange telecommunications company and is no smaller than an exchange; and (4) offer basic local telecommunications service as a separate and distinct service. In addition, the Commission must give due

consideration to equitable access for all Missourians to affordable telecommunications services, regardless of where they live or their income.

**1. Technical, financial and managerial resources and abilities.**

TCG submitted Exhibit B with its application that lists the names and addresses of its management team. At the Commission's request, TCG submitted further information detailing the qualifications of its management personnel. In addition to academic credentials, the team members have experience in various areas of the telecommunications industry including technical and engineering, customer services, policy, marketing and finance. TCG submitted its 1996 Annual Report which contains TCG's 1995 and 1996 balance sheets and income statements. TCG also submitted current information detailing the company's performance in 1997. The parties agreed that TCG possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service.

**2. The entrant's proposed services satisfy the minimum standards established by the Commission.**

TCG stated in its application that the basic local exchange services it will provide will "ensure the continued quality of telecommunications services and safeguard the rights of consumers." TCG also stated that it has installed some 180 route miles of fiber optic cable in building its present Missouri network and will continue to install a state of the art telecommunications network where it provides facilities-based local services. TCG has agreed to meet the Commission's minimum basic local service standards, including quality of service and billing standards. The parties agreed that TCG proposes to offer basic local services that satisfy the minimum standards established by the Commission.

3. **The geographic area in which the company proposes to offer service.** TCG set out in Exhibit C to its amended application all the exchanges in which it proposes to offer services. Exhibit C consists of a list describing GTE local exchanges. The company has agreed that its service area must follow ILEC exchange boundaries and be no smaller than an exchange. The parties agreed that TCG has sufficiently identified the geographic area in which it proposes to offer basic local service and that the area follows ILEC exchange boundaries and is no smaller than an exchange.

4. **The offering of basic local telecommunications service as a separate and distinct service.** TCG has agreed to offer basic local telecommunications service as a separate and distinct service.

5. **Equitable access for all Missourians to affordable telecommunications services.** TCG has agreed to provide equitable access, as determined by the Commission, for all Missourians within the geographic area in which it will offer basic local services in compliance with Section 392.455(5), RSMo Supp. 1996.

### **C. Competitive Classification**

The Commission may classify a telecommunications provider as a competitive company if the Commission determines it is subject to sufficient competition to justify a lesser degree of regulation. § 392.361.2. In making that determination the Commission may consider such factors as market share, financial resources and name recognition, among others. In the matter of the investigation for the purpose of determining the classification of the services provided by interexchange telecommunications companies within the State of Missouri, 30 Mo. P.S.C. (N.S.) 16 (1989); In the matter of Southwestern Bell Telephone Company's

application for classification of certain services as transitionally competitive, 1 Mo. P.S.C. 3d 479, 484 (1992). In addition, all the services a competitive company provides must be classified as competitive. § 392.361.3. The Commission has found that whether a service is competitive is a subject for case-by-case examination and that different criteria may be given greater weight depending upon the service being considered. *Id.* at 487.

The parties have agreed that TCG shall be classified as a competitive telecommunications company. The parties have also agreed that TCG's switched exchange access services may be classified as a competitive service, conditioned upon certain limitations on TCG's ability to charge for its access services. TCG has agreed that, unless otherwise ordered by the Commission, its originating and terminating access rates will be no greater than the lowest Commission approved corresponding access rates in effect at the date of certification for the large incumbent LECs within those service areas in which TCG seeks to operate. The parties have agreed that the grant of service authority and competitive classification to TCG shall be expressly conditioned on the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

The parties agreed that waiver of the following statutes is appropriate: Sections 392.210.2, 392.270, 392.280, 392.290.1, 392.300.2, 392.310, 392.320, 392.330, RSMo Supp. 1996, and 392.340. The parties also

agreed that application of these Commission rules could be waived: 4 CSR 240-10.020, 4 CSR 240-30.040, and 4 CSR 240-35.

### **Findings of Fact**

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

- A. The Commission finds that competition in the basic local exchange telecommunications markets is in the public interest.
- B. The Commission finds that TCG has met the requirements of 4 CSR 240-2.060(4) for applicants for certificates of service authority to provide telecommunications services with the exception of the filing of a tariff with a 45-day effective date.
- C. The Commission finds that TCG has demonstrated good cause to support a temporary waiver of the tariff filing requirement and the waiver shall be granted.
- D. The Commission finds that TCG meets the statutory requirements for provision of basic local telecommunications services and has agreed to abide by those requirements in the future. The Commission determines that granting TCG a certificate of service authority to provide basic local exchange telecommunications services is in the public interest. TCG's certificate shall become effective when its tariff becomes effective.
- E. The Commission finds that TCG is a competitive company and shall be granted waiver of the statutes and rules set out in Ordered Paragraph 3.



F. The Commission finds that TCG's certification and competitive status are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access services rates above the maximum switched access service rates set forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

### **Conclusions of Law**

The Missouri Public Service Commission has reached the following conclusions of law:

The Commission has the authority to grant certificates of service authority to provide telecommunications service within the state of Missouri. TCG has requested certification under Sections 392.420 - .440, and Sections 392.410 and .450, RSMo Supp. 1996. Those statutes permit the Commission to grant a certificate of service authority where the grant of authority is in the public interest. Sections 392.361 and .420 authorize the Commission to modify or suspend the application of its rules and certain statutory provisions for companies classified as competitive or transitionally competitive.

The Federal Telecommunications Act of 1996 and Sections 392.185 and 392.455, RSMo Supp. 1996, were designed to institute competition in the basic local exchange telecommunications market in order to benefit all telecommunications consumers. Section 392.185, RSMo Supp. 1996, states that "the provisions of this chapter shall be construed to: (1) Promote universally available and widely affordable telecommunications services; . . . (3) Promote diversity in the supply of telecommunications

services and products throughout the state of Missouri; . . . (6) Allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with the public interest . . ."

The Commission has the legal authority to accept a Stipulation and Agreement as offered by the parties as a resolution of the issues raised in this case, pursuant to Section 536.060, RSMo Supp. 1996. Based upon the information contained within the Stipulation and Agreement of the parties, the supporting financial and managerial information filed by TCG, and on its findings of fact, the Commission concludes that the Stipulation and Agreement shall be approved.

**IT IS THEREFORE ORDERED:**

1. That the stipulation of the parties, filed on July 8, 1997, is approved.

2. That TCG St. Louis is granted a certificate of service authority to provide basic local telecommunications services in the state of Missouri, subject to the conditions of certification set out above, to become effective when the company's tariff becomes effective.

3. That TCG St. Louis is classified as a competitive telecommunications company. The following statutes and regulatory rules shall be waived:

**Statutes**

- 392.210.2 - uniform system of accounts
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290.1 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance

392.320 - stock dividend payment  
392.340 - reorganization(s)  
392.330, RSMo Supp. 1996 - issuance of securities,  
debts and notes

Commission Rules

4 CSR 240-10.020 - depreciation fund income  
4 CSR 240-30.040 - uniform system of accounts  
4 CSR 240-35 - reporting of bypass and  
customer-specific arrangements

4. That the filing of a 45-day tariff as required by 4 CSR 240-2.060(4)(H) is waived until TCG St. Louis has entered into a Commission-approved interconnection agreement that enables it to provide basic local exchange services.

5. That TCG St. Louis shall file tariff sheets for approval reflecting the rates, rule, regulations and the services it will offer within 30 days after Commission approval of the necessary interconnection agreement(s). The tariff shall be filed in Case No. TA-97-446 and shall include a listing of the statutes and Commission rules waived under Ordered Paragraph 3.

6. That TCG St. Louis shall give notice of the filing of the tariffs described in Ordered Paragraph 6 to all parties or participants. In addition, TCG St. Louis shall file a written disclosure of all interconnection agreements which affect its Missouri service areas, all portion of Missouri service areas for which it does not have an interconnection agreement, and an explanation of why no interconnection agreement is necessary for those areas.

7. That TCG St. Louis's certification and competitive status are expressly conditioned upon the continued applicability of Section 392.200, RSMo Supp. 1996, and on the requirement that any increases in switched access service rates above the maximum switched access service rates set

forth in the agreement must be cost-justified pursuant to Sections 392.220, RSMo Supp. 1996, and 392.230, rather than Sections 392.500 and 392.510.

8. That this order shall become effective on December 30, 1997.

**BY THE COMMISSION**



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

( S E A L )

Crompton, Drainer and Murray,  
CC., concur.  
Lumpe, Ch., absent.

Hennessey, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED

JUL 8 1997

In the Matter of the Application of TCG St. Louis )  
for a Certificate of Service Authority to Provide )  
Basic Local Telecommunication Services in )  
Certain Exchanges Served by GTE Midwest )  
Incorporated )

MISSOURI  
PUBLIC SERVICE COMMISSION  
Case No. TA-97-446

STIPULATION AND AGREEMENT

1. TCG St. Louis (hereinafter "TCG") initiated this proceeding on April 9, 1997 by filing an Application requesting certificate of service authority to provide basic local telecommunications services in exchanges currently served by GTE Midwest Incorporated.

2. The Missouri Public Service Commission (hereinafter "Commission") has granted the timely application to intervene of GTE Midwest Incorporated (hereinafter "GTE").

3. Pursuant to the Commission's ORDER GRANTING INTERVENTION AND DIRECTING FILING OF PROCEDURAL SCHEDULE, representatives of the Commission Staff, the Office of Public Counsel and all of the aforementioned parties have agreed to file a Stipulation and Agreement with the Commission.

4. 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)<sup>1</sup> should be processed in a manner similar to that in which applications for interexchange authority are currently handled.

5. In determining whether TCG's application for certificate of service authority should be granted, the Commission should consider TCG's technical, financial, managerial resources and

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<sup>1</sup>Large LEC's are defined as LECs who serve 100,000 or more access lines. Section 386.020 RSMo. 1994. In Missouri, the current large LECs are SWBT, GTE and United.

abilities to provide basic local telecommunications service. TCG 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 tariff(s) with the Commission in the same manner and form as the Commission requires of incumbent local exchange telecommunications companies with which applicant seeks to compete. Further, TCG 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 the applicant seeks to compete. Notwithstanding the provisions of Section 392.500 RSMo (1994), as a condition of certification and competitive classification, TCG agrees that, 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 in effect at the date of certification for the large incumbent LEC(s) within those service area(s) that TCG seeks authority to provide service. Further, TCG agrees to offer basic local telecommunications service as a separate and distinct service and must sufficiently identify the geographic service area in which it proposes to offer basic local service. Such area must follow exchange boundaries of the incumbent local exchange telecommunications companies in the same area and must be no smaller than an exchange. Finally, TCG agrees 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. See Section 392.455 RSMo (1996 Supp.).

6. TCG has submitted its application without tariffs and seeks a temporary waiver of

4 CSR 240-2.060(4)(H).<sup>2</sup> TCG agrees to file its initial tariff(s) in the certification docket and serve all parties thereto with written notice at the time the initial tariff(s) are submitted to afford them an opportunity to participate in the tariff approval process. Copies of the tariff(s) will be provided by TCG to such parties immediately upon request. Any service authority shall be regarded as conditional and shall not be exercised until such time as tariff(s) for services have become effective. When filing its initial basic local tariff, TCG 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 such areas.

7. TCG has, pursuant to §392.420 RSMo. requested that the Commission waive the application of any or all of the following statutory provisions and rules to basic local telecommunications services, and the parties agree that the Commission should grant such request provided that Section 392.200 RSMo should continue to apply to all of TCG's services:

STATUTORY PROVISIONS

- §392.210.2
- §392.270
- §392.280
- §392.290.1
- §392.300.2
- §392.310
- §392.320
- §392.330
- §392.340

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<sup>2</sup>Good 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.

## COMMISSION RULES

4 CSR 240-10.020

4 CSR 240-30.040

4 CSR 240-35

8. 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 of SB 507 regarding applications for certificates of service authority to provide basic local telecommunications service or resell basic local telecommunications service, in negotiating the remaining provisions of this Stipulation and Agreement.

### B. TCG CERTIFICATION

9. TCG has submitted as Exhibit C to its Amended Application a listing of the specific exchanges in which it seeks authority to provide service. The exchanges identified are those currently served by GTE.

10. Based upon its verified Amended Application, TCG asserts, and no party makes a contrary assertion, that there is sufficient evidence from which the Commission can find and conclude that TCG:

- A. possesses sufficient technical, financial, managerial resources and abilities to provide basic local telecommunications service, including exchange access service;
- B. proposes and agrees to offer basic local services that 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 service as a separate and distinct service.



- E. has agreed to provide equitable access for all Missourians 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;
- F. has sought authority which will serve the public interest.

11. TCG asserts, and no party opposes, that TCG's application and request for authority to provide basic local telecommunications services (including exchange access 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, TCG shall remain classified as a competitive telecommunications company. TCG asserts, and no party opposes, that such services will be subject to sufficient competition by the services of the incumbent LECs to justify a lesser degree of regulation of TCG'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 TCG's switched exchange access services may be classified as competitive services. The parties further agree that the 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 5 herein shall be cost-justified and be made

pursuant to Sections 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 above the maximum switched access service rates set forth herein shall be cost-justified and pursuant to Sections 392.220 and 392.230 and not Sections 392.500 and 392.510."

12. TCG's request for a 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 TCG does not yet have approved interconnection or resale agreements with the large incumbent LECs. TCG 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 30-day proposed effective date, to the Commission for its approval, together with the written disclosure as stipulated above. TCG shall serve notice to all parties and participants in this docket of the filing of its tariffs 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 these obligations as conditions to the 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 agreement with the incumbent local exchange carrier within whose service areas it seeks authority to provide service; provided, when applicant submits its tariffs in this docket to the Commission such tariffs shall have a minimum of a 45-day effective date and the applicant shall serve written notice upon the parties hereto of such submittal, 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 upon the parties hereto 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."

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

STATUTORY PROVISIONS

§392.210.2  
§392.270  
§392.280  
§392.290.1  
§392.300.2  
§392.310  
§392.320  
§392.330  
§392.340

COMMISSION RULES

4 CSR 240-10.020  
4 CSR 240-30.040  
4 CSR 240-35

14. This Stipulation and Agreement has resulted from extensive 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.

15. 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 §536.080.1, RSMo 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 §536.080.2, RSMo 1994; and their respective rights to seek rehearing pursuant to §386.500 RSMo 1994 and to seek judicial review pursuant to §386.510, RSMo 1994. The parties agree to cooperate with TCG and with each other in presenting this Stipulation and Agreement for approval to the Commission and shall take no action, direct or indirect, in opposition to the request for approval of the TCG application made herein.

16. 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 not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in 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 Staff. Staff's oral explanation shall be subject to public disclosure.

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 as requested by TCG, subject to the conditions described above, as expeditiously as possible.

James C. Stroo *by PMS*  
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FOR: Office of Public Counsel and The Public

EXHIBIT C

LIST OF EXCHANGES

Augusta  
Dardenne/Lake St. Louis  
Defiance  
Foristell  
Marthasville  
New Melle  
O'Fallon  
Old Monroe  
St. Peters  
Troy  
Warrenton  
Wentzville  
Winfield  
Wright City