



State of Utah
Department of Commerce
Division of Public Utilities

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Governor
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Lieutenant Governor

MEMORANDUM

To: Public Service Commission

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

Date: August 12, 2010

Re: In the Matter of the Application of McGraw Communications, Inc, for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Telecommunications Service within the State of Utah Docket No. 10-2524-01.

RECOMMENDATION: (Approval)

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. The Division 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.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

McGraw Communications, Inc. ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on July 28, 2010. The Division reviewed the application and found the following:

The Applicant seeks statewide authority except within exchange areas with less than 5,000 access lines that are owned or controlled by an ILEC with fewer than 30,000 total access lines in accordance with Utah Code Ann. 5 54-8b-2.1 (3) and (4). Specifically, The Applicant seeks authority as a reseller

and facilities-based provider of interexchange and local exchange services in the service areas of Qwest Communications Inc. and any other existing or future LECs providing service in Utah.

The Applicant currently has no facilities nor have they yet reached an interconnection or resale agreement with any incumbent local exchange carrier in Utah. They intend to offer basic local exchange services, custom calling features, and interexchange toll services, including toll free services, to business and enterprise customers. Facilities-based local exchange service will be provided via commercial wholesale agreement with incumbents. Applicant intends to commence negotiations with Qwest Communications for an interconnection/commercial agreement immediately upon receiving approval from the Public Service Commission of Utah to operate as a local exchange telecommunications service provider in the State of Utah.

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. The Applicant also states that it has implemented policies and procedures concerning solicitation of new customers and is willing to abide by and comply with Commission Rule R746-349-5.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicant has considerable experience in the telecommunications industry. The Applicant is currently authorized to provide local exchange telecommunications services in California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Indiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, North Carolina, New Hampshire, New Jersey, Nevada, New York, Ohio, Oregon, Pennsylvania, Rhode island, Texas, Virginia, and Washington. The Applicant also states that they not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority.

According to financial statements attested to be accurate, objective and with integrity by Francis X. Ahearn, President, of McGraw Communications, Inc., the Applicant has a positive net worth and has ample working capital. 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: Harry N. Malone, Devine, Millimet & Branch, P.A.
Francis X. Ahearn, President, McGraw Communications, Inc.,
Michael Ginsberg, Assistant Attorney General, State of Utah