



State of Utah
Department of Commerce
Division of Public Utilities

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October 29, 2008

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Philip J. Powlick, Director
Bill Duncan, Manager, Telecommunications
Casey J. Coleman, Technical Consultant

Re: Application of Momentum Telecom, Inc. for a certificate authorizing it to provide local exchange services in Docket No. 08-2496-01

Recommendation (approve):

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. 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.

Issues:

Momentum Telecom, Inc. ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on April 30, 2008. The Division reviewed the application and found the following:

Although the original application requested the ability to serve in rural incumbent local exchange carriers ("ILECs") service territory, the second amended application filed October 6, 2008 and additional correspondence filed with the Commission October 13, 2008 clarified the intent of the Applicant to serve only in Qwest 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.

The Applicant plans to operate as a provider of resold and facilities-based local exchange and interexchange telecommunications services throughout Utah excluding those exchanges with

fewer than 5,000 access lines and served by incumbent local exchange carriers with fewer than 30,000 access lines.

According to financial statements attested to be accurate, objective and with integrity by Dennis E. Lipford, Chief Financial Officer, the Applicant has a positive net worth and has ample working capital.

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. It 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. It is currently authorized to provide local exchange service in Alabama, Arkansas, Florida, Georgia, Kentucky, Illinois, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Wisconsin, with applications pending in Indiana, Missouri, and Texas.

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 “by providing customers with choices of services and competitive rates. Applicant’s entry into the Utah Local exchange marketplace will benefit the public by increasing competition among existing carriers, which results in lowered costs and improved services.”

cc: Michael Ginsberg, Assistant Attorney General
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