

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: PREFERRED LONG DISTANCE, INC.	DOCKET NOS. TCU-05-3 TF-05-59 WRU-05-8-3791
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**ORDER GRANTING APPLICATION, APPROVING CONCURRENCE IN MAPS,
APPROVING TARIFF, GRANTING WAIVER, AND ISSUING CERTIFICATE**

(Issued April 4, 2005)

On February 25, 2005, Preferred Long Distance, Inc. (Preferred), filed an application with the Utilities Board (Board) for issuance of a certificate of public convenience and necessity pursuant to Iowa Code § 476.29, stating its intention to provide local exchange service in the exchanges currently served by Qwest Corporation (Qwest). The application has been identified as Docket No. TCU-05-3. Preferred has provided financial statements and the qualifications of its company officers and has stated it will support a 2-PIC dialing methodology for dialing parity. No objections to the application were received.

Also on February 25, 2005, Preferred filed a proposed local exchange tariff with the Board providing the terms, conditions, and rates for local exchange service in listed exchanges as defined in the exchange maps of Qwest. Revisions to the proposed tariff were filed on March 15, 2005. The proposed tariff and its revisions have been identified as TF-05-59.

Iowa Code § 476.29(2) provides that a local exchange carrier shall not be denied a certificate if the Board finds that the applicant "possesses the technical, financial, and managerial ability to provide the service it proposes to render and the Board finds the service is consistent with the public interest."

The Board has reviewed Preferred's application and finds the necessary technical, financial, and managerial ability to provide local exchange service has been demonstrated. Preferred has also filed a statement indicating that it commits to utilizing thousand-block number pooling (TBNP), even in areas where TBNP is voluntary, to the extent it is technically feasible to do so.

Preferred also states that its service area will mirror the service territories of exchanges and service area maps of Qwest as they are currently filed and may be modified in the future. Iowa Code § 476.29(4) requires that each certificate define the service territory in which landline local telephone service will be provided and authorizes the Board to promulgate rules establishing the requirements for filing maps showing the service territory. Subrule 199 IAC 22.20(3) requires that all utilities have maps on file with the Board that show exchange boundaries. The Board finds that Preferred has complied with the statutory and rule requirements by concurring in the exchange maps of Qwest.

Preferred requests the Board waive the requirements of 199 IAC 16.5(2), 18.2, and 22.3(1). The waiver request has been identified as Docket No. WRU-05-8-3791.

Preferred requests a waiver of 199 IAC 16.5(2), which requires the keeping of records according to the uniform system of accounts. Preferred states it will maintain its books in accordance with generally accepted accounting principles (GAAP). The Board finds this waiver should be granted, since records kept in accordance with GAAP accounting are acceptable for a competitive local exchange service provider.

Preferred also requests the requirements of 199 IAC 18.2 be waived. The rule requires that a regulated public utility keep its records in Iowa. The Board will grant the waiver based on Preferred's statement that it will make the records available to the Board upon request.

Preferred also requests a waiver of 199 IAC 22.3(1), requiring it to independently publish a directory. The Board will grant the waiver based on Preferred's statement that it will arrange for its customers to be included in the directories published in the areas it provides local exchange service.

Rule 199 IAC 1.3 states that the Board may grant waivers if it finds, based upon clear and convincing evidence, that the application of the rule would pose an undue hardship, the waiver would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver requests as described above and finds that the waiver meets the four criteria of the rule and the evidence in support of the waiver is clear and convincing.

Adherence to these rules would be an undue hardship on a competitive telecommunications company just beginning to do business in Iowa. It would be an undue hardship on Preferred because other competitive carriers have been granted similar waiver requests. The Board finds there are no substantial legal rights of any person that are affected by these waivers and there is no statute that specifically mandates the actions waived. Additionally, the Board finds that there will be substantially equal protection for the public health, safety, and welfare provided since the actions waived will be completed under different circumstances.

The Board has reviewed the proposed tariff filed on February 25, 2005, and the revisions filed on March 15, 2005, and finds that the revised tariff substantially complies with Board rules for the filing and processing of tariff pages. The tariff contains rates for both business and residential customers. Notice was provided to all affected carriers. The Board will approve the tariff effective the date of this order and issue Preferred a certificate of public convenience and necessity concurrent with this order.

IT IS THEREFORE ORDERED:

1. The application for a certificate of public convenience and necessity filed by Preferred Long Distance, Inc., on February 25, 2005, is granted.
2. The concurrence in the maps and boundaries of the exchanges of Qwest Corporation is approved.

3. The tariff filed by Preferred Long Distance, Inc., on February 25, 2005, and its revisions filed on March 15, 2005, identified as TF-05-59, is approved effective the date of this order.

4. The waiver of 199 IAC 16.5(2), 18.2, and 22.3(1), identified as Docket No. WRU-05-8-3791, is granted as described in this order.

5. A certificate, identified as Certificate No. 0291, is being issued to Preferred Long Distance, Inc., concurrently with this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 4th day of April, 2005.