

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

In the Matter of the Application of)	
Sonic Telecom, LLC for Certificates of Service)	
Authority to Provide Basic Local Exchange,)	
Non-Switched Local Exchange and Interexchange)	<u>File No. LA-2011-0329</u>
Telecommunications Services in the State of Missouri)	Tariff File Nos.
and to Classify said Services and the Company as)	YL-2011-0550 and
Competitive)	YL-2011-0551

**ORDER GRANTING CERTIFICATES TO PROVIDE
BASIC LOCAL, NONSWITCHED LOCAL, AND
INTEREXCHANGE TELECOMMUNICATIONS SERVICES
AND APPROVING TARIFFS**

Issue Date: May 17, 2011

Effective Date: June 13, 2011

This order grants certificates of service authority to provide basic and nonswitched local, and interexchange telecommunications services in the state of Missouri, classifies those services and the company as competitive, waives certain statutes and regulations, and approves the company's tariffs.

On April 6, 2011, Sonic Telecom, LLC applied for certificates of service authority to provide basic, nonswitched local exchange and interexchange telecommunications services within the state of Missouri, and for competitive classification. The company seeks certification to provide services throughout the state of Missouri in the services areas of all incumbent local exchange companies. Although not filed with its application, Sonic later filed tariffs with an effective date of June 13, 2011. Sonic is a California company authorized to do business in Missouri by the Missouri Secretary of State.

On April 8, the Commission issued notice of the application, establishing April 25 as the deadline for requests to intervene. No applications to intervene were received. On

May 12, the Staff of the Commission recommended that the requested certificates, classifications and waivers be granted. The Commission may waive the application of certain statutes and of its rules to a competitive carrier if it determines that such waivers are consistent with the purposes of Chapter 392.¹ The Commission finds that waivers of those statutes and regulations are consistent with the purposes of Chapter 392, and will waive those provisions for Sonic. Staff also stated that the tariffs meet the requirements of all applicable statutes and should be approved to become effective on June 13.

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,² and that the grant of authority is in the public interest.³ Based on the verified application and Staff's recommendation, the Commission finds that Sonic satisfies the requirements for certification and that granting such certificates is in the public interest.

Sonic also requests that it and its services be classified as competitive. 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.⁴ The Commission may only classify a telecommunications carrier as competitive if all of its services are so classified.⁵

¹ Sections 392.185, 392.361.3 and 392.420. All statutory references, unless otherwise specified, are to the Revised Statutes of Missouri (RSMo), 2000.

² Sections 392.450, 392.451 and 392.455, RSMo 2000.

³ Sections 392.430 and 392.440.

⁴ Section 392.361.2.

⁵ Section 392.361.3.

The Commission finds that the intrastate interexchange market is competitive and that the interexchange services Sonic will offer are subject to competition. In addition, Sonic 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 Sonic will be subject to a sufficient level of competition to justify a lesser degree of regulation. Furthermore, all of the services Sonic will offer are qualified for classification as competitive services.

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

The Commission places Sonic 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. Rule 4 CSR 240-3.540 requires telecommunications utilities to file their annual report on or before April 15 of each year. Failure to comply with this obligation will subject the company to a penalty of \$100 per day for each day that the violation continues.
- 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 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. 2009, 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.

THE COMMISSION ORDERS THAT:

1. Sonic Telecom, LLC is granted a certificate of service authority to provide basic local telecommunications services in all exchanges throughout the state of Missouri, subject to the conditions and recommendations contained in the Staff's Memorandum.
2. Sonic Telecom, LLC is granted certificates of service authority to provide nonswitched local exchange and interexchange telecommunications services in the state of Missouri.

3. Sonic Telecom, LLC and its services are granted competitive classification.
4. Sonic Telecom, LLC's originating and terminating access rates shall be no greater than the lowest Commission-approved corresponding access rates in effect for each incumbent local exchange carrier within whose service area Sonic provides service, unless authorized by the Commission pursuant to Section 392.220 and 392.230, RSMo.
5. 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.
6. If the directly-competing incumbent local exchange carrier, in whose service area Sonic Telecom, LLC is operating, decreases its originating or terminating access service rates, Sonic 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.
7. 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 - 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 240-3.550(4)
and (5)(A) - quality of service reports
- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts
- 4 CSR 240-32.050(4)(B)- Limited White Pages waiver
- 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 240-33.040(1-3)
and (5-10) - billing and payment standards
- 4 CSR 240-33.045 - appearance of charges on bills
- 4 CSR 240-33.080(1) - company name and toll-free number on bills
- 4 CSR 240-33.130(1),
(4) and (5) - operator service requirements

8. The tariffs filed by Sonic Telecom, LLC, Missouri Tariff No. 1 and P.S.C. MO No. 2, Tariff File Nos. YL-2011-0550 and YL-2011-0551, are approved to become effective on June 13, 2011.

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

10. This order shall become effective on June 13, 2011

11. This file shall be closed on June 14, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 17th day of May, 2011.