

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

In the matter of the tariff of Sage Telecom, Inc. to)	Case No.
establish a Public Switched Network Recovery charge)	Tariff No. JC-2006-0716

OFFICE OF THE PUBLIC COUNSEL’S
MOTION TO REJECT TARIFF OR, IN THE ALTERNATIVE, TO SUSPEND
TARIFF

The Office of the Public Counsel asks the Public Service Commission of Missouri to reject Sage Telecom, Inc.’s proposed tariffs to establish a Public Switched Network Recovery Charge of \$1.33 per month for each residential and business line. The proposed tariff is unlawful, unjust, unreasonable and discriminatory because:

1. The description of Public Switched Network Recovery Charge (PSN recovery charge) in the tariff is vague, overbroad, and fails to sufficiently and clearly describe the nature and the purpose of the charge.
2. The purported purpose as stated in the tariff is “to recover costs to access the public switched network for local service” is misleading and fails to fully identify the charges for which Sage seeks recovery.
3. The tariff is unreasonable and unlawful as it duplicates an existing charge for the costs of the local phone network and fails to disclose the true nature of the charges. Customers are already charged a Federal Service Line Charge (SLC) to cover the costs of the local phone network. The maximum allowable SLC is set by the FCC.
4. The notice is unreasonable and inadequate to give fair notice of the purpose of the PSN and which customers will be subject to or exempt

from the PSN. The notice only provides the name of the charge and the amount without further meaningful information: “All Missouri customers will receive a Public Switched Network Recovery Charge of \$1.33 beginning with the April invoice.”

5. The proposed tariffs violate 4 CSR 240-33.045, Requiring Clear Identification and Placement of Separately Identified Charges on Customer Bills. The rule provides:

(1) All telecommunications companies shall provide a clear, full and meaningful disclosure of all monthly charges and usage sensitive rates that are applicable to the services the customer has ordered or is considering ordering. Such disclosure shall be provided prior to an agreement for service. This disclosure shall be in addition to the itemized account of monthly charges during the customer's first billing period for the equipment and service for which the customer has contracted, as required by 4 CSR 240-33.040(8). Allowed charges that may vary, depending on the location of the customer or the amount of the customer bill, can simply be identified without specifying the specific dollar amount that would be applied to the customer.

(2) Telecommunications companies shall not include on a customer's bill any charge misrepresented as governmentally mandated or specifically authorized by:

(A) Disguising it;

(B) Naming, labeling or placing it on the bill in a way that implies that it is governmentally mandated or specifically authorized; or

(C) Giving it a name or label that is confusingly similar to the name or label of a governmentally mandated or specifically authorized charge.

(3) Governmentally mandated or specifically authorized charges include, but are not limited to, separately identified charges to recover costs associated with any monthly charge mandated or specifically authorized by federal, state or local government. These monthly charges shall be identified on the customer's bill in easy to understand terms and in a manner consistent with their purpose or applicability.

(4) Companies imposing separately identified charges that appear to be governmentally mandated or specifically authorized charges shall provide, upon request by the commission staff, such federal, state or local government order, decision, ruling, mandate or other authority on which it relies in placing such a charge on the customer's bill.

(5) To challenge the authority or legality of a tariffed charge under this rule, a party shall file a complaint pursuant to 4 CSR 240-2.070. The commission may order removal or modification of any charge it finds does not comport with this rule. Nothing in this rule will preclude the commission from suspending or rejecting company tariffs when similar or identical tariffs have been approved for other companies.

(6) Any telecommunications company that serves as a billing agent for another entity shall not be held liable for any violation of this rule for that portion of the customer bill that relates to that other entity.

(7) This rule establishes minimum requirements for clarity in billing separately identified charges.

(emphasis added)

6. The rule was intended to make telephone bills easier to understand and to afford Missouri customers with disclosure of the true cost of telecommunications services they purchase. The rule was designed to protect consumers by seeing that carriers do not engage in deceptive, misleading, confusing, vague and meaningless labeling of bill charges so that consumers do not know the actual source or reason for the charge and how it relates to the services they purchased. The consumer has the right to know the cost of the services, including all the “add ons” and extra charges that are not readily apparent or are not often quoted as the usage or monthly charge. Sage’s proposed charge is inconsistent with this intent and purpose.
7. On August 16, 2004, the Commission filed comments with the FCC joining the concern of state regulatory bodies and utility consumer advocates over the explosion of line item charges. This practice by carriers has distorted the actual costs and true rates for service by shifting normal operating expenses traditionally included in the development of rates. It

makes comparison of rates difficult, if not impossible. It rewards inefficient companies that do not control costs, but bills them directly to the customer. It erodes competition by driving competitors to engage in this same practice that only creates artificially low rates that do not reflect the true cost of the service.

8. As these charges multiply, the ability for a consumer to easily understand the purposes and origin of the charges is diminished, thereby making an informed consumer choice difficult to evaluate. The PSC's duty is to protect the consumer; competitive forces cannot, and should not, be the policing agent to constrain practices that mislead, deceive, and confuse the consumer.
9. The flat rate for unknown and unidentified costs discriminates against low volume users in that they are assessed disproportionately than high volume users.

For the foregoing reasons, Public Counsel asks the Commission to reject the tariffs or, in the alternative, suspend the tariffs and hold an evidentiary hearing pursuant to Section 386.330.1, RSMo and Section 392.230. 3 and 4, RSMo.

Respectfully submitted,

/s/ **Michael F. Dandino**

Michael F. Dandino MB# 24590
Office of the Public Counsel
Deputy Public Counsel
Box 2230
Jefferson City, MO 65102
(573) 751-4857 (Telephone)
(573) 751-5562 (Fax)
(573) 635-7431 (Fax)
mike.dandino@ded.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to the following this 28th day of March, 2006.

Stewart & Keevil, LLC
Charles B. Stewart
Attorney for Sage Telecom, Inc
4603 John Garry Drive, Suite 11
Columbia, MO 65203
Stewart499@aol.com

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

/s/ Michael F. Dandino



March 20, 2006
Via Overnight Delivery

RECEIVED⁴

MAR 21 2006

*Records
Public Service Commission*

210 N. Park Ave.
Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Ms. Coleen M. Dale
Executive Secretary
Missouri Public Service Commission
Office of the Public Counsel
200 Madison Street, Suite 650
Jefferson City, MO 65101

RE: Sage Telecom, Inc. - Local Exchange Services Tariff Revision
Proposed Effective Date: April 1, 2006

Tel: 407-740-8575
Fax: 407-740-0613

tmi@tminc.com

Dear Mr. Roberts:

Enclosed please find a tariff revision for Sage Telecom, Inc.'s Missouri local exchange services tariff - Tariff No. 1. This filing adds the Public Switched Network Recovery Charge. The customer notice for this filing is attached. Other products on this notice were filed at an earlier date. The Company respectfully requests this filing to become effective on April 1, 2006.

The revised page included with this filing is:

Original Page 22.1	Adds PSN recovery charge description
1st Revised Page 59.1	Adds PSN recovery charge rate

Questions regarding this filing may be directed to me at (407) 740-3006 or via e-mail at croesel@tminc.com. Please acknowledge receipt of this mailing by returning, date-stamped, the extra copy of this cover letter in the enclosed self-addressed stamped envelope which is provided for that purpose.

Thank you for your assistance.

Sincerely,

Carey Roesel
Consultant to Sage Telecom, Inc.

CR/gs
Enclosure

cc: Office of Public Counsel
Andrew Karl, Sage Telecom
File: Sage Telecom - MO Local
TMS: MOL0604

STATE(S): MO

MEDIUM: BILL IMPRINT

DATES(S)/DURATION: 3/01/06 to 3/31/06

CUSTOMERS: ALL CUSTOMERS IN STATE(S) LISTED ABOVE

APPROVED WORDING:

The monthly charges for the following features will be increased by \$0.75 for Residential and Business customers beginning April 1, 2006: Anonymous Call Rejection, Auto Redial, Call Blocker, Call Forwarding, Call Return, Call Waiting, Call Waiting ID Options, Call Waiting ID, Caller ID, Personalized Ring, Priority Call, Remote Access to Call Forwarding, Selective Call Forward, Speed Calling 8, Three-Way Calling, and Multiline Hunting. The monthly charge for Sage voicemail will increase by \$1.00. The monthly charges for the Home Wire Maintenance Plan and the Business Wire Maintenance Plan will increase by \$0.45. Plans that include these features free in the monthly service package will continue to receive those features at no additional charge.

All Missouri customers will receive a Public Switched Network Recovery Charge of \$1.33 beginning with the April invoice.

The following services will be charged at the new monthly rate listed beginning with the April invoice:

Class of Service	Service	Old Rate	New Rate
Residential	Metropolitan Plan	\$34.00	\$34.90
Residential	Metropolitan CHOICE	\$34.00	\$34.90
Residential	Metropolitan PLUS	\$39.00	\$39.90
Residential	Metropolitan COMPLETE	\$49.00	\$49.90
Residential	Home Choice	\$29.00	\$29.90
Residential	Sage Unlimited	\$49.00	\$49.90
Residential	Sage Unlimited	\$54.00	\$54.90
Business	Metropolitan Plan	\$44.00	\$44.90
Business	Business Choice	\$34.00	\$34.90

SECTION 2 - RULES AND REGULATIONS

2.18 Public Switched Network Recovery Charge

(AT)

The Public Switched Network Recovery Charge is a monthly recurring charge which is applied on a per customer access line basis. This fee is intended to recover costs to access the public switched network for local service.

|
(AT)

Issued: March 21, 2006

Effective: April 1, 2006

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

MOI0604

SECTION 4 - RATES AND CHARGES**4.1. Local Exchange Service (Cont'd)****4.1.13. Tell-A-Friend Program**

Amount of credit

Per customer \$ 10.00

Beginning February 1, 2005, customers will receive credits for referred customers who meet criteria in section 3.1.17 based on the following schedule. Referrals made prior to February 1, 2005, will be based on the above rate of \$10.00.

Referral	Allowable Credit per customer referred
1st Referral*	\$10.00
2nd Referral*	\$15.00
3rd and all subsequent referrals*	\$25.00

*Sage will consider any referrals made since January 1, 2002, when determining the value of credit for referrals made after February 1, 2005.

4.1.14 Public Switched Network Recovery Charge¹**Monthly Charge**

\$1.33

(AT)**(AT)**

¹Applicable to all Residential and Business service plans on a per line basis.

(AT)

Issued: March 21, 2006

Effective: April 1, 2006

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

MC010604