

ORIGINAL



Public Service Commission

DATE: February 18, 1998
TO: Blanca Bayo, Director, Division of Records and Reporting
FROM: Division of Communications (Isler) *Dig*
RE: Docket No. 971599-TI

Attached are revised pages of Discount Utilities, LLC's application, along with Harbor Consulting Group Inc.'s cover letter. The attached revised pages replace those originally filed December 9, 1997. Let me know if you have any questions.

Attachments

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PISC-RECORDS/REPORTING

HARBOR CONSULTING GROUP INC.

REGULATORY CONSULTANTS

Mark Nyhus

4312 92ND AVENUE NORTHWEST
GIG HARBOR WASHINGTON 98335

TELEPHONE 253 266 3910
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E MAIL hcg@earthlink.com

VIA FACSIMILE & PRIORITY MAIL

10 February 1998

Ms. Paula Isler
Florida Public Service Commission
Division of Records and Reporting
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0872

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RE: Discount Utilities, LLC - Docket No. 971599-TI

Dear Ms. Isler:

Enclosed are an original and twelve (12) copies of Discount Utilities, LLC's responses to your request for clarification and modifications to the company's pending Application Original Authority to Provide Interexchange Telecommunications Services within the State of Florida in the above-referenced docket number.

With this filing, Discount Utilities, LLC makes the following changes to its application:

- (1) the street address of the company has been included in the response to questions 5 and 6 on page 2 of the application.
- (2) the response to question 16 has been modified to indicate that the company will only serve business and residential customers, and
- (3) pages 4 and 5 have been modified to reflect changes in the placement of the text.

Additionally, Discount Utilities, LLC makes the following clarification and changes to its proposed tariff:

- (1) the language and your interpretation of Section 2.5.3 on Original Sheet No. 14 are correct.

Ms. Paula Isler
10 February 1998

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- (2) the language related to 30 days' notice of cancellation of Section 2.8.1 on Original Sheet No. 15 has been deleted;
- (3) Section 2.8.3. on Original Sheet No. 15 has been modified to reflect the requested changes in the late-payment forgiveness policy;
- (4) the address of the Division of Consumer Affairs has been changed on Section 2.9.2.B. of Original Sheet No. 16;
- (5) the original Section 2.10.1. on Original Sheet No. 16 has been deleted;
- (6) Original Sheet No. 17 has been modified to reflect a change in numeration;
- (7) the call completion rate of Section 3.2 on Original Sheet No. 20 has been changed to 90 percent;
- (8) the reference to "[m]onthly service charges" has been deleted from Section 4.1 on Original Sheet No. 22;
- (9) a Section 4.1.3. on Original Sheet No. 22 has been added to indicate the company's directory assistance charges;
- (10) Section 4.2.1 on Original Sheet No. 23 has been modified to indicate that the company will provide up to 50 free directory assistance calls to persons with disabilities; and
- (11) Section 4.2.2. on Original Sheet No. 23 has been changed to reflect that the section only applies to "time of day rate plans."

Thank you for your assistance with this matter. Questions concerning this filing may be directed to me.

Sincerely,

for HARBOR CONSULTING GROUP INC



Mark Nybuis

Enclosures

cc Discount Utilities, LLC

Applicant's principal business address is:

P.O. Box 839
116 West Washington
Monticello, Indiana 47960

7. Applicant is a privately-held corporation organized under the laws of the State of Indiana on September 9, 1997. Applicant's Articles of Organization are submitted as **Exhibit A**

8. Not applicable.

9. (a) Proof from the Florida Secretary of State that the Applicant has authority to operate in Florida appears as **Exhibit B**.

(b) The name and address of the Applicant's Florida registered agent are:

Corporation Service Company
1201 Hays Street
Tallahassee, Florida 32301

(c)(1) No officers, directors or any of the ten largest shareholders have been adjudged bankrupt, mentally incompetent or found guilty of a felony or of any crime. No proceedings are pending against any officers, directors or shareholders that may result in such a finding.

(c)(2) No officers, directors or shareholders are, or have previously been, affiliated in any way with a Florida certified telephone company.

10. (a and c) Correspondence and communications concerning this Application and tariff should be directed to Applicant's regulatory consultant

Mr. Mark Nyhus
c/o HARBOR CONSULTING GROUP INC
P.O. Box 2461
4312 92nd Avenue N.W.
Gig Harbor, Washington 98335
Telephone: 253.265-3910
Facsimile: 253.265-3912

(b) Official Point of Contact for ongoing operations of the Applicant is:

Mr. Steve Brown
P.O. Box 839
Monticello, Indiana 47960
Telephone: 219.583.6560
Facsimile: 219.583.2153

(d) Customer complaints/inquiries should be directed to Applicant's customer service department at 800.868.8133.

11. (a through f) Applicant is authorized to operate as an interexchange carrier in Michigan. Applicant has an application pending for interexchange certification in Indiana. In no instance has Applicant been denied authority to operate, had regulatory penalties imposed or been involved in civil court proceedings with any telecommunications entity.

12. Applicant will not offer services to other certified telephone companies.

13. Applicant markets its services through in-house sales staff. Applicant does not engage in multi-level marketing.

14 and 15. Applicant's sales staff will be compensated as employees.

16. All customers will receive bills for Applicant's services. Applicant will only solicit its services to business and residential customers.

17. (a) Applicant's name will appear on its billing materials

(b) Applicant's will process its own billing

18. (a) The strength of Applicant's financial ability is demonstrated by Applicant's verified financial statement, which is attached as Exhibit H.

(b) A summary of Applicant's management experience is attached as Exhibit G

(c) Applicant's technical ability to provide service is entirely dependent on that of its underlying carrier.

19. Applicant's proposed tariff is attached hereto as **Exhibit C**

20. Applicant is a value-added, non-facilities-based provider of resold interexchange telecommunications services. Applicant proposes to provide resold outbound interexchange telecommunications services for the direct transmission and reception of voice and data between locations throughout the State of Florida, utilizing a flat rate structure.

Applicant's services will be available to subscribers twenty-four hours per day, seven days per week, at rates, terms and conditions established by Applicant. Applicant does not propose to offer alternative operator services. All network facilities are the property of, and controlled by, Applicant's underlying carrier. Applicant assumes full responsibility for marketing and sales, billing and customer service functions. Applicant seeks to provide long-distance services at rates that are competitive with those of other interexchange carriers providing interexchange service in the State of Florida. Rates, terms and conditions pertaining to Applicant's service appear in Applicant's tariff at **Exhibit C**.

21. For "1 Plus" long distance services, customers dial "1" plus the number to be called in order to complete a call. For "800" services, the caller simply dials the customer's assigned toll-free number.

22. Commission approval of the instant Application will bring the following long-term benefits to the public:

- (a) greater value to subscribers through lower-priced, better quality services;
- (b) innovative telecommunications services;
- (c) increased consumer choice in telecommunications service and alternative billing options;
- (d) efficient use of existing telecommunications resources, as well as increased diversification and reliability in the supply of telecommunications services; and
- (e) an additional tax revenue source for the State of Florida.

While providing its subscribers with cost advantages realized by the resale of communications services, Applicant's proposed service will necessarily utilize existing carrier network facilities more efficiently through increased usage and provide greater revenues for local exchange carriers through the purchase of additional access obtained through underlying carriers.

23. Applicant will comply with all the rules and regulations of the Commission and will respond to any Commission request for further information or evidence regarding Applicant's proposed services.

WHEREFORE, Discount Utilities, LLC respectfully requests that the Florida Public Service Commission grant to it Original Authority to operate as a reseller of telecommunications services within the State of Florida.

(Signature on Following Page)