

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

In the Matter of the Tariff of)	
Sage Telecom, Inc.)	Case No. CT-2006-0370
To Establish a Public Switched Network)	Tariff No. JC-2006-0716
Recovery Charge)	

**RESPONSE OF SAGE TELECOM, INC., IN OPPOSITION TO
MOTION OF OFFICE OF THE PUBLIC COUNSEL**

COMES NOW Sage Telecom, Inc. (Sage), and for its response in opposition to the Motion of the Office of the Public Counsel (OPC), states as follows:

1) On March 21, 2006, Sage filed a proposed tariff designed to implement a Switched Network Recovery Charge, with an effective date of April 1, 2006. Sage provided a copy of the customer notice which had been provided to its customers with March 1 billing.

2) On March 28, 2006, the Office of the Public Counsel filed a Motion to Reject Tariff or, in the Alternative, to Suspend Tariff.

3) On March 30, 2006, the Missouri Public Service Commission (Commission) suspended the tariff "until May 1, 2006, or until otherwise ordered by the Commission," and ordered responses to OPC's Motion to be filed no later than April 7, 2006.

4) The Public Switched Network Recovery (PSNR) charge proposed by Sage in this tariff is lawful and reasonable, is designed to recover legitimate costs of serving basic local service customers, and should be allowed to take effect as soon as possible.

5) The PSNR is not a duplication of the Federal Subscriber Line Charge (SLC) or any other charge currently included on Sage customers' bills. The PSNR charge is designed to recover increased costs Sage is now incurring for access to incumbent local exchange carrier (ILEC) networks and thus discloses its true nature in straightforward language. It is consistent with 4 CSR 240-33.045.

6) The PSNR is also very similar in nature, albeit not identical in structure or name, to a charge in the current effective tariff of another CLEC. The Access Recovery Charge of Xspedius Communications, which was processed as Tariff File No. JC-2006-0221, was designed in part to “recover costs related to recent increases in our costs of gaining access to incumbent networks...” Although the Xspedius charge was structured as a monthly percentage of the customer’s recurring charge total, rather than a set monthly recurring charge as proposed here by Sage, clearly this Commission has found adding a separate charge for recovering increased costs of operating in a changing competitive environment to be acceptable. The Xspedius “Access Recovery Charge” took effect on October 21, 2005, and is but one example of line item charges implemented by carriers to recover increased costs of access. Copies of the Xspedius tariff filing, staff recommendation and currently effective tariff sheets for the Access Recovery Charge from JC-2006-0221 are attached hereto for reference, submitted as separate electronic files in EFIS.

7) The PSNR is an appropriate response by a competitive telecommunications carrier to cost increases that are unavoidable. The description and name of the charge are clear and adequate and do not attempt to represent the charge as governmentally mandated or in the nature of a tax. Customers have received adequate notice. The tariff does not violate any statute or regulation, and should be permitted to take effect.

8) Customers received notice of the PSNR charge on bills rendered 30 days in advance of the tariff effective date. Suspension of the tariff has cost Sage a full month of billing the PSNR charge, while the increased costs to Sage must be paid for that period. Sage requests the Commission either issue an order approving the tariff to take effect on May 1, 2006, or allow the suspension to expire and the tariff to take effect without action.

WHEREFORE, Sage Telecom, Inc., respectfully presents this Response in Opposition to The Office of the Public Counsel's Motion, and requests the Commission deny OPC's Motion and allow the suspension to expire on May 1 or issue its order approving the tariff to take effect on May 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
Jefferson City, MO 65110-4595
Phone: (573) 634-8109
Fax: (573) 634-8224
Email: myoung0654@aol.com
wds@wdspsc.com

ATTORNEYS FOR SAGE TELECOM, INC.

April 7, 2006

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been served electronically on the General Counsel's Office and the Office of the Public Counsel this 7th day of April 2006.

/s/ Mary Ann Young

Mary Ann (Garr) Young