

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

In the Matter of the Application of AT&T Communications )  
of the Southwest, Inc., d/b/a SmarTalk, for a Certificate )  
of Authority to Provide Competitive Intrastate ) **Case No. TA-2007-0135**  
Interexchange Telecommunications Services within the ) **Tariff No. YX-2007-0222**  
of the State of Missouri and for Competitive Classification. )

**ORDER APPROVING INTEREXCHANGE CERTIFICATE OF SERVICE**  
**AUTHORITY AND ORDER APPROVING TARIFF**

Issue Date: October 31, 2006

Effective Date: October 31, 2006

Syllabus: This order grants AT&T Communications of the Southwest, Inc., d/b/a SmarTalk a certificate of service authority to provide intrastate interexchange telecommunications services, classifies the company and its services as competitive, and approves the company's proposed tariff.

AT&T Communications of the Southwest, Inc., d/b/a SmarTalk (SmarTalk) applied to the Public Service Commission on September 29, 2006, for a certificate of service authority to provide intrastate interexchange telecommunications services in Missouri under Section 392.440, RSMo 2000.<sup>1</sup> SmarTalk asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420. SmarTalk is a Delaware corporation with its principal office located at One AT&T Way, Bedminster, New Jersey 07921.

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<sup>1</sup> All statutory references are to the Revised Statutes of Missouri (RSMo), revision of 2000, unless otherwise indicated.

The Commission issued a Notice of Applications for Intrastate Certificates of Service Authority and Opportunity to Intervene on October 3, 2006, directing parties wishing to intervene to file their requests by October 18, 2006. No requests for intervention were filed.

SmarTalk filed a proposed tariff in conjunction with its application and filed substitute sheets on October 24, 2006. The tariff's effective date is November 13, 2006. SmarTalk's tariff describes the rates, rules, and regulations it intends to use, identifies SmarTalk as a competitive company, and lists the waivers requested. SmarTalk intends to provide interexchange telecommunications services including intrastate, interexchange telecommunications services.

In its Memorandum filed on October 26, 2006, the Staff of the Commission recommended that the Commission grant SmarTalk 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 as amended to become effective on October 31, 2006.

The Commission finds that competition in the intrastate interexchange telecommunications market is in the public interest and SmarTalk shall be granted a certificate of service authority. The Commission finds that the services SmarTalk proposes to offer are competitive, and SmarTalk shall be classified as a competitive company. The Commission finds that waiving the statutes and Commission rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest.

The Commission finds that SmarTalk's proposed tariff details the services, equipment, and pricing it proposes to offer. The Commission finds that the proposed tariff

filed on September 29, 2006, shall be approved as amended to become effective on October 31, 2006.

The Commission reminds the company that failure to comply with its regulatory obligations may result in the assessment of penalties against it. These regulatory 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 to a penalty of \$100 per day for each day that the violation continues. 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, pursuant to Section 386.570, RSMo 2000.

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

Furthermore, the company is reminded that, if it is a corporation, non-attorneys may not represent the company before the Commission. Instead, the corporation must be represented by an attorney licensed to practice law in Missouri.

In addition, the company is reminded that Section 392.410.5, RSMo Supp. 2005, renders the company's certificate of service authority null and void one year from the date of this order unless it has exercised its authority under that certificate.

**IT IS ORDERED THAT:**

1. AT&T Communications of the Southwest, Inc., d/b/a SmarTalk is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to all applicable statutes and Commission rules except as specified in this order.

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

3. AT&T Communications of the Southwest, Inc., d/b/a SmarTalk is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be 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 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts

4. The tariff filed by AT&T Communications of the Southwest, Inc., d/b/a SmarTalk on September 29, 2006, under tariff number YX-2007-0222, is approved as amended to become effective on October 31, 2006. The tariff approved is:

5. This order shall become effective on October 31, 2006.
6. This case may be closed on November 1, 2006.

**BY THE COMMISSION**



Colleen M. Dale  
Secretary

( S E A L )

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

Dated at Jefferson City, Missouri,  
on this 31st day of October, 2006.