



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: April 26, 2010

Re: Agreement filing in the Matter of the Interconnection Agreement between Citizens Telecommunications Company of Utah, Inc. d/b/a Frontier Communications of Utah and BullsEye Telecom, Inc. per Docket No.10-2218-01

RECOMMENDATION (Acknowledgement):

The Division recommends that the Commission acknowledge the receipt of this Interconnection Agreement between Citizens Telecommunications Company of Utah, Inc. d/b/a Frontier Communications of Utah and BullsEye Telecom for the Moab Exchange only.

EXPLANATION:

On March 23, 2010, Citizens Telecommunications Company of Utah, Inc., d/b/a Frontier Communications of Utah ("Frontier") filed the Interconnection Agreement per the above-referenced docket in accordance with § 54-8b-2.2(1) (d) of the *Utah Code*. This Agreement had been fully executed through voluntary negotiations on March 3, 2010 with BullsEye Telecom, Inc. ("BullsEye"). BullsEye's Certificate of Public Convenience and Necessity was approved by the Commission on November 19, 2003 in Docket No. 03-2413-01 to provide Competitive Local Exchange Carrier service within the State of Utah except for local exchanges with fewer than 5,000 access lines that are owned or controlled by an incumbent local telephone corporation with fewer than 30,000 access lines. BullsEye has filed an annual report with the Division every year since 2006 and has a current pricelist on file.

Because this interconnection agreement is between a CLEC and an ILEC serving a rural part of Utah, the Division has reviewed the annual reports of Frontier to make sure that the area in question, the Moab exchange, falls within the Competitive Entry rule, 54-8b-2.1(3)(c) of the Utah Code. It appears that under these guidelines, Frontier has shown that the required number

of access lines to allow competitive entry into the area has been met. The Division has reviewed the Annual Reports filings of both companies and find them to be viable telecommunication businesses and both companies collect and pay into the USF as required by state law.

A similar case was before the Commission under docket number 07-2476-01, The Application of Bresnan Broadband of Utah, LLC (“Bresnan”) for a Certificate of Public Convenience and Necessity (“CPCN”) to Operate as a Competitive Local Exchange Carrier in Utah. In this docket, Bresnan applied for and was eventually granted a CPCN in the rural exchange of Vernal Utah. In testimony filed in that docket, the Division stated “that the customers in Vernal will benefit from having a competitor offering telecommunications services. Some of those benefits include reduced costs, better service quality, and increased choice. In the Report and Order issued for the docket the Commission stated that “The record clearly demonstrates customers in the Vernal exchange would have available to them a telephone product and land line telephone service choice that they currently do not enjoy. They may also benefit from the lower prices, increased technological innovation, and improved customer service and service quality typically produced by the introduction of competition into the marketplace. The Commission therefore concludes that in the present docket the public interest is served by the competitive choice Bresnan’s presence in the Vernal Exchange will bring to the marketplace and to Utah consumers”

With the acknowledgement of this interconnection agreement between these companies the Division feels the customers in the Moab exchange will receive the benefit of having additional telecommunication service providers in the area, thereby keeping their rates as low as possible and potentially advancing technological growth for the customers.

In summary the Division has made a full review the above-mentioned Agreement between Frontier and BullsEye and sees no reason to reject it. Specifically, the Division believes that the Agreement was negotiated in good faith and without unfair discrimination. Both parties also recognize that, to the extent that the existing rules are changed, vacated, dismissed, stayed or modified, this Agreement and all contracts adopting all or part of this Agreement will be amended to reflect such modification or change of the existing rules. Therefore, the Division recommends that the Commission acknowledge the receipt of this Interconnection Agreement in the Moab Exchange.

cc: Curt Huttzell, Manager – Government and External Affairs, Frontier Communications, Inc.
Stephen Levan, VP Carrier Sales and Services, Citizens Telecommunications Company of Utah, Inc
William H. Oberlin, CEO, BullsEye Telecom, Inc.
Michael Ginsberg, Assistant Attorney General, State of Utah