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May 12, 2017

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

RE: **Comments of the Minnesota Department of Commerce**
Docket No. P6402/RL-17-351

Dear Mr. Wolf:

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

The Petition of Budget PrePay, Inc. dba Budget Phone to Relinquish its Eligible Telecommunications Carrier (ETC) Status in Minnesota.

The petition was filed on May 4, 2017:

Gregory R. Merz
Gray, Plant, Mooty
500 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

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

Sincerely,

/s/ JOY GULLIKSON
Rate Analyst

/s/ DIANE DIETZ
Rates Analyst

JG/DD/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES**

DOCKET NO. P6402/RL-17-351

I. BACKGROUND

A. PROCEDURAL BACKGROUND

On May 4, 2017, Budget PrePay, Inc. dba Budget Phone (BPP) submitted a petition requesting that the Minnesota Public Utilities Commission (Commission) approve its request to relinquish its Eligible Telecommunications Carrier (ETC) designation in Minnesota.

B. HISTORICAL BACKGROUND

On February 25, 2005, the Commission approved the application of Budget Phone, Inc. for an operational certificate of authority to provide interexchange services and a conditional certificate of authority to provide facilities based and resold local services in Docket No. P6402/NA-04-1519. The conditions attached to the local certification were the filing of tariff revisions and the filing and receiving Commission approval of a 911 plan and interconnection agreements with Citizens Telecommunications of Minnesota, Inc., Qwest Corporation (now dba CenturyLink) and Sprint Minnesota (now Embarq Minnesota dba CenturyLink).

On July 9, 2007, the Commission approved the petition of Budget Phone, Inc. to change the name on its certificate of authority to Budget PrePay, Inc. dba Budget Phone in Docket No. P6402/M-07-802.

On April 30, 2008, the Commission approved the petition of BPP to relinquish its certificate of authority to provide facilities based and resold local exchange services in Docket No. P6402/M-08-353.

On January 18, 2013, the Commission approved the petition of BPP for designation as a non-rural wireless Eligible Telecommunications Carrier (ETC), with conditions, in the exchanges of Qwest Corporation dba CenturyLink in Docket No. P6402/M-11-976. On

February 19, 2013, BPP filed compliance tariffs. On May 2, 2013, BPP filed documentation showing that the Minnesota Department of Public Safety had certified that BPP's handsets were 911 and E911 compliant.

II. STATEMENT OF ISSUES

1. *Whether Budget Prepay, Inc. dba Budget Phone has fulfilled the requirements to relinquish its ETC status in Minnesota.*

III. DISCUSSION OF LAW

47 U.S.C. §214(e)(4) addresses relinquishments of ETC status and states:

Relinquishment of universal service: A State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall establish a time, not to exceed one year after the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) approves such relinquishment under this

paragraph, within which such purchase or construction shall be completed.

Minnesota Rule pt. 7812.1400, subp. 14 mirrors the federal requirements and states as follows:

Relinquishment of universal service: local service provider may relinquish its ETC designation and accompanying universal service obligations as provided in items A to C.

A. A local service provider seeking to relinquish its ETC designation shall file a petition with the commission, specifying the service area for which it seeks to relinquish its designation, its proposed timetable for relinquishing its designation, and the identity of the other ETCs serving the service area. The petition to relinquish must be served on the department, the OAG-RUD, and all other local service providers serving the area for which the petitioner seeks to relinquish its ETC designation.

B. The commission shall permit a local service provider to relinquish its ETC designation if at least one other ETC serves the area for which the relinquishment is sought.

C. The petitioning ETC shall continue to meet its ETC obligations for the entire area for which it seeks to relinquish those obligations until the date specified in the commission's order approving the relinquishment. The commission shall specify the date upon which the local service provider may discontinue service based on the ability of other ETCs to serve the relinquishing provider's customers as provided in section 102(a) of the act.

IV. ANALYSIS

BPP has filed a petition with the Commission, as required, specifying the service area for which it seeks to relinquish its ETC designation, and identifying the ILEC ETC that provides the nine supported services to customers throughout the service area. In the current case, the service area that is the subject of the proposed relinquishment is identical to the service area for which BPP was granted an ETC designation in Docket No. P6402/M-11-976.

BPP states that it currently has 200 Lifeline customers. BPP has a plan in place to notify its Lifeline customers of the proposed discontinuance of Lifeline service. In its petition, BPP requested a July 5, 2017 disconnection date. The notice will be sent via text message, which is the mechanism that BPP had historically used to communicate with its customers.

The May 4, 2017 petition included a copy of the proposed customer notice, which includes information on other Lifeline service providers and BPP's toll free customer service number. BPP points out that there are numerous carriers that have been designated as ETCs that offer Lifeline service in the service area of Qwest Corporation dba CenturyLink (i.e., the service area of BPP prior to relinquishing its certificate of authority in Docket No. P6402/M-11-976).

In its petition, BPP further states that, in partial fulfillment of the conditions established by the Commission in designating BPP as an ETC in Docket No. P6402/M-11-976, BPP filed an informational tariff describing BPP' Lifeline service. Current with the relinquishment of its ETC designation, BPP seeks to cancel its informational tariff.

Both federal and state law state "the commission shall permit a local service provider to relinquish its ETC designation if at least one other ETC serves the area for which the relinquishment is sought."¹ The service area for which BPP seeks to relinquish its ETC designation is served by the incumbent local exchange carrier – Qwest Corporation dba CenturyLink.

The Department therefore recommends that the Commission permit BPP to relinquish its ETC status and to cancel its informational tariff conditioned upon BPP submitting a follow-up report to inform the Commission of the status of its 200 Lifeline customers as of the requested July 5, 2017 disconnection date. While BPP has established a plan to inform its Lifeline customers of the proposed discontinuance of service, a follow-up report would provide information as to whether any issues arise in the discontinuance process.

V. COMMISSION ALTERNATIVES

1. Approve the petition of Budget PrePay, Inc. dba Budget Phone to relinquish its ETC status and to cancel its informational tariff conditioned upon BPP submitting a follow-up report to inform the Commission of the status of its 200 Lifeline customers as of the July 5, 2017 disconnection date.
2. Deny the petition of Budget PrePay, Inc. dba Budget Phone.

¹ USCS §214(e)(4); Minn. Rules pt. 7812.1400, subp. 14.

VI. RECOMMENDATION

The Department recommends Alternative Number 1, to approve the petition of Budget PrePay, Inc. dba Budget Phone to relinquish its ETC status and to cancel its informational tariff conditioned upon BPP submitting a follow-up report to inform the Commission of the status of its 200 Lifeline customers as of the July 5, 2017 disconnection date.

/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
Comments**

Docket No. P6402/RL-17-351

Dated this 12th day of May 2017

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	OFF_SL_17-351_RL-17-351
Jeffrey	Ansted	JAnsted@ambt.net	American Broadband and Telecommunications Company	One Seagate Toledo, OH 43604	Electronic Service	No	OFF_SL_17-351_RL-17-351
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