

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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| IN RE:<br><br>SAGE TELECOM, INC. | DOCKET NOS. TCU-07-5<br>TF-07-146<br>WRU-07-23-3891 |
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**ORDER GRANTING APPLICATION, APPROVING CONCURRENCE IN MAPS,  
APPROVING TARIFF, DENYING WAIVER, AND ISSUING CERTIFICATE**

(Issued October 9, 2007)

On August 14, 2007, Sage Telecom, Inc. (Sage), filed an application with the Utilities Board (Board) for issuance of a certificate of public convenience and necessity pursuant to Iowa Code § 476.29 stating its intention to provide local exchange service in Iowa. The application has been identified as Docket No. TCU-07-5. Sage has provided financial statements and the qualifications of its company officers and has stated it will support a 2-PIC dialing methodology for dialing parity. No objections to the application were received.

Also on August 14, 2007, Sage filed a proposed local exchange tariff with the Board providing the terms, conditions, and rates for local exchange service in listed exchanges as described in the exchange maps and boundaries of the incumbent local exchange carriers. Revisions to the proposed tariff were filed on September 11 and September 19, 2007. The proposed tariff and its revisions have been identified as TF-07-146.

Iowa Code § 476.29(2) provides that a local exchange carrier shall not be denied a certificate if the Board finds that the applicant "possesses the technical, financial, and managerial ability to provide the service it proposes to render and the board finds the service is consistent with the public interest."

The Board has reviewed Sage's application and finds the necessary technical, financial, and managerial ability to provide local exchange service has been demonstrated. Sage has also filed a statement indicating that it commits to utilizing thousand-block number pooling (TBNP), even in areas where TBNP is voluntary, to the extent it is technically feasible to do so.

Sage also states that its service area will mirror the exchanges and service area maps of Qwest Corporation (Qwest). Iowa Code § 476.29(4) requires that each certificate define the service territory in which landline local telephone service will be provided and authorizes the Board to promulgate rules establishing the requirements for filing maps showing the service territory. Subrule 199 IAC 22.20(3) requires that all utilities have maps on file with the Board that show exchange boundaries. The Board finds that Sage has complied with the statutory and rule requirements by concurring in Qwest's exchange maps.

The Board has reviewed the proposed tariff filed on August 14, 2007, and the revisions filed on September 11 and September 19, 2007, and finds that the revised tariff and revisions substantially comply with Board rules for the filing and processing of tariff pages. The tariff contains rates for both business and residential customers. Notice was provided to all affected carriers. The Board will approve the tariff effective

the date of this order and issue Sage a certificate of public convenience and necessity concurrent with this order.

Sage requests the Board waive the requirements of 199 IAC 16.5(2), 18.2, and 22.3(1). The waiver request has been identified as Docket No. WRU-07-23-3891.

Sage seeks a waiver of 199 IAC 16.5(2). Board rule 16.5 was recently amended, which resulted in the elimination of subrule 16.5(2). Board rule 16.5 now requires that local exchange utilities keep accounts consistent with generally accepted accounting principles (GAAP). Sage states that it will maintain its records in accordance with GAAP. Sage's statement appears to be in substantial compliance with the Board's rule so a waiver of 16.5(2) is not necessary.

Sage also seeks a waiver of 199 IAC 18.2, which requires books and records to be kept in Iowa, unless otherwise authorized by the Board. Sage asks to keep its books and records in the state of Texas, but states that it will make such information available to the Board upon request. The Board will authorize Sage to keep its books and records in Texas based on its assurance that those records will be available for Board inspection upon request. Therefore, a waiver of subrule 18.2 is not necessary.

Sage also seeks a waiver of 199 IAC 22.3(1) regarding the publication of directories. Board rule 22.3(1) was recently amended to allow local exchange carriers to choose not to publish a directory if arrangements are made for publication in a commonly available publication. Sage states that it will make arrangements with the incumbent local exchange carriers for the publication of Sage's customers in the

incumbents' directories. Sage's statement appears to be in substantial compliance with the Board's rule so a waiver of subrule 22.3(1) is not necessary.

**IT IS THEREFORE ORDERED:**

1. The application for a certificate of public convenience and necessity filed by Sage Telecom, Inc., on August 14, 2007, is granted.
2. The concurrence in the maps and boundaries of the exchanges of Qwest Corporation is approved.
3. The tariff filed by Sage Telecom, Inc., on August 14, 2007, and its revisions filed on September 11 and September 19, 2007, identified as TF-07-146, is approved effective the date of this order.
4. The request for waiver of 199 IAC 16.5(2), 18.2, and 22.3(1), identified as Docket No. WRU-07-23-3891, is denied because it is moot.
5. A certificate, identified as Certificate No. 0319, is being issued to Sage Telecom, Inc., concurrently with this order.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Krista K. Tanner

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 9<sup>th</sup> day of October, 2007.