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Division of Public Utilities

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*Director, Division of Public Utilities*

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**TO:** PUBLIC SERVICE COMMISSION OF UTAH

**FROM:** DIVISION OF PUBLIC UTILITIES  
Philip J. Powlick, Division Director  
William Duncan, Manager, Telecommunications & Water Section  
Shauna Benvegna-Springer, Utility Analyst

**DATE:** July 2, 2008

**SUBJECT:** In the Matter of the Application of South Central Communications Telcom Service, LLC, for a Certificate of Public Convenience and Necessity to Provide Facilities-Based Local Exchange Service Within the State of Utah

**RE:** Docket Number 08-2495-01

**RECOMMENDATION: APPROVE**

The Division has reviewed the technical, managerial, and financial abilities of South Central Communications – Telcom Services, LLC (“Applicant” or “SCC”) and has found that the Applicant has provided the necessary information to fulfill the requirements as stated in the existing Commission rule R746-349-3. The Division believes that the public interest will be promoted by recommending approval of the Applicant’s request for a Certificate of Public Convenience and Necessity (CPCN) as requested under the same terms and conditions as allowed in other CPCN applications.

The Division also recommends that the Commission waive the \$100,000 bond requirement on the basis that the Applicant will not require customer deposits or prepayments of any kind.

The Division further recommends that the certificate be limited to local exchanges with more than 5,000 access lines that are owned or controlled by incumbent local exchange carriers (“ILECs”) with more than 30,000 access lines. Rural ILECs have not objected to this application because they would not be affected unless the Applicant intended to serve in their territories. If the Applicant decides to serve in the rural ILECs’ territory, a hearing may be necessary before the Commission, pursuant to Section 251(f)(1) of the Telecommunications Act of 1996.

**SUMMARY:**

On May 2, 2008, the Applicant filed an application for a CPCN to operate as a provider of facilities-based local exchange telecommunications service in the State of Utah. The Applicant is not requesting 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 (ILEC) with fewer than 30,000 access lines within the state. The Applicant is a Utah limited liability company as of January 29, 2008 and a wholly owned subsidiary of South Central Utah Telephone Association, Inc., (Parent) which provides local exchange services throughout southern Utah.

***Proposed Service Area:***

SCC Telcom plans to provide service in all areas within the Qwest service areas in Utah. Since the Applicant has not yet completed its facilities construction plans for Utah, the exact locations have not been determined.

***Proposed Service Offerings:***

SCC Telcom's service offerings will include all forms of local exchange public telecommunications services on a facilities-based and a resale basis. They will include but are not limited to basic local exchanges services, access to ordinary intraLATA and interLATA message toll calling, operator services, customer calling features, directory assistance, directory listings, and emergency services such as 911 and E911. SCC Telcom plans to initiate interconnection negotiations with Qwest within one year from the date of this filing.

***Current Areas of Telecommunications Operations:***

SCC Telcom is not certificated in any other jurisdiction, nor has it been denied any requested certification in any jurisdiction. The Parent company currently operates in Beaver, Wayne, Sevier, Piute, Garfield, Kane, Iron and Washington counties within the State of Utah and is subject to the jurisdiction of the Public Service Commission of Utah.

***Managerial & Technical Expertise:***

Summaries of the professional experience and education of its managerial personnel demonstrate that SCC Telcom has considerable technical and managerial experience in the telecommunications industry.

***Financial Analysis:***

SCC Telcom is a start up company and as such has financial backing and support from the Parent. The Parent company has provided a Letter of Guarantee for the financial obligations of SCC Telcom (see attached). The Parent has sufficient cash flow to meet the cash needs of the subsidiary.

***Complaint Analysis:***

SCC Telcom has no pending complaints or investigations in the areas where they are planning to operate, nor have they ever, since they do not have approval to operate in any other jurisdiction.

***Waivers:***

SCC Telcom requests that the \$100,000 bond requirement be waived because it will not require customer deposits or prepayments of any kind.

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