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State of Utah
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Division of Public Utilities

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January 21, 2009

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

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

Re: In the Matter of the Application of TeleQuality Communications, Inc., for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Intrastate Interexchange and Non-Switched Local Exchange Telecommunications Service Within the State of Utah Docket No. 08-2500-01

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:

TeleQuality Communications, Inc. ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on August 4, 2008. The Division reviewed the application and found the following:

The Applicant plans to operate as a provider of resold and facilities-based intrastate interexchange and non-switched local exchange 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 Jeff Reynolds, President, 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 Georgia, California, Missouri, and Washington.

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 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: Michael Ginsberg, Assistant Attorney General
James M. Smith, Davis Wright Tremaine LLP
Jeff Reynolds, President TeleQuality Communications, Inc.