

December 14, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Reply Comments of the Minnesota Department of Commerce**
Docket Nos. P6954, P6452/PA-15-893, P6954/NA-15-847

Dear Mr. Wolf:

Attached are the reply comments of the Minnesota Department of Commerce in the following matter:

The Join Application of LightEdge Solutions, Inc., LH Telecom, Inc. and Alliance Connect, LLC to Transfer assets and Customers, Docket No. P6954, P6452/PA-15-893.

The Application of Alliance Connect, LLC to obtain Commission approval to provide local resale and interexchange telecommunications services, Docket No. P6954/NA-15-847.

The Department recommends **modifications to the Commission Orders** and is available to answer any questions the Commission may have.

Sincerely,

/s/ BRUCE LINSCHIED
Financial Analyst

/s/ DIANE DIETZ
Rate Analyst

BL/DD/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE**

DOCKET Nos. P6954, P6452/PA-15-893, P6954/NA-15-847

I. BACKGROUND

On September 23, 2015, Alliance Connect, LLC filed a request to obtain Commission approval to provide interexchange and local resale telecommunications services.

On September 30, 2015, the Minnesota Department of Commerce (Department) received the application (Application) filed by LightEdge Solutions, Inc. (Seller), LH Telecom, Inc. (LH Telecom, and collectively with Seller, LightEdge), and Alliance Connect, LLC, (Buyer or Alliance Connect, and together with LightEdge, the Applicants) to the Minnesota Public Utilities Commission (Commission) for approval to transfer certain of LightEdge's telecommunications assets and Minnesota customer base to Buyer (the Transaction).

On October 21, 2015, the Department filed comments recommending approval of the application for new authority and the transfer of assets Transaction.

On October 30, 2015, the Commission issued its order granting conditional approval for Alliance Connect to provide local resale telecommunications services and operational authority to provide interexchange telecommunications services.

On November 2, 2015, the Department filed supplemental comments that amended its October 21, 2015 recommendation to change the requirement to file a 911 Plan from LH Telecom to Buyer and to take notice of the requirement to file a 911 plan, provide an account of any voice services either LightEdge or LH Telecom has provided, and collect and remit 911 fees for as long as voice services were provided.

On November 9, 2015, LightEdge filed reply comments clarifying the services provided by both LH Telecom and LightEdge and confirming that a 911 Plan is not required for either LH Telecom or LightEdge because LH Telecom solely provides circuits to LightEdge, and LightEdge is a nomadic Voice over Internet Protocol (VoIP) provider.

On November 19, 2015, the Department filed reply comments recommending that certain assets of LightEdge be transferred to Alliance Connect with the conditions, including an approved 911 Plan, ordered in Alliance Connect's application to provide local resale and interexchange telecommunications services in Docket No. 15-847.

On December 2, 2015, the Commission issued its Order in Docket No. 15-893 approving the transfer of certain LightEdge Minnesota assets and customers to Alliance Connect upon Alliance Connect's compliance with the conditions, including a 911 Plan, ordered in its application to provide operational local resale and interexchange services in Docket No. 15-847, as well as a number of additional conditions.

On December 7, 2015, Alliance Connect requested a modification to its certificate of authority to eliminate its obligation to obtain a 911 plan.

II. REPLY ANALYSIS- 911 Plans

In its November 19, 2015 Reply Comments in Docket No. 15-893, the Department stated that 911 Plan requirements apply to each of the Applicants as follows:

1. LH Telecom has authority to provide facilities based and resold local services in the form of high-speed data services on a point-to-point and frame relay basis, without a 911 plan.¹ LH Telecom has no end user customers and solely sells circuits to LightEdge.² LH Telecom thus complies with the limitations of its certificate of authority. No 911 Plan is required because LH Telecom solely sells high-speed data circuits to its parent. It does not furnish service enabling the origination of 911 emergency telephone calls to the public switched telephone network (PSTN) as described in Minn. Stat. § 403.11, subd. 1 (a).
2. LightEdge is a nomadic interconnected VoIP provider whose services have not been determined to be subject to the Commission's jurisdiction.
3. For the assets being purchased from LightEdge and LH, Buyer may not need a 911 Plan. The purchased assets provide either high-speed wholesale circuit services or nomadic interconnected VoIP services. However, Buyer has determined to proceed with an application for a 911 Plan as required for its new authority application in Docket No. 15-847, as well as for possible future business expansion.

The Department previously recommended that Alliance Connect must obtain a 911 Plan based on Alliance Connect's application for local resale authority. In Section II of its November 2, 2015 Supplemental Comments, the Department initially recommended that Buyer file a 911 Plan because of the possible voice services it was acquiring from LH

¹ Jaffray Communications, LLC first obtained conditional facilities based authority in Docket No. P5822/NA-99-1311 on December 29, 1999, and Origix Corporation obtained Commission approval for the transfer of Jaffray's authority in Docket No. P5822/PA-01-1088 on May 2, 2002. Origix Corporation obtained operational authority to provide facilities based and resold local services in the form of high-speed data services on a point-to-point and frame relay basis, without a 911 plan in Docket Nos. P5822/M-02-1918 and P6069,5822/PA-02-1499 on April 16, 2003. LH Telecom has authority to provide facilities based and resold local services in the form of high-speed data services on a point-to-point and frame relay basis without a 911 plan as a result of the acquisition of Origix Corporation in Docket No. P5822/PA-05-950 on February 2, 2006.

² November 9, 2015 Reply Comments of LightEdge, Docket No. 15-893.

Telecom. LH Telecom subsequently stated that it does not provide services that require a 911 Plan as described in Section II.1 of these comments. In its November 19, 2015 Reply Comments, the Department modified its recommendation related to 911 Plans to say that Buyer must obtain an approved 911 Plan to satisfy the requirement for its local resale service application in Docket No. 15-847.

Alliance Connect has submitted a proposed 911 Plan to the Minnesota Department of Public Safety (DPS). On December 7, 2015, counsel for Alliance Connect informed the Department that the DPS would not accept its 911 Plan without more investment than it was willing to make. Alliance Connect subsequently decided to request a modification to its certificate of authority to allow it to proceed with its acquisition without a requirement that it have an approved 911 Plan before commencing operations. Alliance Connect intends to provide nomadic VoIP services in Minnesota in substantially the same manner as is currently the case with respect to LightEdge. Alliance Connect has made a commitment that its voice services will be limited to nomadic VoIP. While the nomadic VOIP service currently provided by LightEdge is capable of making a 911 call, the Commission has not asserted jurisdiction over nomadic VoIP services. Based on the request of Alliance Connect and its representation that it will not provide fixed voice service without prior Commission approval, the Department recommends that the Commission's orders in Docket Nos. 15-847 and 15-893 be modified by removing the requirement for Alliance Connect to obtain an approved 911 Plan.

The requirement that Access Connect obtain Commission approval of interconnection agreements should also be removed as a condition for certification in Docket No. 15-847. The Department's November 19, 2015 Reply Comments in Docket No. 15-893 clarify that Alliance Connect will provide services to LightEdge's local customers utilizing LH Telecom's existing interconnection agreements. The requirement for Commission notice of the assignment has been accomplished by virtue of the Application in Docket No. 15-893. In addition, Alliance Connect submitted an agreement with LightEdge stating that LightEdge's interconnection agreements with CenturyLink will be assigned to Alliance Connect.

III. MODIFIED DEPARTMENT RECOMMENDATION

The Department recommends that the Commission modify its October 30, 2015 Order in Docket No. 15-847 to limit the operational authority of Alliance Connect, LLC to provide local niche or high-speed data services on a point-to-point and frame relay basis. By this limitation, the company can commence operations in Minnesota without the need for Commission approval of a 911 plan or additional interconnection agreements.

The Department recommends that the Commission modify its December 2, 2015 Order in Docket No. 15-893, approving the transfer of certain LightEdge Solutions, Inc.'s Minnesota assets and customers to Alliance Connect, LLC with the following compliance items:

Compliance requirements for Alliance Connect, LLC (Buyer):

- 1) Buyer has satisfied the requirement to notify the Commission of the assignment of LH Telecom, Inc.'s (LH Telecom's) interconnection agreements to Alliance Connect, LLC as described in the Application in this docket.
- 2) Buyer is responsible for reporting 2015 operations in its Jurisdictional Annual Report for the LH Telecom services it obtains from LightEdge after the closing date.
- 3) Buyer must file tariff updates within 30 days of the Transaction's closing to reflect the rates, terms and conditions of telecommunications services currently provided by LH Telecom.
- 4) Buyer (or Applicants) must file a notice of closing within 20 days of completion of the transaction, informing the Commission of any change in address and any other necessary changes to the Commission's records.
- 5) Buyer must receive Commission approval of a 911 plan before providing fixed voice services in Minnesota.

Compliance requirements for LH Telecom, Inc./LightEdge Solutions, Inc. (Seller):

- 1) LH Telecom has no Minnesota NXX codes and no codes are being transferred to Buyer in Minnesota. Therefore, there is no need to release or return NXX codes to the North American Numbering Plan Administration (NANPA).
- 2) There is no need for USAC to be notified given that Seller does not receive Universal Service Fund payments.
- 3) LightEdge will be responsible for filing a Jurisdictional Annual Report for any operations LH Telecom provides up to the closing date, as well as any wholesale services LH Telecom continues to provide after the closing date.
- 4) LH Telecom must relinquish its certificate of authority in a separate filing when it no longer needs its Minnesota authorizations for operational or billing purposes.
- 5) LightEdge will pay any unpaid regulatory obligations for any billings for services prior to LH Telecom's relinquishment of its authority.

/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Reply Comments**

Docket No. P6954,6452/PA-15-893 and P6954/NA-15-847

Dated this 14th day of December 2015

/s/Sharon Ferguson

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