

DT 00-244

Z-TEL COMMUNICATIONS, INC.

**Petition for Authority to Provide
Local Telecommunications Services**

Order Nisi Granting Authorization

O R D E R N O. 23,753

July 30, 2001

On October 25, 2000, Z-Tel Communications, Inc. (Z-Tel) filed with the New Hampshire Public Utilities Commission (Commission) a petition for authority to provide switched and non-switched local exchange telecommunications services, pursuant to RSA 374:22-g.

Pursuant to Chapter 1300 of the Commission's regulations, an applicant's petition for certification shall be granted when the Commission finds that (1) all information listed in Puc 1304.02 has been provided to the Commission, (2) the applicant meets standards for financial resources, managerial qualifications, and technical competence, and (3) certification for the particular geographic area requested is in the public good.

The Commission Staff (Staff) has reviewed Z-Tel's petition for compliance with these standards. Staff reports that the company has provided all the information required by Puc 1304.02. The information provided supports Z-Tel's

assertion of financial resources, managerial qualifications, and technical competence sufficient to meet the standards set out in Puc 1304.01(b), (e), (f) and (g). Staff therefore recommends approval of Z-Tel as a New Hampshire CLEC.

Z-Tel has provided a sworn statement and request for waiver of the surety bond requirement in Puc 1304.02(b) stating that the Company does not require advance payments or deposits of its customers. Staff recommends granting the waiver.

Z-Tel has requested a waiver of requirements that Z-Tel maintain its financial records in conformance with the Uniform System of Accounts (USOA). As Commission rules do not specify a methodology of maintaining financial records, no waiver is necessary. Z-Tel must, regardless of the methodology used, maintain the ability to report annually all revenues earned in the state of New Hampshire.

We find that Z-Tel has satisfied the requirements of Puc 1304.01(a)(1) and (2). In addition, we find that certification of Z-Tel in its intended service area, coextensive with Verizon's current service area, is in the public good, thus meeting the requirement of Puc 1304.01(a)(3). In making this finding, as directed by RSA 374:22-g, we have considered the interests of competition,

fairness, economic efficiency, universal service, carrier of last resort, the incumbent's opportunity to realize a reasonable return on its investment and recovery by the incumbent of expenses incurred. This determination is further consistent with the Telecommunications Act of 1996 (TAct). Because Z-Tel has satisfied the requirements of Puc 1304.01(a), we will grant certification.

As part of its application, Z-Tel agreed to abide by Verizon's present and future rates for intraLATA switched access or to charge a lower rate. If, at any point, Z-Tel seeks to exceed Verizon's access rates it shall first contact the Staff and provide it with an opportunity to review the proposal. The Commission will monitor access rates as the intraLATA toll and local exchange markets develop. CLECs charging higher access rates than they, in turn, pay Verizon could inhibit intraLATA toll competition which would call into question Section 253 of the TAct.

We note that as new competitors enter the market, greater pressure is put on the 603 area code, so long as today's antiquated number assignment process remains in effect. Accordingly, we will require that Z-Tel request and use numbers responsibly and conservatively, and to join in exploring alternative mechanisms to use existing numbers as

efficiently as possible and thereby avert the need for a new area code. By granting this authority Z-Tel is required to comply with our orders on number conservation including Order No. 23,385 issued January 7, 2000 and Order No. 23,392 issued January 27, 2000 as well as further orders issued by the Commission concerning this matter.

Based upon the foregoing, it is hereby

ORDERED NISI, that Z-Tel's petition for authority to provide switched and non-switched intrastate local exchange telecommunications services in the service territory of Verizon, is GRANTED, subject, inter alia to the requirements of Puc 1304.03; and it is

FURTHER ORDERED, that Z-Tel Communications, Inc. is required to comply with our Order No. 23,385 issued January 7, 2000, Order No. 23,392 issued January 27, 2000, and further orders issued by the Commission concerning number conservation; and it is

FURTHER ORDERED, that request for waiver of the surety bond requirement per Puc 1304.02(b) is granted; and it is

FURTHER ORDERED, that the Petitioner shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation, such publication to be no

later than August 6, 2001 and to be documented by affidavit
filed with this office on or before August 13, 2001; and it is

FURTHER ORDERED, that all persons interested in responding to this Order Nisi shall submit their comments or file a written request for a hearing on this matter before the Commission no later than August 16, 2001; and it is

FURTHER ORDERED, that this Order Nisi shall be effective August 29, 2001, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Petitioner shall file, ten days prior to commencing service, a rate schedule including the name, description and price of each service, with the Commission in accordance with N.H. Admin. Rules, Puc 1304.03(b).

By order of the Public Utilities Commission of New Hampshire this thirtieth day of July, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary

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