

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of New Horizons)
Communications Corp. for a Certificate of Service)
Authority to Provide Resold and Facilities-Based/)
UNE Basic Local Telecommunications Services in)
Portions of the State of Missouri and to Classify)
Such Services and the Company as Competitive)

File No. CA-2013-0271

ORDER GRANTING CERTIFICATE TO PROVIDE BASIC LOCAL TELECOMMUNICATIONS SERVICES

Issue Date: December 13, 2012

Effective Date: December 23, 2012

This order grants a certificate of service authority to provide basic local telecommunications services in the state of Missouri, classifies those services and the company as competitive, and waives certain statutes and regulations.

On November 12, 2012, New Horizons Communications Corp. applied for a certificate of service authority to provide basic local exchange telecommunications services within the state of Missouri, and for competitive classification. The company seeks certification to provide basic local service in portions of Missouri that are currently being served by AT&T Missouri, CenturyLink, and Spectra. New Horizons is a Delaware corporation and is authorized to do business in Missouri by the Missouri Secretary of State.

On November 13, 2012, the Commission issued its Notice of Applications, establishing a 15-day deadline for intervention. No applications to intervene were received. On November 27, 2012, the Staff of the Commission recommended that the requested certificate, classification, 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, including relevant service standards,¹ and that the grant of authority is in the public interest.² Based on the verified application, including New Horizons' stated commitment to comply with all applicable rules, as well as Staff's uncontested recommendation, the Commission finds that New Horizons satisfies the requirements for certification and that granting such certificate is in the public interest.

New Horizons also requests that it and its services be classified as competitive and that the application of certain statutes and regulatory rules be waived. 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 may waive the application of certain statutes and of its rules to a competitive carrier if it determines that such waiver is consistent with the purposes of Chapter 392.⁵

The Commission finds that New Horizons 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 New Horizons will be subject to a sufficient level of competition to justify a

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.

⁵ See Sections 392.185, 392.361.3 and 392.420.

lesser degree of regulation. Furthermore, all of the services New Horizons will offer are qualified for classification as competitive services.

The Commission may waive certain statutes and administrative rules for competitively classified carriers “if such waiver or modification is otherwise consistent with the other provisions of Section 392.361 to 392.520 and the purposes of this chapter.”⁶ The Commission has developed a standard list of statutes and regulations that it waives for competitive local exchange carriers. The Commission finds that the waiver of those statutes and regulations is consistent with the purposes of Chapter 392, and will waive those provisions for New Horizons.

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

The Commission places New Horizons 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.

⁶ Sections 392.361.5 and 392.420.

- 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. 2010, 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.

New Horizons did not file a proposed tariff as part of its application. The Commission's regulations do not require that such a tariff be filed along with an application for a certificate, but New Horizons is reminded that it cannot provide service in Missouri until its tariff is approved by this Commission.

THE COMMISSION ORDERS THAT:

1. New Horizons Communications Corp. is granted a certificate of service authority to provide basic local telecommunications services in the exchanges of AT&T Missouri, CenturyLink, and Spectra; subject to the conditions and recommendations contained in the Staff's Memorandum.
2. New Horizons Communications Corp. and the services it offers are classified as competitive.
3. New Horizons Communications Corp.'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 New Horizons Communications Corp. seeks authority to provide service, unless authorized by the Commission pursuant to Section 392.220 and 392.230, RSMo.
4. 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.
5. If the directly competing incumbent local exchange carrier, in whose service area New Horizons Communications Corp. is operating, decreases its originating or terminating access service rates, New Horizons Communications Corp. 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.

6. Application of the following statutes and Commission rules is waived:

Statutes

- 392.210.2- uniform system of accounts
- 392.240.1- rates-rentals-service & physical connections
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.300.2- acquisition of stock
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.330 - issuance of securities, debts and notes
- 392.340 - reorganization(s)

Commission Rules

- 4 CSR 240-3.520 - applications to sell or transfer assets
- 4 CSR 240-3.525 - applications to merge or consolidate
- 4 CSR 240-3.530 - applications to issue stocks, obtain loans
- 4 CSR 240-3.535 - applications to acquire stock
- 4 CSR 240-3.545(8)(C) – listing of waivers in tariff
- 4 CSR 240-3.550 – telco records and reports (except (5)(B), (D), and (E))
- 4 CSR 240-3.555 – residential customer inquiries
- 4 CSR 240-3.560 – procedure for ceasing operations
- 4 CSR 240-10.020 – depreciation records
- 4 CSR 240-30.020 – residential telephone underground systems
- 4 CSR 240-30.040 – uniform system of accounts
- 4 CSR 240-32.010 – general provisions
- 4 CSR 240-32.040 – metering, inspections and tests
- 4 CSR 240-32.050 – customer services
- 4 CSR 240-32.060 – engineering and maintenance
- 4 CSR 240-32.070 – quality of service
- 4 CSR 240-32.080 – service objectives and surveillance levels
- 4 CSR 240-32.090 – connection of equipment and inside wiring
- 4 CSR 240-32.100 – provision of basic local and interexchange services
- 4 CSR 240-32.130-.170 – prepaid calling cards (except 32.140 and 32.150(1))
- 4 CSR 240-32.180-.190 – caller ID blocking requirements
- 4 CSR 240-33.010 – service and billing practice general provisions
- 4 CSR 240-33.040 – billing and payment standards
- 4 CSR 240-33.045 – clear identification and placement of charges on bills
- 4 CSR 240-33.050 - deposits
- 4 CSR 240-33.060 – residential customer inquiries
- 4 CSR 240-33.070 – discontinuance of service

- 4 CSR 240-33.080 – disputes by residential customers
- 4 CSR 240-33.090 – settlement agreements with residential customers
- 4 CSR 240-33.130 – operator service requirements
- 4 CSR 240-33.140 – payphone requirements (except (2))
- 4 CSR 240-33.150 – “anti-slamming” requirements
- 4 CSR 240-33.160 - customer proprietary network information

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

8. New Horizons Communications Corp. is advised that the grant of authority contained in this order may not, by itself, be sufficient to permit it to lawfully provide telecommunications services in Missouri. Specifically, New Horizons Communications Corp. cannot lawfully provide telecommunications services until it has a tariff in effect for such services. When New Horizons Communications Corp. submits such a tariff, it shall do so by filing a non-case tariff submission. The tariff submission shall not be filed in this case.

9. This order and New Horizons Communications Corp.'s certificate shall become effective on December 23, 2012.

10. This file shall be closed on December 24, 2012.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Ronald D. Pridgin, Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 13th day of December, 2012.