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In the Matter of the Application of KCI Long Distance, Inc. for a Certificate of Public Convenience and Necessity to Transact the Business of a Reseller of Interexchange Telecommunications Services and for Approval of Its Initial Tariff.

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Case No. TA-98-105

The Commission issued a Notice of Applications and Opportunity to Intervene on September 16, directing parties wishing to intervene to file their requests by October 1. 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

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

Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the verified application.

KCI filed a proposed tariff in conjunction with its application and substitute sheets on October 15 and November 5. The tariff's effective date is November 21. KCI's tariff describes the rates, rules, and regulations it intends to use, identifies KCI as a competitive company, and lists the waivers requested. KCI intends to provide interexchange telecommunications services including 1+ direct dial, debit card, travel card and 800 number services.

In its Memorandum filed on November 12, the Staff of the Commission stated that KCI's proposed services are similar to existing IXC offerings. Staff recommended that the Commission grant KCI a certificate of service authority, competitive status, and waiver of the statutes and rules listed in the Notice. Staff recommended that the Commission approve the proposed tariff to become effective on November 21.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and KCI should be granted a certificate of service authority. The Commission finds that the services KCI proposes to offer are competitive and KCI should be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in Ordered Paragraph 2 is reasonable and not detrimental to the public interest.

The Commission determines, by authority of Section 392.470, that KCI should comply with the following regulatory requirements as reasonable and necessary conditions of certification:

- (1) KCI must comply with reasonable requests by Staff for financial and operating data to allow Staff to monitor the intraLATA toll market. § 386.320.3.
- (2) KCI must file tariffs containing rules and regulations applicable to customers, a description of the services provided, and a list of rates associated with those services in accordance with 4 CSR 240-30.010 and Section 392.220, RSMo Supp. 1996.
- (3) KCI may not unjustly discriminate between its customers. §§ 392.200, RSMo Supp. 1996, 392.400.
- (4) KCI must comply with all applicable rules of the Commission except those specifically waived by this order. §§ 386.570, 392.360.
- (5) KCI must file a Missouri-specific annual report. §§ 392.210, 392.390.1.
- (6) KCI must comply with jurisdictional reporting requirements as set out in each local exchange company's access services tariffs. § 392.390.3.
- (7) KCI must submit to the Staff, on a confidential basis, a copy of the jurisdictional report it submits to local exchange companies. The report must be submitted within ten days of the date on which it is submitted to the local exchange company.

The Commission finds that KCI'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 September 5 shall be approved as amended to become effective on November 21.

IT IS THEREFORE ORDERED:

1. That KCI Long Distance, Inc. is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above.

2. That KCI Long Distance, Inc. is classified as a competitive telecommunications company. The following statutes and regulatory rules shall be waived:

Statutes

392.240(1) - ratemaking
392.270 - valuation of property (ratemaking)
392.280 - depreciation accounts
392.290 - issuance of securities
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

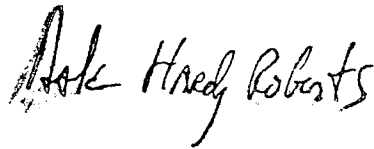
4 CSR 240-10.020 - depreciation fund income
4 CSR 240-30.010(2)(C) - rate schedules
4 CSR 240-30.040 - Uniform System of Accounts
4 CSR 240-32.030(1)(B) - exchange boundary maps
4 CSR 240-32.030(1)(C) - record-keeping
4 CSR 240-32.030(2) - in-state record-keeping
4 CSR 240-32.050(3) - local office record-keeping
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

3. That the tariff filed by KCI Long Distance, Inc. on September 5, 1997, is approved as amended to become effective on November 21, 1997. The tariff approved is:

P.S.C. Mo. No. 1

4. That this order shall become effective on November 21, 1997.
5. That this case shall be closed on December 2, 1997.

BY THE COMMISSION

A handwritten signature in cursive script that reads "Dale Hardy Roberts".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer
and Murray, CC., concur.

Hennessey, Regulatory Law Judge