

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of)
Network Innovations, Inc., for a)
certificate of service authority to provide)
interexchange telecommunications)
services and to classify such services)
and the company as competitive)

Case No. XA-2009-0114
Tariff Tracking No. YX-2009-0267

ORDER GRANTING CERTIFICATE AND APPROVING TARIFF

Issue Date: November 7, 2008

Effective Date: November 17, 2008

The Missouri Public Service Commission ("Commission") approves the application for an interexchange certificate of service authority, and approves the tariffs as amended, filed by Network Innovations, Inc. ("Network").

Network applied to the Missouri Public Service Commission on September 25, 2008, for a certificate of service authority to provide intrastate interexchange and nonswitched local exchange telecommunications services in Missouri under Sections 392.410, RSMo Supp. 2008, through 392.450.¹ Network asked the Commission to classify it as a competitive company and to waive certain statutes and rules as authorized by Sections 392.361, RSMo 2008 and 392.420. Network is an Illinois corporation with its principal office located at 1101 West Lake Street, Chicago, Illinois 60607.

The Commission issued a Notice of Applications for Intrastate Certificates of Service Authority and Opportunity to Intervene on October 7, 2008, directing parties

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

wishing to intervene to file their requests by October 22, 2008. No requests for intervention were filed.

Network filed a proposed tariff in conjunction with its application with an effective date of November 17, 2008. Network's tariff describes the rates, rules, and regulations it intends to use, identifies Network as a competitive company, and lists the waivers requested. Network intends to provide resold business interexchange and telecommunication services including T-1 or better, point-to-point private line and Internet access.

In its Memorandum filed on November 5, 2008, the Staff of the Commission recommended that the Commission grant Network a certificate of interexchange service authority and a certificate of service authority for local exchange telecommunications service on condition that this authority be restricted to providing dedicated private line services. Staff recommended that the Commission grant Network competitive status, and waiver of the statutes and rules listed in the Notice. Staff recommended that the Commission approve the proposed tariff to become effective on November 17, 2008.

The Commission finds that competition in the intrastate interexchange and nonswitched local exchange telecommunications markets is in the public interest and Network shall be granted certificates of service authority. The Commission finds that the services Network proposes to offer are competitive and Network 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 Network's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri certificated interexchange carriers. The Commission finds that the proposed tariff filed on September 25, 2008, shall be approved to become effective on November 17, 2008.

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. 2008, 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.

THE COMMISSION ORDERS THAT:

1. Network Innovations, Inc. 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. Network Innovations, Inc. is granted a certificate of service authority to provide nonswitched local exchange telecommunications services in the state of Missouri, limited to providing dedicated private line services, subject to all applicable statutes and Commission rules except as specified in this order.

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

4. Network Innovations, Inc. 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)

Regulations

- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts

4 CSR 240-10.550(5)(C) - map of exchange boundaries

5. The tariff filed by Network Innovations, Inc. on September 25, 2008, as tariff number YX-2009-0267, is approved to become effective on November 17, 2008. The tariff approved is:

Network Innovations, Inc., Missouri PSC Tariff No. 1
Revised Title Sheet, and
Original Page 1 through Original Page 25, and
Amended Pages 26 and 27, and
Original Pages 28 through 31.

6. This order shall become effective on November 17, 2008.
7. This case may be closed on November 18, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Jordan, Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 7th day of November 2008.