



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

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

Date: March 30, 2011

Re: In the Matter of the Application of GC Pivotal, LLC, 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. 11-2539-01.

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:

GC Pivotal, LLC ("Applicant") filed an application for a certificate of public convenience and necessity ("CPCN") on March 14, 2011. The Division reviewed the application and found the following:

GC Pivotal, LLC is incorporated in the State of Delaware and is in good standing under the laws of that state. The Applicant was incorporated on May 20, 2010 as GC Pivotal, LLC. The Applicant is authorized to do business as a foreign Limited Liability Company in the State of Utah.

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. § 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.

Upon initiation of service in Utah, the Applicant proposes to offer resold interexchange and local exchange services to business customers, utilizing the facilities of incumbent local exchange carriers and facilities-based carriers. The Applicant does not currently own property in the State of Utah and does not have any current plans to construct any facilities in the state.

The Applicant intends to commence providing local exchange service for business customers within 90 days of the approval of their application and intend negotiations with incumbent local exchange carriers for an interconnection/commercial agreement immediately upon receiving approval from the Public Service Commission to operate as a local exchange telecommunications service provider in the State of Utah.

The Applicant is in the process of applying for authorization to provide competitive local exchange and interexchange services in the 48 contiguous states and Hawaii. The Applicant states that they have not been denied authority for any of the services for which it seeks authority in this application.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicant has considerable experience in the telecommunications industry.

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. These policies require that customers sign a contract authorizing the Applicant to provide telecommunications services.

According to financial statements attested to be accurate, objective and with integrity by Richard Garner, Secretary and Treasurer, of GC Pivotal, LLC, the Applicant has a positive net worth and has ample working capital.

The Applicant has requested that the \$100,000 bond requirement be waived because they 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: Lance J.M. Steinhart, P.C., Counsel for GC Pivotal, LLC
Patricia Schmid, Attorney, State of Utah