



State of Utah
Department of Commerce
Division of Public Utilities

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July 1, 2004

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Irene Rees, Director
Ingo Henningsen, Manager, Telecommunications
Judith Hooper, Technical Consultant
Bart Croxford, Utility Analyst

Re: Application of CommPartners, LLC for a certificate authorizing it to provide local exchange services in Docket No. 04-2429-01

CommPartners, LLC ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on May 3, 2004. The Division reviewed the application and found the following:

The Applicant plans to operate as a provider of resold and facilities-based, switched and dedicated local exchange and facilities-based interexchange telecommunications services in Utah within the Qwest local exchange areas (see Attachment).

According to financial statements attested to be accurate, objective, with integrity, and according to generally accepted accounting principles by Daniel St. John, Vice President of Finance, the Applicant has a positive net worth and sufficient working capital. The Applicant's five-year projection of operations also shows that it should have sufficient cash to fund operations.

The Applicant claims that it has had no formal complaints nor has any investigation been undertaken against it or any of its affiliates for unauthorized switching (slamming) or any other illegal activities. It will prevent unauthorized switching of customers by obtaining a signed letter of authorization from all new customers and will comply with Utah law and the FCC's regulations regarding how interexchange carriers may change a consumer's primary interexchange carrier or local exchange provider.

Summaries of professional experience and education of its managerial personnel indicate that the Applicant has considerable experience in the telecommunications industry. It is currently authorized to provide local exchange service in Kentucky, Hawaii, Nevada, Pennsylvania, and Montana and has not been rejected in any state in which it has applied.

The Applicant states that, prior to or concurrent with the filing of any tariff provision relating to the collection of customer deposits, it will file proof of a bond in the amount of \$100,000 to protect customer deposits and other liabilities.

The Applicant asserts that approval of its application will serve the public interest by “creating greater competition in the local exchange marketplace, and the high-speed data market in particular.”

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. It 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.

Although it is not an issue at the present time, the Division further recommends that the certificate be limited to local exchanges with more than 5,000 access lines that are owned or controlled by ILECs with more than 30,000 access lines. Rural ILECs have not objected to this application because they would not be affected unless the Applicant intended to serve in their territories. If the Applicant decides to serve in the rural ILECs’ territory, a hearing may be necessary before the Commission, pursuant to Section 251(f)(1) of the Telecommunications Act of 1996.

Attachment

cc: Kristopher E. Twomey, Law Office of Kristopher E. Twomey
Stephen Mecham, Callister, Nebeker & McCullough
Division of Public Utilities
Michael Ginsberg, Assistant Attorney General
Committee of Consumer Services