

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of)	
Magnum Networks, LLC for Certificate of)	
Service Authority to Provide Basic Local)	<u>File No. LA-2015-0283</u>
Exchange, Non-Switched Local Exchange and)	Tariff Nos. YL-2015-0320
Interexchange Telecommunications Services)	YL-2015-0321
in the State of Missouri and to Classify Said)	
Services and the Company as Competitive)	

ORDER GRANTING CERTIFICATES TO PROVIDE BASIC LOCAL, NONSWITCHED LOCAL, AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES, AND APPROVING TARIFFS

Issue Date: May 28, 2015

Effective Date: June 15, 2015

This order grants certificates of service authority to provide basic local, nonswitched local, and interexchange telecommunications services in the state of Missouri, classifies those services and the company as competitive, waives certain statutes and regulations, and approves the company's tariffs.

On May 1, 2015, Magnum Networks, LLC applied for certificates of service authority to provide basic and nonswitched local exchange, as well as interexchange telecommunications services within the state of Missouri, and for competitive classification. The company seeks certification to provide interexchange service and basic local service throughout the state. Magnum Networks is authorized to do business in Missouri by the Missouri Secretary of State.

On May 6, the Commission issued its Notice of Applications, establishing a May 22 as the deadline for intervention. No applications to intervene were received. On May 27,

the Staff of the Commission recommended that the requested certificates, classifications and waivers be granted.

The Commission may grant an application for a certificate of service authority to provide telecommunications service upon a showing that the applicant has met the statutory requirements,¹ and that the grant of authority is in the public interest.² Based on the verified application and Staff's uncontested recommendation, the Commission finds that Magnum Networks satisfies the requirements for certification and that granting such certificates is in the public interest.

Magnum Networks also requests that it and its services be classified as competitive. The Commission may classify a telecommunications service as competitive if the Commission determines that the applicant is subject to a sufficient degree of competition to justify a lesser degree of regulation.³ The Commission may only classify a telecommunications carrier as competitive if all of its services are so classified.⁴

The Commission finds that the intrastate interexchange market is competitive and that the interexchange services Magnum Networks will offer are subject to competition. In addition, Magnum Networks will compete with incumbent local exchange carriers, as well as other competitive local exchange carriers in the exchanges in which it provides basic local telecommunications service. The Commission finds that Magnum Networks will be subject to a sufficient level of competition to justify a lesser degree of regulation. Furthermore, all of the services Magnum Networks will offer are qualified for classification as competitive services.

¹ See Sections 392.450, 392.451 and 392.455, RSMo 2000. All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), revision of 2000.

² Sections 392.430 and 392.440.

³ Section 392.361.2.

⁴ Section 392.361.3.

The Commission may also require a telecommunications company to comply with any conditions reasonably necessary to protect the public interest. Staff recommends that Magnum Networks' application be granted subject to certain restrictions regarding switched access rates. These conditions are routinely recommended by Staff and Magnum Networks accepted them in its application. The conditions proposed by Staff are necessary to protect the public interest and will be adopted.

Along with its application, Magnum Networks submitted proposed basic local access services tariffs. The effective date of the proposed tariffs is June 15. Staff recommends that the tariffs be approved, or allowed to go into effect by operation of law. The Commission finds that Magnum Networks' proposed tariffs should be approved to become effective on June 15.

The Commission places Magnum Networks on notice that failure to comply with certain obligations pursuant to law may result in penalties assessed against the company. These obligations include, but are not limited to, the following:

- A) The obligation to file an annual report, as established by Section 392.210, RSMo 2000. Failure to comply with this obligation will make the utility liable for a penalty of \$100 per day for each day that the violation continues. Rule 4 CSR 240-3.540 requires telecommunications utilities to file their annual report on or before April 15 of each year.
- B) The obligation to pay an annual assessment fee established by the Commission, as required by Section 386.370, RSMo 2000.
- C) The obligation to comply with all relevant laws and regulations, as well as orders issued by the Commission. If the company fails to comply it is subject

to penalties for noncompliance ranging from \$100 to \$2,000 per day of noncompliance, under Section 386.570, RSMo 2000.

- D) The obligation to keep the Commission informed of its current address and telephone number.

The company is reminded that its officers may not represent it before the Commission. The company must be represented by an attorney licensed to practice law in Missouri.

In addition, Section 392.410.5, RSMo Cum. Supp. 2013, provides that the company's certificate of service authority becomes null and void one year from the date of this order unless the company has exercised its authority under that certificate.

The Commission notes that before providing telecommunications services in Missouri, a party shall possess the following: (1) an interconnection agreement approved by the Commission; (2) except for wireless providers, a certificate of service authority from the Commission to provide interexchange or basic local telecommunications services; and (3) except for wireless providers, a tariff approved by the Commission.

THE COMMISSION ORDERS THAT:

1. Magnum Networks, LLC is granted a certificate of service authority to provide basic local telecommunications services throughout the State of Missouri, subject to the conditions and recommendations contained in the Staff's Memorandum.

2. Magnum Networks, LLC is granted certificates of service authority to provide nonswitched local exchange and interexchange telecommunications services in the state of Missouri.

3. Magnum Networks, LLC and its services are granted competitive classification.

4. Magnum Networks, LLC's originating and terminating access rates will be no greater than the lowest Commission-approved corresponding access rates in effect for each incumbent local exchange carrier within whose service area Magnum Networks seeks authority to provide service, unless authorized by the Commission pursuant to Section 392.220 and 392.230, RSMo.

5. The certificates and competitive service classification for switched exchange access are granted conditioned on the continued applicability of Section 392.200, RSMo, and the requirement that any increase in switched access service rates above the maximum switched access service rates set forth herein shall be made pursuant to Section 392.200 and 392.230, RSMo, and not Section 392.500 and 392.510, RSMo.

6. If the directly-competing incumbent local exchange carrier, in whose service area Magnum Networks, LLC is operating, decreases its originating or terminating access service rates, Magnum Networks shall file an appropriate tariff amendment to reduce its originating or terminating access rates in the directly competing incumbent local exchange carrier's service area within 30 days of the directly competing incumbent local exchange carrier's reduction of its originating or terminating access rates in order to maintain the cap.

7. The following tariffs, assigned file numbers YL-2015-0320 and YL-2015-0321 are approved to become effective on June 15:

PSC MO No. 1

PSC MO No. 2

8. The certification granted herein is conditioned upon the company's compliance with the regulatory obligations set out in this order

9. This order and Magnum Networks, LLC's certificates shall become effective on June 15, 2015.

10. This file shall be closed on June 16, 2015.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style.

Morris L. Woodruff
Secretary

Morris L. Woodruff, Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 28th day of May, 2015.