

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of )  
 )  
**Sage Telecom, Inc.** )  
 ) Case No. CE-2009-0234  
for Waiver of Commission Rules )  
and Statute )  
 )

**APPLICATION FOR WAIVER OF COMMISSION RULES AND STATUTE**

Sage Telecom, Inc. ("Applicant" or "Sage"), by and through counsel, pursuant to Sections 392.245.5(8), and 392.420 as amended in House Bill 1779 and pursuant to 4 CSR 240-2.060, 4 CSR 240-2.080 and 4 CSR 240-3.015, files this verified Application requesting that the Missouri Public Service Commission (hereinafter, "the Commission") issue an order that waives the following Commission rules and statutory provision pursuant to Sections 392.245.5(8) and 392.420 RSMo.:

- 4 CSR 240-3.550(4)
- 4 CSR 240-3.550(5)(A)
- 4 CSR 240-32.060
- 4 CSR 240-32.070
- 4 CSR 240-32.080
- 4 CSR 240-33.040(1), (2), (3), (5), (6), (7), (8), (9), and (10)
- 4 CSR 240-33.045
- 4 CSR 240-33.080(1)
- 4 CSR 240-33.130.1
- 4 CSR 240-33.130(4)
- 4 CSR 240-33.130(5)

Section 392.300.1 RSMo.

Applicant also requests the Commission approve Sage's separately filed tariff revision to reflect the waiver of these rules and statute in Applicant's basic local service tariff (Missouri P.S.C. Tariff No. 1). The proposed revised tariff page has been filed in EFIS in Tariff File No. JC-2009-0415 and bears a 30-day effective date of January 2, 2009.

In support of this Application, Applicant states as follows:

1. Sage Telecom, Inc. is a corporation organized under the laws of the State of Texas. Sage has principal offices at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789. The character of business performed by Applicant is telecommunications services. A copy of Applicant's Certificate of Good Standing from the Missouri Secretary of State, as required by 4 CSR 240-2.060(1)(C), is attached to this Application as **Exhibit A**. Applicant is a certificated provider of basic local exchange telecommunications service In Missouri, pursuant to a Certificate of Service Authority granted by the Commission in Case No. TA-2002-29 effective September 23, 2001 and an "alternative local exchange telecommunications company" as defined in Section 386.020(1).

2. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

Mary Ann (Garr) Young  
William D. Steinmeier  
William D. Steinmeier, P.C.  
2031 Tower Drive  
Jefferson City, Missouri 65109  
Tel: (573)353-8109  
Fax: (573) 634-8224  
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and

Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, TX 75013-2789  
Tel: (214) 495-4704  
Fax: (214) 495-4790  
Email: RMcCausland@sagetelecom.net

3. Applicant's contact person and principal place of business is:

Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, TX 75013-2789  
Tel: (214) 495-4704  
Fax: (214) 495-4790  
Email: RMcCausland@sagetelecom.net

4. Applicant states that there are no pending actions or unsatisfied final judgments or decisions against it in any state or federal agency, or court, which involve customer service or rates for which action, judgment, or decision has occurred within three (3) years of the date of this Application, other than one pending matter regarding a directory listing in Ohio<sup>1</sup>.

5. Applicant does not have any overdue annual reports or fees owed to the Missouri Public Service Commission.

6. The Missouri General Assembly passed HB 1779 on May 5, 2008; it was signed into law by the Governor on July 10, 2008 and its relevant provisions (applicable to telecommunications regulation) took effect on August 28, 2008. Section 392.245.5(8) was revised to provide that “. . . all alternative local exchange telecommunications companies shall not be required to comply with customer billing rules, network engineering and maintenance rules, and rules requiring the recording and submitting of service objectives or surveillance levels established by the commission . . .” Section 392.420 was revised to provide that “. . . for all existing alternative local exchange telecommunications companies, the commission shall waive, at a minimum, the

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<sup>1</sup> In re Morocco Service Inc v. Choice One Communications of Ohio, Inc., and Sage Telecom, Inc., Case No. 07 CV 1229, Trumbull County, Ohio, Court of Common Pleas.

application and enforcement of its quality of service and billing standards rules, as well as the provisions of subsection 2 of section 392.210, subsection 1 of section 392.240, and sections 392.270, 392.280, 392.290, 392.300, 392.310, 392.320, 392.330, and 392.340. . .” Pursuant to those provisions of HB 1779, Applicant seeks a Commission Order waiving the applicability of the following rules and statute to Sage Telecom, Inc.:

4 CSR 240-3.550(4)) Telecommunications Company Records and Reports

4 CSR 240-3.550(5)(A) Telecommunications Company Records and Reports

4 CSR 240-32.060 Engineering and Maintenance Standards

4 CSR 240-32.070 Quality of Service.

4 CSR 240-32.080 Service Objectives and Surveillance Levels

4 CSR 240-33.040 (except (4)) Billing and Payment Standards for Residential Customers – (1), (2), (3), (5), (6), (7), (8), (9), and (10)

4 CSR 240-33.045 Requiring Clear Identification and Placement of Separately Identified Charges on Customer Bills

4 CSR 240-33.080(1) Disputes by Residential Customers

4 CSR 240-33.130.1 Operator Service

4 CSR 240-33.130(4) Operator Service

4 CSR 240-33.130(5) Operator Service

Sage also seeks waiver of Section 392.300.1 RSMo., the only statutory section authorized to be waived in HB 1779 that has not previously been waived by the Commission as to Sage.

7. Per 4 CSR 240-2.061(5), good cause for granting these waivers is provided by the finding of the Missouri General Assembly that alternative local exchange companies should be relieved of certain regulatory requirements. Applicant will be able

to reduce its administrative costs, while continuing to provide high-quality service to telecommunications customers, if these rules are waived by the Commission as specified by Missouri law. Applicant, as an “alternative local exchange telecommunications company”, is entitled to waiver of the requested Commission rules per the provisions of HB 1779.

8. Sage Telecom, Inc., also requests the Commission approve the separately filed revised tariff to reflect the waivers granted herein. A specimen copy of the proposed tariff revision, without issued and effective dates, is attached hereto as **Exhibit B.**

WHEREFORE, Applicant respectfully requests that the Commission issue its order waiving the applicability of the following rules and statute to Applicant’s services in Missouri:

- 4 CSR 240-3.550(4)
  - 4 CSR 240-3.550(5)(A)
  - 4 CSR 240-32.060
  - 4 CSR 240-32.070
  - 4 CSR 240-32.080
  - 4 CSR 240-33.040(1), (2), (3), (5), (6), (7), (8), (9), and (10)
  - 4 CSR 240-33.045
  - 4 CSR 240-33.080(1)
  - 4 CSR 240-33.130(1)
  - 4 CSR 240-33.130(4)
  - 4 CSR 240-33.130(5)
- Section 392.300.1 RSMo.

and approve the separately filed tariff revision to reflect these waivers in Sage's Local Exchange Telecommunications Services Tariff No. 1.

Respectfully submitted,

/s/Mary Ann Young

Mary Ann (Garr) Young, MoBar #27951  
William D. Steinmeier, MoBar #25689  
WILLIAM D. STEINMEIER, P.C.  
2031 Tower Drive  
P.O. Box 104595  
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Email: myoung0654@aol.com  
wds@wdspsc.com

ATTORNEYS FOR SAGE TELECOM, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Verified Application has been served electronically on the General Counsel's Office and the Office of the Public Counsel this 2<sup>nd</sup> day of December 2008.

/s/Mary Ann Young

Mary Ann (Garr) Young

**VERIFICATION**

**VERIFICATION**

STATE OF TEXAS        )  
                                  )  
COUNTY OF COLLIN    )

I, Robert W. McCausland, state that I am Vice President and Secretary of Sage Telecom, Inc., that I am authorized to make this Verification on behalf of Sage Telecom, Inc., that I have read the foregoing Application and verify that the statements therein are true and correct to the best of my knowledge, information and belief.

By:   
Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.

The foregoing instrument was acknowledged before me this 2nd day of May, 2008.



  
NOTARY PUBLIC

**EXHIBIT A**

**Secretary of State Certificate of Good Standing**

# STATE OF MISSOURI



Robin Carnahan  
Secretary of State

**CORPORATION DIVISION  
CERTIFICATE OF GOOD STANDING**

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

**SAGE TELECOM, INC.**

using in Missouri the name

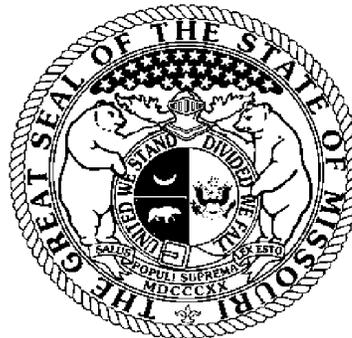
**SAGE TELECOM, INC.  
F00494216**

a TEXAS entity was created under the laws of this State on the 9th day of March, 2001, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 28th day of August, 2008

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State



**EXHIBIT B**

**Proposed Revised Local Exchange Tariff  
(specimen tariff only—no issued and effective dates)**

**LIST OF WAIVERS**

Sage Telecom, Inc. is classified as a competitive telecommunications company in Missouri for which the following statutory and regulatory requirements are waived:

Statutes

- Section 392.210.2 -Uniform system of accounts used for annual reports
- Section 392.240 (1) -Ratemaking
- Section 392.270 -Property valuation (ratemaking)
- Section 392.280 -Depreciation accounts
- Section 392.290 -Issuance of securities
- Section 392.300.1 -Sale, assignment, lease, transfer, mortgage, disposition, encumbrance, merger or consolidation (AT)  
(AT)
- Section 392.300.2 -Acquisition of stock
- Section 392.310 -Stock and debt issuance
- Section 392.320 -Stock dividend payments
- Section 392.330 -Issuance of securities, debt and notes
- Section 392.340 -Reorganization(s)

Commission Rules

- 4 CSR 240-3.550(4) - Telecommunications Company Records and Reports (AT)
- 4 CSR 240-3.550(5)(A) - Telecommunications Company Records and Reports (AT)
- 4 CSR 240-10.020 - Income on Depreciation Fund Investments (RT)
- 4 CSR 240-30.040 - Uniform System of Accounts (AT)
- 4 CSR 240-32.060 - Engineering and Maintenance Standards | (AT)
- 4 CSR 240-32.070 - Quality of Service | (AT)
- 4 CSR 240-32.080 - Service Objectives and Surveillance Levels | (RT)
- 4 CSR 240-33.040 (1) ), (2), (3), (5), (6), (7), (8), (9), and (10) - Billing and Payment Standards for Residential Customers | (AT)
- 4 CSR 240-33.045 - Requiring Clear Identification and Placement of Separately Identified |
- 4 CSR 240-33.080(1) - Disputes by Residential Customers Charges on Customer Bills |
- 4 CSR 240-33.130.1 - Operator Service |
- 4 CSR 240-33.130(4) - Operator Service |
- 4 CSR 240-33.130(5) - Operator Service | (AT)  
(RT)

Issued:

Effective:

Issued By:  
Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789