



State of Utah
Department of Commerce
Division of Public Utilities

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Governor
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Lieutenant Governor

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: December 21, 2009

Re: In the Matter of the Application of Greenfly Networks, Inc. dba Clearfly Communications, for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Telecommunications Service within the State of Utah Docket No. 09-2519-01.

RECOMMENDATION:

The Division has reviewed the technical, managerial, and financial abilities of the Applicant and has found that the Applicant has provided the necessary information to fulfill the requirements as stated in the existing Commission rules. The Division believes that the public interest will be promoted by recommending that the Commission allow the Applicant a CPCN as requested under the same terms and conditions allowed in other CPCNs. The Division also recommends that the \$100,000 bond be waived on the basis that the Applicant will not require customer deposits or prepayments of any kind.

EXPLANATION:

Greenfly Networks, Inc. dba Clearfly Communications ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on December 03, 2009. The Division reviewed the application and found the following:

The Applicant seeks statewide authority except within exchange areas with less than 5,000 access lines that are owned or controlled by an ILEC with fewer than 30,000 total access lines in accordance with Utah Code Ann. 5 54-8b-2.1 (3) and (4). Specifically, The Applicant seeks authority as a reseller and facilities-based provider of interexchange and local exchange services in the service areas of Qwest Communications Inc. and any other existing or future LECs providing service in Utah.

According to financial statements attested to be accurate, objective and with integrity by Steven Bentley, CFO, of Clearly Communications, the Applicant has a positive net worth and has ample working capital.

The Applicant plans to initially deliver services through a resale agreement with Qwest Communications and 360 Networks Inc. of Seattle, WA. As the size of its customer base in Utah grows, The Applicant plans to deploy its own facilities in a select number of Qwest Communications markets through its interconnect Agreement with Qwest within a period of 2-3 years, while continuing to provide services on a resell basis in the remaining markets.

The Applicant claims that it has never had any complaints nor has any investigation been undertaken against it or any of its affiliates involving unauthorized switching (slamming) or any other illegal activities. The Applicant also states that it has implemented policies and procedures concerning solicitation of new customers. These policies require that customers sign a contract authorizing the Applicant to provide telecommunications services.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicant has considerable experience in the telecommunications industry. The Applicant is currently authorized to provide local exchange telecommunications services in Montana, Washington, North Dakota and Oregon. The Company also states that they currently have registrations pending in Arizona, Idaho, South Dakota and Wyoming.

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

The Applicant asserts that approval of its application will serve the public interest creating and enhancing competition and expanding customer service options. Additionally, the approval of this application will expand the availability of innovative, high quality, reliable and competitively-priced telecommunications services in the State of Utah.

cc: Mauro Calvi, CEO, Clearly Communications
Michael Ginsberg, Assistant Attorney General