

STANLEY K. STOLL (A3960)
KIRA M. SLAWSON (7081)
BLACKBURN & STOLL, LC
Attorneys for Central Telcom Services, LLC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111
Telephone: (801) 521-7900

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Application of)
Central Telcom Services, LLC)
For a Certificate of Public Convenience and) Docket No. 07-_____-01
Necessity to Provide Facilities-Based Local)
Exchange Service within the State of Utah)

APPLICATION

Central Telcom Services, LLC dba CentraCom Interactive CTS ("CTS" or "Applicant"), pursuant to Chapter 8b of Title 54 of the Utah Code; the Commission's Rules of Practice and Procedure, Utah Admin. Code §§ 746-100 et seq.; and the federal Telecommunications Act of 1996, 47 U.S.C. §§ 151 et seq., hereby applies to the Utah Public Service Commission for a certificate of public convenience and necessity authorizing Applicant to operate as a provider of facilities-based local exchange telecommunications service in the State of Utah; provided, however, Applicant does not request authorization at this time to provide services within any local exchange with fewer than 5,000 access lines owned or controlled by an incumbent telephone corporation with fewer than 30,000 access lines within the state. See § 54-8b-2.1 Utah Code Ann. (1996). In support of its application, CTS provides the following information pursuant to Utah Admin. Code R746-349:

1. Applicant's legal name is Central Telcom Services, LLC. Applicant may be reached at its principal place of business:

35 South State

PO Box 7
Fairview, UT 84629
Telephone: (435) 427-3331
Facsimile: (435) 427-0310

2. R746-349-3(A)(16). Proof of Authority to Conduct Business. CTS is a Limited Liability Company organized on March 29, 1996, under the laws of Utah. A copy of CTS's Certificate of Existence in Utah is attached hereto as **Exhibit A**. Applicant is owned by Lynch Telephone Corporation X, a subsidiary of Lynch Interactive Corporation, a Delaware corporation ("Lynch"). Applicant is also an affiliate of Central Utah Telephone, Inc., and its wholly-owned subsidiaries, Skyline Telecom and Bear Lake Communications, Inc., each a Utah corporation (collectively, "CUTI") which provide local exchange services in Sanpete, Juab, Utah, Tooele, Wasatch, Carbon, Rich and Cache Counties, State of Utah subject to the jurisdiction of the Utah Public Service Commission.

On June 22, 2001, Lynch acquired all of the outstanding shares of stock in CUTI pursuant to the authority granted by the Commission in Docket 00-041-01. It also acquired, on the same date, all of the membership interests in Applicant.

3. Correspondence or communications pertaining to this Application, and questions concerning the ongoing operations of Applicant following certification should be directed to:

Stanley K. Stoll
Blackburn & Stoll, LC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111

with a copy to:

Spencer J. Cox
General Counsel
35 South State
Fairview, UT 84629
Telephone: (435) 427-0502

Facsimile: (435) 427-0310

4. Applicant's registered agent in the State of Utah is:

Stanley K. Stoll
Blackburn & Stoll, LC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111

5. CTS's toll-free number for customer inquiries is (800) 427-8449.

6. R746-349-3(A)(3). Facilities to be used. CTS owns and operates a Cable Television System that provides high speed Internet via cable modem. CTS anticipates using its own facilities along with unbundled network elements from the Incumbent Local Exchange Carrier (ILEC) and/or lease facilities and network from other Competitive Local Exchange Carriers (CLEC) to provide local exchange services.

7. R746-349-3(A)(4). Services to be offered.

7. (a) R746-349-3(A)(4)(a). Classes of customers. Initially, CTS intends to provide service to small, medium and large business customers, with the intent of moving into residential services as soon as possible.

7. (b) R746-349-3(A)(4)(b). Location of service. CTS will provide service in all locations which are within the Qwest service areas within the State of Utah and for which certification is sought hereunder.

7. (c) R746-349-3(A)(4)(b). Types of Services to be Offered. CTS seeks statewide authority to provide all forms of local exchange public telecommunications services on a facilities-based and a resale basis.

8. R746-349-3(A)(5). Access to standard services. CTS will provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services such as 911 and E911 either through its own

operations or by purchasing those services from ILEC's, certificated CLEC's and other companies specializing in providing these services on a competitive basis.

9. R746-349-3(A)(7)-(8). Professional experience and education of managerial personnel and personnel responsible for Utah operations. CTS currently has its headquarters in Fairview, Utah. Responsibility for its operations will be handled by Applicant's current technical and management team from those headquarters. Descriptions of the extensive telecommunications technical and managerial experience of Applicant's key personnel are attached hereto as **Exhibit B**.

10. R746-349-3(A)(9). Chart of Accounts. CTS's chart of accounts including account numbers, names, and brief descriptions is attached hereto as **Exhibit C**.

11. R746-349-3(A)(1), R746-349-3(A)(10). Financial abilities. CTS is financially qualified to provide those telecommunications services for which authority is being requested in this Application. In particular, CTS has access to the financing and capital necessary to conduct its telecommunications operations as specified in this application.

11. (a) R746-349-3(A)(10)(a)-(d), R746-349-3(A)(11)(a)-(b).. Financial Statements. Attached hereto as Confidential **Exhibit D** are the most recent balance sheets, income statements, cash flow statements, and related notes of CTS, and as Exhibit E a letter from Eddie L. Cox, Manager of CTS, attesting to the accuracy, integrity, and objectivity of the financial statements and attesting that the financial statements were prepared in accordance with generally accepted accounting principles. CTS respectfully requests that the financial information in Exhibit D not be publicly disclosed. In accordance with R746-349-3(A)(10), these financial statements show that CTS has a positive net worth and that CTS has sufficient cash flow to provide its proposed services.

11.(c) R746-349-3(A)(10)(d). Financial Statements of Parent Corporation.

Because CTS is a subsidiary of Lynch Telephone Corporation X, the unaudited financial statements of Lynch dated September 2006 are attached hereto as **Exhibit F**. Lynch is a publicly traded company, however, and all financial statements can be found on its website at http://www.lynchinteractivecorp.com/quarterly_financials.html . CTS respectfully requests that the financial information in Exhibit F not be publicly disclosed.

12. R746-349-3(A)(2), R746-349-3(A)(11)(c). Bond requirement. CTS respectfully requests waiver of the bond requirement as the financial information included in Confidential Exhibit D successfully demonstrates its financial stability. Furthermore, CTS does not plan at this time to collect customer deposits. If at such time CTS decides to collect customer deposits, CTS will comply with all Utah laws, rules and regulations.

13. R746-349-3(A)(12). Five-year projection of expected operations.

13. (a) R746-349-3(A)(12)(a). Income and cash flow statements. Please find attached as Confidential **Exhibit G** a five-year projection of expected operations including pro forma income statements and pro forma cash flow statements. CTS respectfully requests that the financial information in Exhibit G not be publicly disclosed.

13. (b) R746-349-3(A)(12)(b). Types of technology to be deployed. CTS will continue to deploy state-of-the-art telecommunications equipment and technology. Furthermore, applicant will own and/or lease fiber optic, copper, and switching facilities as necessary.

13. (c) R746-349(A)(12)(c). Maps of facilities locations. CTS has not yet completed its facilities construction plans for Utah; therefore, the exact location of future facilities and descriptions of the specific facilities to be deployed are not determined.

14. R746-349-3(A)(6), R746-349-3(A)(13). Implementation schedule. CTS intends to

initiate interconnection negotiations with the ILEC within one year from the date of this application.

15. R746-349-3(A)(1), R746-349-3(A)(14). Technical and managerial abilities. CTS's officers have the necessary managerial and technical resources and qualifications necessary to execute its business plan, to provide its proposed telecommunications services, and to operate and maintain CTS's facilities over which such services will be deployed. CTS' technical and management team has extensive experience in the telecommunications industry. Descriptions of CTS' key personnel are attached hereto as Exhibit B.

16. R746-349-3(A)(14)(a)-(b). CTS holds a Certificate of Public Convenience and Necessity (CCN) from the State of Nevada to provide local exchange and other telecommunications services as a competitive local exchange carrier. A copy of the Nevada CCN is attached as **Exhibit H**. CTS has not been denied requested certification in any jurisdiction, nor has it had a permit, license, or certificate revoked by any authority.

17. R746-349-3(A)(8). Employees. CTS's Utah operations will be directed by its management team located at its headquarters in Fairview, Utah. In lieu of an organizational chart, CTS offers a description of its key technical and managerial personnel set forth in Exhibit B to satisfy R746-349-3(A)(8).

18. R746-349-3(A)(1), R746-349-3(A)(15). Public interest. Approval of CTS's application will serve the public interest by creating greater competition in the local exchange marketplace, and the high-speed data market in particular. The public convenience and necessity, therefore, will be served by the issuance of a Certificate of Public Convenience and Necessity to Applicant authorizing it to provide the services described in this application.

19. R746-349-3(A)(17)(a)-(c) R746-349-3(A)(18). Unauthorized switching,

solicitation of new customers, and prevention of unauthorized switching. CTS will comply with Utah law and the FCC's regulations regarding how interexchange carriers may change a consumer's Primary Interchange Carrier ("PIC"). CTS will also comply with the FCC's regulations regarding how carriers may change a consumer's primary local exchange provider. Neither CTS, nor its affiliates, have been the subject of any complaints or investigations of unauthorized switching, or other illegal activities in any jurisdiction. CTS has adopted written policies regarding the solicitation of new customers in compliance with Utah law and FCC regulations.

20. Waivers and Regulatory Compliance. CTS requests that the Commission grant it a waiver of those regulatory requirements which are not applicable to competitive local service providers such as CTS. More specifically, Applicant seeks exemptions from certain requirements contained in Title 5, Chapter 8b of the Utah Code, and in rules and regulations that have been promulgated thereunder, for the provision of all telecommunications services that it is authorized to provide, including:

- a. Exemption from general rate making and any traditional "cost-of-service"-based pricing requirements relating to the sale of Applicant's services;
- b. Exemption from rules and requirements otherwise applicable to noncompetitive telephone corporations relating to the filing of service and class of service limitations, budgeting and budget filing requirements, tariff filings, contract filings, seeking approval for issuance of securities or for transactions with affiliates, reporting transfers of property, and other similar filing, notice and reporting requirements;
- c. Exemption from any other statute, rule or regulation from which the Commission

exempts other new competitive providers of local exchange telecommunications services in Utah.

Applicant also requests exemptions from and/or waivers of the following statutes or regulations: §§54-3-8 and 54-3-19, Utah Code Ann. (1996) (prohibitions of discrimination); §54-7-12, Utah Code Ann. (1996) (rate increases or decreases); §54-4-21, Utah Code Ann. (1996) (establishment of property values); §54-4-24, Utah Code Ann. (1996) (depreciation rates); §54-4-26 Utah Code Ann. (1996) (approval of expenditures); R746-340-2(D) (Uniform System of Accounts - 47 C.F.R.32); R746-340-2(E)(1) (tariff filings required); R746-340-2(E)(2) (exchange maps); R746-341 (Lifeline)¹; R746-344 (rate case filing requirements); R746-401 (reporting of construction, acquisition and disposition of assets); R746-405 (tariff formats); R746-600 (accounting for post-retirement benefits).

Such exemptions and/or waivers are proper within the context of this Request for Agency Action and are consistent with the reduced regulation and exemptions already granted to telecommunications corporations recently authorized to provide local exchange services in Utah. These exemptions and/or waivers are also consistent with the competitive local exchange marketplace contemplated by the Telecommunications Act of 1996 and the Utah Telecommunications Reform Act of 1995. Applicant requests that these exemptions apply to all of the services it is authorized to provide. Applicant reserves the right to request exemptions from additional Commission rules as such exemptions become necessary.

WHEREFORE, Central Telecom Services, LLC, respectfully requests that the Utah Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing CTS to

¹ This exemption, except for R746-341-6 (Funding of Lifeline), would apply until Applicant begins to provide residential local exchange service.

provide resold and facilities-based, switched and dedicated local exchange telecommunications services in the State of Utah.

Dated this __ day of _____, 2007.

Respectfully submitted,

Central Telcom Services, LLC

Stanley K. Stoll
Blackburn & Stoll, LC
Attorneys for Applicant

LIST OF EXHIBITS

- | | |
|-----------|---|
| EXHIBIT A | Certificate of Existence in Utah |
| EXHIBIT B | Managerial and Technical Qualifications |
| EXHIBIT C | Chart of Accounts |
| EXHIBIT D | Financial Statements of Central Telcom Services, LLC
[CONFIDENTIAL] |
| EXHIBIT E | Letter of Eddie L. Cox, President and General Manager in Support of
Financial Statements |
| EXHIBIT F | Financial Statements of Lynch Telephone Corporation X
[CONFIDENTIAL] |
| EXHIBIT G | Five-Year Projection of Expected Operations [CONFIDENTIAL] |
| EXHIBIT H | Evidence of Certification in Other Jurisdictions |

STATE OF UTAH)

: ss.

COUNTY OF SANPETE)

I, Eddie L. Cox, being first duly sworn upon oath, deposes and says:

That he is the Manager of Central Telcom Services, LLC, and as such, he is authorized to make this verification for and on behalf of said limited liability company. That he has read the foregoing Application and knows the contents thereof, that the same is true of his own knowledge except as to matters therein stated on information and belief, and as to those matters, he believes them to be true.

Eddie L. Cox

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2007.

Notary Public

EXHIBIT A

CERTIFICATE OF EXISTENCE

EXHIBIT B

SUMMARY OF APPLICANT'S TECHNICAL AND MANAGEMENT TEAM

CONFIDENTIAL EXHIBIT C

CHART OF ACCOUNTS

CONFIDENTIAL--SUBJECT TO PROTECTIVE ORDER IN DOCKET NO. 07-____-01

CONFIDENTIAL EXHIBIT D

**FINANCIAL STATEMENTS OF CENTRAL TELCOM SERVICES, LLC
DECEMBER 31, 2005**

CONFIDENTIAL--SUBJECT TO PROTECTIVE ORDER IN DOCKET NO. 07-____-01

EXHIBIT E

LETTER FROM EDDIE L. COX AS TO FINANCIAL STATEMENTS

CONFIDENTIAL EXHIBIT F

**FINANCIAL STATEMENTS OF LYNCH TELEPHONE CORPORATION X
(September 2006)**

CONFIDENTIAL--SUBJECT TO PROTECTIVE ORDER IN DOCKET NO. 05-2461-01

CONFIDENTIAL EXHIBIT G

FIVE-YEAR PROJECTION OF EXPECTED OPERATIONS

CONFIDENTIAL--SUBJECT TO PROTECTIVE ORDER IN DOCKET NO. 05-2461-01

EXHIBIT H

EVIDENCE OF CERTIFICATION IN OTHER JURISDICTIONS