



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Casey J. Coleman, Utility Technical Consultant

Date: November 12, 2014

Re: In the Matter of the Application of New Horizons Communication Corp. for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services in the State of Utah, Docket No. 14-2574-02.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the New Horizons Communication Corp. 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 Public Service Commission (“Commission”) allow New Horizons Communication Corp. a certificate of public convenience and necessity (“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. Further, as demonstrated by its financial statements, the Applicant has the financial resources to cover other liabilities to telecommunications customers.

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 October 22, 2014, New Horizons Communication Corp. (“New Horizons” or “Applicant”) filed an application for a certificate of public convenience and necessity (“CPCN”). The Division reviewed the application and found the following:

New Horizons Communication Corp. is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 420 Bedford Street, Ste 250, Lexington, Massachusetts 02420.

New Horizons is affiliated with NHC Resources, Inc.

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 seeks state wide authority so that it may expand the service area of other future or existing LECs when they become open to competition.

The Applicant does not plan to construct any facilities in the state. New Horizons intends to offer local exchange telecommunications services to business customers in the state of Utah. To serve those business customers, New Horizons will utilize a combination of its own facilities, unbundled network elements (UNEs) or UNE-replacement services from incumbent local exchange carriers (ILECs) and other ILEC-provided services to provide local exchange services in Utah.

Applicant proposes to begin providing resold local exchange and interexchange services as soon as practicable following the Commission’s approval of Applicant’s CPCN.

Applicant will provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services through interconnection with CenturyLink. New Horizons has existing interconnection and commercial agreements with Qwest and will seek to add Utah to those agreements.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicant has considerable experience in the telecommunications industry. The Applicant’s Utah operations will be directed by its management team located at its headquarters in Lexington, Massachusetts.

According to financial statements attested to be accurate, objective and with integrity by Forman, Itzowitz, Berenson, and LaGreca the Applicant has a positive net worth and has ample working capital.

Applicant respectfully requests a waiver of the requirement for proof of a bond in the amount of \$100,000, as Utah customers will not be required to make a service deposit. Further, as demonstrated by its financial statements, Applicant has the financial resources to cover other liabilities to telecommunications customers.

New Horizons has extensive experience in providing telecommunications services, and is authorized to provide local exchange and interexchange services in Alabama, Arkansas, California, Colorado, Connecticut, Washington D.C., Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. Applicant is authorized to provide only interexchange services Kansas, South Dakota, and Utah. Applicant is a reseller of long distance service in Utah as of October 27, 2006.

The Division verified that the Applicant has never had complaints filed against it within the state of Utah and is unaware of any state or federal commission proceedings regarding the unauthorized switching of a customer's telecommunications provider and the act of charging customers for services that have not been ordered. Applicant states that they will comply with all applicable laws and regulations to prevent the unauthorized switching of local service customers by the Applicant, its employees or agents.

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: Glen Nelson, Vice President, New Horizons Communication Corp.
Lance J.M. Steinhart, Attorney, New Horizons Communication Corp.
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah