



GARY HERBERT.
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State of Utah

Department of Commerce

Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

THAD LEVAR
Interim Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Thad Levar, Interim Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: December 29, 2010

Re: In the Matter of the Application of Crexendo Business Solutions, Inc., 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. 10-2532-01.

RECOMMENDATION: (Approval)

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.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

Crexendo Business Solutions, Inc. ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on December 16, 2010. 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 Jeff Korn, CFO, of Crexendo Business Solutions, Inc., the Applicant has a positive net worth and has ample working capital.

The Applicant does not currently own property in the State of Utah and does not plan to construct any facilities in the state. Should the Applicant decide to install facilities in the State of Utah, Applicant is willing to provide detailed maps of proposed locations of facilities including a description of the specific facilities and services to be deployed at each location when the Applicant submits its first price list prior to beginning service in Utah. The Applicant will initially be providing resold local exchange service, and will utilize unbundled network elements, to provide local service in the State of Utah.

The Applicant intends to commence negotiations with Qwest Communications for an interconnection/commercial agreement immediately upon receiving approval from the Public Service Commission of Utah to operate as a local exchange telecommunications service provider in the State of Utah.

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 Alabama, California, District of Columbia, Florida, Georgia, Idaho, Indiana, Iowa, Illinois, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington, West Virginia, Wisconsin 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: Jeff Korn, CFO, Crexendo Business Solutions, Inc.
Patricia Schmid, Assistant Attorney General, State of Utah