

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of)	<u>DOCKET NO.02-2342-01</u>
LIGHTSOURCE TELECOM I,)	
LLC)	<u>REPORT AND ORDER AUTHORIZING</u>
)	<u>TERMINATION OF SERVICE AND</u>
)	<u>CANCELLATION OF CERTIFICATE NO. 2342</u>

ISSUED: March 22, 2002

SYNOPSIS

The Commission hereby approves LightSource's proposed termination of service on April 1, 2002 and cancellation of LightSource's Certificate of Convenience and Necessity No. 2342, subject to certain conditions. This order shall not be effective until April 1, 2002, but will automatically become effective on April 1, 2002, absent meritorious protest.

By The Commission:

PROCEDURAL HISTORY

On February 28, 2002, LightSource Telecom, LLC and its wholly-owned subsidiary LightSource Telecom I, LLC (collectively, "LightSource") notified Qwest Corporation ("Qwest") and the Division of Public Utilities ("Division") of its intent to terminate public telecommunications service in Utah by March 31, 2002. LightSource represented that such action was necessary because LightSource was unable to continue business operations in Utah. LightSource requested that Qwest, as the incumbent local exchange carrier, take over LightSource's customers and the facilities used to provide service to them. The Division encouraged Qwest to attempt to take over the customers of LightSource as quickly as possible so that telephone service to the customers of LightSource would not be interrupted.

Qwest indicated a willingness to cooperate in attempting to assure that customers were not out of service; however, as it began to investigate the matter it expressed reservations with respect to several issues. Qwest's reservations centered around issues of allowing LightSource's customers to choose their new provider from all local exchange carriers ("LECs"), LightSource's compliance with Federal Communications Commission ("FCC") regulations and compatibility and encumbrances of LightSource's facilities. Investigation of these issues and others by Qwest and the Division indicated that LightSource was reselling service of XO Utah, Inc. ("XO") through a combination of trunks purchased by XO from Qwest and LightSource's own facilities to approximately 142 customers in Riverton, Utah. The customers were in single family homes, apartments and condominiums and included two business customers located in a model home in the development. The Division contacted XO and was advised that XO was not able to serve the affected customers at this time. Qwest determined that it could serve LightSource customers in single family homes through its own facilities. On March 18, 2002, Qwest was able to inspect some of LightSource's facilities and determined that it could serve LightSource's remaining customers in an apartment building and condominium building by cross connecting to LightSource's connector block in LightSource's wire center. Qwest also determined that it cannot provide Digital Subscriber Line ("DSL") service to any of LightSource's customers because the high-speed Internet access service provided by LightSource to certain of its customers is provided in a different manner than Qwest provides DSL service and is not compatible with its network. Qwest had questions regarding ownership, rights and possible security interests in LightSource's wire center, the real property on which it was located and its other facilities.

On March 19, 2002, LightSource filed a Petition Requesting Order with the Commission. The Petition requested that the Commission enter an order (i) authorizing LightSource to cease providing resold and facilities-based

telecommunications service, (ii) canceling LightSource's certificate and (iii) directing Qwest to provide telecommunications service to LightSource's customers beginning April 1, 2002. The Petition represented that LightSource cannot continue to provide resold and facilities-based telecommunications services to its customers after March 31, 2002 and that it had exhausted all possibilities for having another competitive LEC take over service to its customers.

On March 19, 2002, a meeting was held at which representatives of the Commission, Division, LightSource, and Qwest were present in person or by telephone. LightSource represented that it believed its Petition would be uncontested. It further represented that it had contacted all potential LECs that could provide service to its customers and that none was interested in doing so. It also represented that on March 19, 2002 it had filed an application with the FCC under 47 C.F.R. § 63.71 to terminate service. It represented that it had not provided notice to its customers because it could not formally identify the name of the new provider and a date for the transition of service from LightSource to the new provider. LightSource represented that it could not continue business operations in Utah after March 31, 2002. It represented that none of its creditors held a valid security interest in any of its facilities in Utah, that it owned the building known as its wire center free and clear of any liens, that the building was located on an easement provided by the developer of the property in whose development its customers were located, and that it would not be filing bankruptcy. LightSource also represented that it had entered into a creditor composition agreement containing a release of claims which provided assurances that the facilities in Utah would remain unencumbered. LightSource did disclose that a company which had installed cable in public utility easements in Utah was threatening to file a mechanic's lien, but represented that it was LightSource's position that such a filing, if made, would be invalid under Utah Code Ann. § 38-1-1.

The Division reported that it had reviewed price lists on file with the Commission and that no LEC except Qwest offered residential local service in the area in which LightSource's customers were located. In light of the foregoing, the Commission determined that it would be futile to attempt to compile a list of LECs willing and able to provide service to LightSource's customers. Accordingly, the Commission inquired whether Qwest was willing to provide service to LightSource's customers by April 1, 2002. Qwest stated that it was willing to attempt to do so if the Commission so ordered, subject to the terms and conditions of its tariff and subject to promptly receiving necessary information from LightSource. LightSource committed to provide the information promptly. In addition, Qwest expressed concern about possible complaints from customers regarding slamming and complaints from other carriers that they did not have an opportunity to serve the affected customers. The Commission stated that it was willing to enter an order with respect to these customers granting Qwest an exemption from statutes and regulations regarding slamming and providing that it had determined that it was in the public interest for Qwest to provide service to these customers without providing them another choice in the circumstances. Qwest advised the Commission that it would not be able to provide high speed Internet access through DSL or otherwise to the customers at this time. The Commission stated that it was primarily interested in assuring that these customers had basic telephone service and that this was acceptable. Qwest expressed concern about its ability to install service to customers by April 1, 2002, given that notice to customers would not be given until March 22, 2002, and that Qwest would have difficulty incorporating the information necessary to take and implement customer orders by April 1, 2002. The Commission assured Qwest that it would only order that Qwest act in good faith to attempt to provide service as quickly as reasonable and that it would make allowances for any held orders incurred in transferring customers to Qwest or associated service quality issues. Qwest was concerned that its extraordinary efforts to expedite orders for service for LightSource's customers might be used as a basis to claim that it was not providing wholesale service on a parity with retail service. The Commission assured Qwest that it would not deem wholesale service to not be on a parity with retail service as a result of this circumstance.

It was agreed that LightSource would send a notification to its customers that it intended to cease providing telecommunications services to them on April 1, 2002. It was agreed that the notice should include information required by Qwest. It was agreed that this matter was likely to be uncontested and, therefore, that the Commission could issue a tentative order under Utah Admin. Code R746-110. Because of the urgency of this matter, it was agreed that the order could be made effective in less than 20 days subject to any meritorious protest.

DISCUSSION

This is the first time the Commission has addressed issues of the sort raised by LightSource's petition. The

Commission's primary interest is in assuring that telephone service to LightSource's customers not be interrupted. In addition, the Commission is interested in encouraging competition in the local exchange market and in providing LightSource's customers with choice as to their telecommunications provider. The Commission desires to allow LightSource the ability to exit the market as quickly and with as little burden as is possible consistent with the foregoing interests in order to minimize exit burdens which could prevent competitive LECs from entering the market in the first place; however, the Commission does not wish to impose any undue obligations on any LEC undertaking service to LightSource's customers.

In consultation with the Division, LightSource, and Qwest and in light of the fact that no LEC other than Qwest is ready, willing and able to provide local voice service to LightSource's customers at this time, the Commission does not find it necessary or practical to take the time to notify LECs of the opportunity to serve and to allow customers an extended period to order service from an alternate provider. In other circumstances, the Commission believes this procedure should be followed. Given the extraordinary nature of this matter, the Commission recognizes that it must provide assurances to Qwest and LightSource that they will not be exposed to slamming complaints and assurances to Qwest that it will not be exposed to complaints of competitors, service quality complaints regarding held orders and other issues associated with the transfer of customers and claims of lack of parity as a result of its good faith efforts to quickly implement service to LightSource's customers.

In order to facilitate the expeditious transfer of customers from LightSource to Qwest, Qwest should begin to provide service to customers as soon as it is able to do so even if that date is earlier than April 1, 2002. Both as a result of potential earlier transfers and because the Commission has no information about customer deposits or the periods for which LightSource's customers may have prepaid for their services, LightSource should be required to provide a credit to its customers for any period of service for which they have paid but which is not provided by LightSource and for customer deposits. The procedures set forth in this Order are necessary to assure that customer credits are returned to them.

The Commission has been forced by the exigencies of this situation to adopt procedures tailored to the circumstances. The Commission does not intend by doing so to set a precedent for future situations. The Commission would prefer a more orderly procedure in which a LEC exiting the market provided notice of its intention to its customers with a list of all LECs certificated to provide service sufficiently in advance of the date the LEC intends to cease providing service to allow the customers an opportunity to select the LEC of their choice and to allow the LEC chosen to install service in accordance with its normal procedures.

Because the Commission does not anticipate this matter being contested, this Order is issued pursuant to R746-110 of the Commission's Rules. In addition, there is good cause to shorten the 20-day tentative period because of the need to quickly transition LightSource's customers to another provider to allow LightSource to cease operations.

FINDINGS OF FACT

1. LightSource Telecom, LLC is a telephone corporation, as defined by Utah law, certificated by this Commission to provide resold and facilities-based interexchange and local exchange service to business and residential customers in areas served by Qwest within the state of Utah.
2. LightSource Telecom I, LLC is an Ohio-domiciled limited liability company qualified to do business in Utah. It is a wholly-owned subsidiary of LightSource Telecom, LLC.
3. LightSource represents that it provides public telecommunications services to approximately 140 residential and 2 business customers in Riverton, Utah. The customers are located in a development including single family homes, apartments and condominiums.
4. LightSource represents that it is the owner of certain facilities utilized to provide service to its customers in Utah and that it can transfer title to facilities that Qwest has identified it will use in service to LightSource's customers to Qwest free of liens and encumbrances. LightSource represents that it will transfer title to these facilities to Qwest in consideration of being authorized to terminate service to its customers and of avoiding liability for fines if it terminates service to its customers without obtaining authority from the Commission to do so. LightSource also represents that the

facilities would have little, if any, salvage value.

5. LightSource represents that it is compelled to exit the Utah market and to cease business operations in Utah by March 31, 2002.

6. Because of the manner in which LightSource is providing service to its customers, it is not practical to allow a reseller initially to take over service to LightSource's customers. Therefore, it is appropriate to limit initial transfer of LightSource's customers to facilities-based providers subject to the right of any carrier thereafter to resell the services of such facilities-based providers.

7. Qwest is the only LEC that is ready, willing and able to provide local exchange service to LightSource's customers. Therefore, any effort to notify LECs of the opportunity to serve LightSource's customers and to give LightSource's customers an opportunity to choose between various LECs would be futile.

8. It is imperative that LightSource promptly provide information and documentation to Qwest regarding the precise location of its facilities, ownership of the real property on which its wire center is located, the easement pursuant to which it has located the wire center on the property, documentation on which Qwest can reasonably rely in determining that the facilities are not encumbered and will not be encumbered as a result of actions that LightSource may take in the future and customer information, including the name, address and telephone number of each customer, the services purchased by the customer and the precise facilities used to serve the customer. This order is conditional on LightSource's compliance with its commitment to provide this information to Qwest promptly.

9. It is in the public interest for Qwest to take over service to LightSource's customers as rapidly as possible. Accordingly, Qwest and LightSource should be exempted from the requirements of Utah Code Ann. § 54-8b-18 and Utah Admin. Code R746-349-5 with respect to changing service providers for these customers. In addition, it is not appropriate to expose Qwest to claims that it has acted in an unlawful or anticompetitive manner as a result of soliciting LightSource's customers or undertaking service to them should they fail to contact Qwest. Qwest should not be penalized for held orders or be subjected to service quality complaints that result from this transfer. Qwest's extraordinary efforts to expedite orders of LightSource customers should not be considered as evidence that it has not provided parity between retail and wholesale services. It is appropriate that Qwest be authorized to waive nonrecurring charges associated with establishing service to LightSource customers that agree to a minimum term of service of one year and to charge nonrecurring charges to customers that are not willing to agree to a minimum term of service of one year. It is appropriate that if LightSource customers fail to contact Qwest by April 1, 2002, Qwest should be required to provide local exchange service to them on a month-to-month basis and charge them nonrecurring charges associated with establishing service. It is appropriate that if LightSource customers transitioned to month-to-month service because they have not contacted Qwest by April 1, contact Qwest by April 30, 2002 and enter into a service contract with a minimum term of one year, Qwest be authorized to waive or credit nonrecurring charges associated with establishing service to them. If Qwest does not receive information from LightSource clearly indicating customer elections with regard to local preferred interexchange carrier ("LPIC") and preferred interexchange carrier ("PIC"), Qwest be required to assign itself as LPIC for customers that do not contact it and to assign no PIC to such customers until they contact Qwest with their own elections.

10. It is in the public interest and is necessary to avoid interruption of service to LightSource's customers for LightSource to provide customer information to Qwest in this circumstance. Neither LightSource nor Qwest should be deemed to have misused customer proprietary network information as a result of complying with this Order.

11. It is in the public interest for Qwest to provide service to LightSource's customers as soon as possible. Therefore, if Qwest is able to provide service to any customer of LightSource prior to April 1, 2002, it may do so. Service by LightSource will be deemed terminated at the time Qwest commences providing service to the customer.

12. It is in the public interest for LightSource to transfer title to such of its facilities in Utah identified by Qwest and to assign LightSource's interests in easements or contracts used to provide service to LightSource's customers in Utah to Qwest free and clear of liens and encumbrances. The Commission finds that such facilities, easements, and contracts are necessary for the public use of providing public telecommunications services.

13. It is in the public interest for LightSource to provide credits to its customers for any period of service for which they have paid in advance and during which LightSource is not providing service and for any customer deposit not appropriately applied by LightSource in payment for services provided by LightSource. LightSource should be required to immediately refund the credit balance to the customer. LightSource should be required to file a report with the Division by April 10, 2002, of any credit balances on the accounts of its customers as of the termination of service by LightSource. Credits on customer accounts should be deemed to be customer deposits secured by the bond LightSource posted to secure customer deposits. The bond of LightSource should not be released until the Division is satisfied that it has complied with its obligations with respect to customer deposits.

14. In balancing the interests of LightSource's customers, customers, competitors and the state in competition, LightSource and Qwest, the Commission finds that the procedures and requirements provided in this Order are in the public interest and are just and reasonable.

15. Given the urgency associated with this matter and the likelihood that this matter will be uncontested, this matter may be adjudicated informally under Rule R746-100. In addition, good cause exists to shorten the 20-day period for effectiveness of orders under that rule and to make this Order effective on April 1, 2002 absent meritorious protest.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction of the Petition pursuant to Utah Code Ann. §§ 54-3-1 and 54-4-1.
2. It is in the public interest to grant LightSource authority to terminate service in Utah and to cancel LightSource's certificate, subject to the procedures and conditions specified in this Order.
3. It is in the public interest to relieve Qwest and LightSource of the requirements of Utah Code Ann. § 54-8b-18 and Utah Admin. Code R746-349-5 with respect to changing service providers of LightSource's customers, to excuse Qwest from claims that it has acted in an unlawful or anticompetitive manner as a result of soliciting LightSource's customers or undertaking service to them if they fail to contact Qwest, to excuse Qwest from claims and penalties associated with held orders or other service quality issues that arise as a result of the transfer of LightSource customers to Qwest and not to find that Qwest has failed to provide parity between retail and wholesale services as a result of its extraordinary efforts to expedite orders of LightSource customers.
4. The facilities, easements, and contracts of LightSource being transferred to Qwest are necessary for the public use of providing public telecommunications services.
5. Provision by LightSource to Qwest of customer information is necessary, appropriate and in the public interest in these circumstances and should not be regarded as improper use of customer proprietary information by LightSource or Qwest.
6. Given LightSource's representation that this matter is likely to be uncontested, this matter may be adjudicated informally under Utah Admin. Code R746-110.
7. Good cause exists to shorten the 20-day period before which orders issued under Utah Admin. Code R746-110 become effective and to make the Order effective on April 1, 2002 absent meritorious protest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. LightSource is authorized to cease providing resold and facilities-based telecommunications services to its customers in Utah effective April 1, 2002.
2. Certificate No. 2342 issued to LightSource is cancelled effective on the date LightSource ceases to provide resold and facilities-based telecommunications services in Utah.

3. The two foregoing ordering paragraphs are expressly conditional upon LightSource's prompt and adequate compliance with the following obligations. To the extent Qwest is unable to provide service to LightSource's customers as a result of any failure of LightSource to promptly and adequately comply with the following obligations, LightSource shall continue to provide service to its customers in Utah until it has fully complied with the following obligations and Qwest is able to provide service to its customers:

a. LightSource shall promptly provide information and documentation to Qwest regarding the precise location of its facilities, ownership of the real property on which its wire center is located, the easement pursuant to which it has located the wire center on the property, documentation on which Qwest can reasonably rely in determining that these facilities are not encumbered and will not be encumbered as a result of actions that LightSource may take in the future; and customer information, including the name, address and telephone number of each customer, the services purchased by the customer and the precise facilities used to serve each customer.

b. Not later than March 22, 2002, LightSource shall deliver a notice to its customers that it intends to cease providing telecommunications services to them on April 1, 2002. The notice shall be in the form attached as Exhibit A to this Order.

c. LightSource shall transfer title to such of its facilities and assign its interests in easements or contracts used to provide service to its customers in Utah identified and requested by Qwest to Qwest in a form and in a manner reasonably acceptable to Qwest and LightSource on or before April 1, 2002.

4. Qwest is ordered to accept and solicit orders from LightSource's customers and to provide service to LightSource customers not contacting Qwest by April 1, 2002, in order to provide local exchange service to LightSource's customers in Utah. In engaging in these activities:

a. Qwest and LightSource are granted an exemption from Utah Code Ann. § 54-8b-18 and Utah Admin. Code R746-349-5 with respect to changing service providers of LightSource's customers.

b. Qwest shall waive nonrecurring charges associated with establishment of service for customers who contract to receive service from Qwest for a minimum term of one year and shall charge nonrecurring charges to customers that do not agree to such a minimum term. This waiver shall also apply to customers for whom month-to-month service is established because they did not contact Qwest by April 1, 2002, if such customers contract to receive service from Qwest for a minimum term of one year prior to April 30, 2002.

c. Qwest shall be excused from claims that it has acted in an unlawful or anticompetitive manner as a result of soliciting LightSource's customers or providing service to them should they fail to contact Qwest.

d. Qwest shall be excused from claims arising regarding held orders or retail service quality arising as a result of the transfer of LightSource's customers to Qwest.

e. Qwest shall not be deemed to have failed to provide parity between retail and wholesale services as a result of its extraordinary efforts to expedite orders of LightSource customers.

5. Nothing in this Order shall be deemed to require Qwest to provide services (e.g., DSL) other than local exchange service and intraLATA toll service to any customer of LightSource.

6. Provision by LightSource to Qwest of customer information as required by this Order shall not be regarded as improper use of customer proprietary network information by either LightSource or Qwest.

7. Any customer election regarding intraLATA or interLATA long distance service provided by LightSource to Qwest shall remain in effect following the transfer of the customer to Qwest unless the customer specifically requests that Qwest change the provider of such service. Notwithstanding the foregoing, any freeze on the customer's account as a customer of LightSource shall be null and void with respect to customers transferred to Qwest who do not contact Qwest by April 1, 2002 with respect to local exchange service and intraLATA long distance service.

8. If Qwest is able to commence service to a customer of LightSource prior to April 1, 2002, it may do so. LightSource shall be deemed to have terminated service to the customer at such time as Qwest commences service to the customer. Unless Qwest is able to commence service to a customer of LightSource prior to April 1, 2002, LightSource shall continue to provide local exchange service to its customers until April 1, 2002.

9. LightSource shall credit its customers with any advance payment made for services for a period after which LightSource terminates service to the customer and for any customer deposit not appropriately applied by LightSource to pay for services provided by LightSource. LightSource shall promptly refund the credit to the customer. In addition, LightSource shall file a report with the Division by April 10, 2002, indicating the credit balance on each customer account at the time LightSource terminated service to the customer. LightSource shall provide evidence to the Division that it has refunded credit balances to customers entitled to receive them. Any credit balance on a customer's account shall be deemed to be a customer deposit secured by the bond posted by LightSource to secure customer deposits. LightSource's bond to secure customer deposits shall not be released until the Division is satisfied that LightSource has complied with its obligations under this paragraph.

10. This Order is issued pursuant to Utah Admin. Code R746-110. The Commission having found good cause to waive the 20-day tentative period, this Order shall become effective automatically on April 1, 2002 absent meritorious protest.

11. Any person aggrieved by this Order should file a protest on or before April 1, 2002, stating the reasons why this Order should not become effective. If the Commission finds merit in such a protest or wishes to further consider such protest, it may delay the effectiveness of this Order.

12. Any person aggrieved by this Order after it becomes effective may file a written request for review or reconsideration in accordance with Utah Code Ann. §§ 54-7-15, 63-46b-12 and 63-46b-13. Failure to do so, may deprive the party of the right to seek judicial review of this Order.

DATED at Salt Lake City, Utah, this 22nd day of March, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard,
Commission Secretary

G#28736

March 20, 2002

Customer Name

Address

City State Zip

RE: Discontinuation of Service by LightSource Telecom, LLC

Dear LightSource Customer:

Based on its financial inability to provide telecommunications services, LightSource Telecom LLC (LightSource) has asked the Public Service Commission of Utah (PSC) and the Federal Communications Commission (FCC) for approval to discontinue offering telephone service in your area

effective April 1, 2002. Pending regulatory approval, local voice service, in-state long distance service, interstate long distance service and high-speed Internet access service will not be available through LightSource after April 1, 2002.

LightSource has contacted all companies that might provide local voice service and has also consulted with the PSC and the Utah Division of Public Utilities about alternate providers. No competitive local exchange providers are willing to provide local voice service to your area at this time. Therefore, Qwest Corporation (Qwest) will be the only company providing local voice service in your area on April 1, 2002. This service will be available according to the standard terms in Qwest's tariffs on file with the PSC. To enable you to have a smooth transition in local voice service, the PSC has ordered LightSource to provide information on your account to Qwest. Please be reminded that you are still obligated to pay in full any outstanding LightSource bills that remain unpaid.

As a result of LightSource's decision to discontinue voice service, you should immediately transition your local voice service to Qwest. You will also have the opportunity to subscribe to the in-state and interstate long distance provider(s) of your choice. Qwest is not authorized to provide interstate long distance service. You will be allowed to retain your current telephone number(s) or you can be assigned a new telephone number(s) by Qwest. If you elect to retain your current telephone number(s), Qwest will make every effort to have your number(s) transferred promptly.

Please note: Qwest will attempt in good faith to install service to you by not later than April 1, 2002. However, the later you contact Qwest, the less likely it is that Qwest will be able to do so. Therefore, you should contact Qwest as soon as possible to attempt to avoid any interruption in your service.

Please also note: Qwest currently does not offer high-speed Internet access service in your area.

Please follow these simple steps to transition your local voice service to Qwest:

- Contact a Qwest customer service representative at 888-352-9985 between the hours of 7:00 a.m. and 7:00 p.m. Mountain Standard Time Monday through Friday or 10:00 a.m. through 2:00 p.m. Mountain Standard Time on Saturday. Please be prepared to discuss the features you wish to include in your local voice service and any selection you wish to make for in-state and interstate long distance providers. Also, please be prepared to discuss whether you wish to retain your current telephone number(s). If you contact Qwest by April 1, 2002 and contract with Qwest for local voice service for a minimum period of one year, the PSC has authorized Qwest to waive one-time charges associated with establishing service. If you are not willing to contract for a minimum of one year, you will be required to pay one-time charges.
- The PSC has authorized Qwest to contact you to determine if you wish to establish a customer account with Qwest. If you are contacted by a Qwest customer service representative, you will need to advise Qwest whether you want Qwest to provide service. If you want service from Qwest, you will need to provide customer information to establish an account with Qwest and make selections regarding features and in-state and interstate long distance service providers.
- If you have not contacted Qwest and Qwest has been unable to reach you by April 1, 2002, the PSC has ordered Qwest to provide basic local voice service to you on a month-to-month basis. You will be required to pay the standard one-time charges associated with establishing service. Unless LightSource provides Qwest with your prior selection of in-state and interstate long distance providers, the Commission has ordered that you will be provided in-state long distance by Qwest and that no interstate long distance provider will be assigned to your account. If LightSource provides Qwest with your prior selection for in-state or interstate long distance service providers other than LightSource, your selections will continue to be honored.
- ***Please note: If you do not wish to have local voice service and in-state long distance service from Qwest, you must contact Qwest by April 1, 2002, or you will be charged for service through the date you terminate service and for the one-time charges associated with establishing service.***
- ***Up until April 30, 2002, if your service was transitioned to a month-by-month service arrangement because you did not contact Qwest, you may contact Qwest and opt into Qwest's offer to waive one-time charges by contracting for a minimum of one year. If you do so, Qwest will credit your account in the amount of the one-time charges previously billed.***
- If you have any questions about LightSource's decision to discontinue providing service, please contact LightSource at 866-578-7556.

You may transition your service to Qwest prior to April 1, 2002, if Qwest is able to install service to you prior to that time. You will receive a credit from LightSource on your next bill for any period of service for which you prepaid but was not provided by LightSource.

The PSC anticipates at this time that LightSource's request will be uncontested. Therefore, it does not anticipate holding a hearing on LightSource's proposed actions. If you wish to object to LightSource's request, you must file a written protest with the PSC not later than April 1, 2002, stating the reasons you object to the request. You may file a protest with the PSC in person or by mail at Public Service Commission of Utah, 400 Heber M. Wells Building, 160 East 300 South, P.O. Box 45585, Salt Lake City, Utah 84145-0585 or by electronic mail at jfstevens@state.ut.us, referencing LightSource Petition - Docket No. 02-2342-01. If a meritorious protest is received and the PSC decides to hold a hearing, it will decide what

actions, if any, are allowed following the hearing. Members of the public may attend any hearing and make a sworn or unsworn statement about the proposed action even if they did not submit a written protest. If you have any question regarding the foregoing PSC procedures, please contact the PSC at 801-530-6716.

The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communications Commission, Washington, DC 20554, referencing the 63.71 Application of LightSource Telecom LLC. Comments should include specific information about the impact of this proposed discontinuance of service upon you or your company, including any inability to acquire reasonable substitute service.

We encourage you to act now to ensure that your local voice, in state long distance and interstate long distance services are not disrupted. If you have not contacted Qwest or Qwest has not contacted you by April 1, 2002, your local voice service will be transferred to Qwest and you will be obligated to pay Qwest for at least one month of service, for one-time charges associated with establishing service and for additional charges thereafter if you fail to disconnect the service.

Thank you for choosing LightSource service. It has been our privilege to provide this service to you. We regret that LightSource is not able to continue to provide service to you and any inconvenience this may have caused.

Very truly yours,

LightSource Telecom, LLC

Reminder: Last date of LightSource Telecom LLC service is April 1, 2002.