

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
John Tuma
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

Peter J. Coyle
Larkin Hoffman, Ltd.
8300 Norman Center Drive, Suite 1000
Minneapolis, MN 55437-1060

SERVICE DATE: December 2, 2015

DOCKET NO. P-6954,P6452/PA-15-893

In the Matter of the Joint Application of LightEdge Solutions, Inc., LH Telecom, Inc., and Alliance Connect, LLC to Transfer Assets and Customers

The above entitled matter has been considered by the Commission and the following disposition made:

Approved the transfer of certain LightEdge Solutions, Inc.'s Minnesota assets and customers to Alliance Connect, LLC upon Alliance Connect, LLC's compliance with the conditions ordered in its application to provide operational local resale and interexchange services in Docket No. 15-847 and submission of the following compliance items.

Compliance requirements for Alliance Connect, LLC (Buyer):

- 1) Buyer must obtain an approved 911 Plan as a condition of its application for facilities based local telecommunications authority in Docket No. 15-847.**
- 2) Buyer is required to collect and remit 911 fees for any of their customers connected to the PSTN for whom 911 emergency telephone services are accessible.**
- 3) Buyer has satisfied the requirement to notify the Commission of the assignment of LH Telecom, Inc.'s (LH's) interconnection agreements to Alliance Connect, LLC as described in the Application in this docket.**
- 4) Buyer is responsible for reporting 2015 operations in its Jurisdictional Annual Report for the LH services it obtains from LightEdge after the closing date.**
- 5) 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.**
- 6) 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.**

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

- 1) LightEdge Solutions, Inc. (LightEdge) is required to collect and remit 911 fees for any of their customers connected to the PSTN for whom 911 emergency telephone services are accessible.**
- 2) LH has no Minnesota NXX codes and no codes are being transferred to Buyer in Minnesota. No need to release or return NXX codes to the North American Numbering Plan Administration (NANPA) is anticipated.**
- 3) USAC does not need to be notified because Seller does not receive Universal Service Fund payments.**
- 4) LightEdge will be responsible for filing a Jurisdictional Annual Report for any operations LH provides up to the closing date, as well as any wholesale services LH continues to provide after the closing date.**
- 5) LH must relinquish its certificate of authority in a separate application when it no longer needs its Minnesota authorizations for operational or billing purposes.**
- 6) LightEdge will pay any unpaid regulatory obligations for any billings for services prior to LH's relinquishment of its authority.**

This decision is issued by the Commission's consent calendar subcommittee, under a delegation of authority granted under Minn. Stat. § 216A.03, subd. 8 (a). Unless a party, a participant, or a Commissioner files an objection to this decision within ten days of receiving it, it will become the Order of the full Commission under Minn. Stat. § 216A.03, subd. 8 (b).

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

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AN EQUAL OPPORTUNITY EMPLOYER

November 19, 2015

Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St Paul Minnesota 55101-2147

RE: **Reply Comments of the Minnesota Department of Commerce**
Docket No. P6954, P6452/PA-15-893

Dear Mr. Wolf:

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

In the Matter of the Joint Application of LightEdge Solutions, Inc., LH Telecom, Inc., and Alliance Connect, LLC to Transfer Assets and Customers.

The petition was filed on October 5, 2015 by:

Peter J. Coyle
Larkin Hoffman, Ltd.
8300 Norman Center Drive, Suite 1000
Minneapolis, MN 55437-1060

The Department recommends approval and is available to answer any questions the Commission may have.

Sincerely,

/s/ BRUCE L. LINSCHIED
Financial Analyst

BLL/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

REPLY COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE

DOCKET NO. P6954, P6452/PA-15-893

I. BACKGROUND

On September 30, 2015, the Minnesota Department of Commerce (Department) received a copy of an application (Application) from LightEdge Solutions, Inc. (Seller), LH Telecom, Inc. (LH, and collectively with Seller, LightEdge), and Alliance Connect, LLC, (Buyer, 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 Transaction.

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 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 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 and LightEdge and confirming that a 911 Plan is not required for either LH or LightEdge because LH solely provides circuits to LightEdge, and LightEdge is a nomadic Voice over Internet Protocol (VoIP) provider.

II. REPLY ANALYSIS

A. 911 PLANS

In its November 2, 2015 supplemental comments, the Department reasoned that:

Buyer's intention to obtain a 911 plan for the customers it obtains from LH suggests that LH should have a 911 plan for any voice customers it continues to serve. In addition to a 911 plan, if LH has been serving voice customers, it should be required to provide an accounting of any voice services it has provided as well as collect and remit 911 fees for as long as voice services are being provided.

911 Plan requirements apply to each of the Applicants as follows:

1. LH 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 has no end user customers and solely sells circuits to LightEdge.² LH thus complies with the limitations of its certificate of authority. No 911 Plan is required because LH 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.

In Section II of its November 2, 2015 Supplemental Comments, the Department recommended that Buyer must file a 911 Plan because of the possible voice services it was acquiring from LH. LH subsequently stated that it does not provide services that require a 911 Plan as described in Section II.A.1 of these comments, and the Department modifies its recommendation related to 911

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 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.

Plans to say that must Buyer obtain an approved 911 Plan to satisfy the requirement for its local resale service application in Docket No. 15-847.

B. THE REQUIREMENTS TO ASSIGN INTERCONNECTION AGREEMENTS AND FILE 911, TAP AND TAM REPORTS

In addition to the modification for 911 Plan requirements, the Department modifies its recommendations regarding the assignment of interconnection agreements from LH to Buyer and the requirement to collect and remit 911, TAM and TAP fees.

1. The assignment of interconnection agreements-

The Applicants state that Buyer will provide services to Seller's local customers utilizing LH's existing interconnection agreements. The Department's October 21, 2015 comments recommended notification to the Commission of the assignment of interconnection agreements. The Department modifies its recommendation to clarify that the requirement for Commission notice of the assignment has been accomplished by virtue of the Application. The Buyer also submitted an agreement with the Seller stating that Seller's interconnection agreements with CenturyLink will be assigned to Buyer.³

2. The collection and remittance of 911 fees-

Although the Commission has not asserted jurisdiction over nomadic VoIP providers, as a provider of services capable of originating 911 emergency telephone calls, LightEdge is required to collect and remit 911 fees for any of its end user customers connected to the PSTN for whom 911 emergency telephone services are provided.⁴ Minn. Stat. § 403.11, subd. 1 (a) states that each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent. As the Buyer of LightEdge's assets, Alliance Connect has the same requirement. LH, however, which will continue to serve as a provider of high-speed, point-to-point circuits to

³ On November 17, 2015, Larkin Hoffman, Counsel for Buyer, submitted a November 13, 2015 agreement between Buyer and LightEdge whereby the interconnection agreement between CenturyLink and Seller is assigned to Buyer following the proposed Asset Purchase in the Application.

⁴ Minn. Stat. § 403,11, subd. 1 (a).

LightEdge, does not have customers connected to the PSTN and does not have this requirement.

3. The collection and remittance of TAP and TAM fees-

All three Applicants' services are exempt from TAP and TAM requirements under Minnesota's current regulatory scheme. LH's operations are limited to providing high-speed circuits to LightEdge. It does not provide local exchange service to end user customers. The Commission has not asserted jurisdiction over LightEdge's nomadic VoIP services. The LH and LightEdge services acquired by Buyer, therefore, have no TAP and TAM requirements.

V. MODIFIED DEPARTMENT RECOMMENDATION

Approve the transfer of certain LightEdge Solutions, Inc.'s Minnesota assets and customers to Alliance Connect, LLC upon Alliance Connect, LLC's compliance with the conditions ordered in its application to provide operational local resale and interexchange services in Docket No. 15-847 and submission of the following compliance items.

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- 6) LightEdge will pay any unpaid regulatory obligations for any billings for services prior to LH's relinquishment of its authority.

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