

GARY HEBERT Governor SPENCER J. COX Lieutenant Governor

State of Utah Department of Commerce Division of Public Utilities

FRANCINE GIANI Executive Director THOMAS BRADY Deputy Director CHRIS PARKER Director, Division of Public Utilities

MEMORANDUM

- To: Public Service Commission
- From: Division of Public Utilities Chris Parker, Director Bill Duncan, Telecommunications / Water Manager Ron Slusher, Utility Technical Consultant
- Date: April 11, 2014
- **Re:** In the Matter of the Application of TDS Metrocom, LLC for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services in the State of Utah, Docket No.14-2571-01.

RECOMMENDATION (Approve):

The Division has reviewed the technical, managerial, and financial abilities of TDS Metrocom, LLC and has found that they have 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 TDS Metrocom, LLC 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:

On or about March 19, 2014, TDS Metrocom, LLC ("TDS Metrocom or Applicant") filed an application for a certificate of public convenience and necessity ("CPCN"). The Division reviewed the application and found the following:



TDS Metrocom, LLC is a wholly-owned subsidiary of TDS Telecommunications Corp., which is a wholly-owned subsidiary of Telephone & Data Systems. TDS Metrocom registered foreign corporation within the State of Utah; with its corporate headquarters located at 525 Junction Road, Madison, WI 53717. A copy of TDS Metrocom's Certificate of Formation and Good Standing Certificate were attached to their application.

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 local exchange services in the service areas of CenturyLink Communications, Inc. and any other existing or future LECs providing service in Utah.

The Applicant intends to provide a full range of telecommunications services to business and residential customers in the incumbent, CenturyLink exchanges statewide in Utah, consistent with the exchange maps CenturyLink has on file with the Commission.

The Applicant does not plan to construct any facilities in the state. TDS Metrocom's existing management team will handle the Utah operations from its office in Wisconsin. The company will provide facilities-based telecommunications services by using a combination of the company's own switching and transport facilities and through agreements with other carriers.

The Applicant intends to commence negotiations with CenturyLink 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.

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

According to financial statements attested to be accurate, objective and with integrity by Joel P. Dohmeier, Vice President, of TDS Metrocom, LLC. the Applicant has a positive net worth and has ample working capital.

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 is currently authorized to provide local exchange telecommunications services in Illinois, Indiana, Michigan, Minnesota, New York, Ohio, and Wisconsin.

The Applicant has stated that "On November 15, 2012, TDS Telecommunications Corporation entered into a Consent Decree (DA 12-1832) with the Federal Communications Commission regarding an investigation of TDS Telecom's compliance with Section 222(c)(1) of the Communications Act of 1934, as amended and Section 64.2007 of the Commission's Rules. The Consent Decree applies to TDS Metrocom, a wholly-owned subsidiary of TDS Telecommunications Corporation. The Company made a voluntary contribution to the US Treasury and has implemented a compliance plan. This was a self-reported finding, which

indicated that some customers may have received unwanted product advertisements. At no time did any proprietary customer information become disclosed. Moreover, the Company received no customer complaints related to this oversight".

The Applicant also states that it has implemented anti-slamming measures in place and routinely uses third-party verification ("3PV") to verify carrier change requests in accordance with federal and state requirements.

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: Joel P. Dohmeier, Vice President, TDS Metrocom, LLC
Brain W. Burnett, Attorney / Counsel for TDS Metrocom
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah