

ISSUE DATE: July 22, 1996

DOCKET NO. P-5110/NA-96-430

ORDER GRANTING REQUEST FOR CERTIFICATE OF AUTHORITY

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs
Marshall Johnson
Dee Knaak
Don Storm

Chair
Commissioner
Commissioner
Commissioner

In the Matter of the Request of Cable TV
Fund 14-A, d/b/a Jones Intercable, for
Authority to Provide Private Line Service in
Minnesota

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PROCEDURAL HISTORY

On December 9, 1994, Lakedale Telephone Company (Lakedale) filed a formal complaint against Jones Intercable, Inc. (Jones or the Company), alleging that Jones was providing telephone service in Minnesota without Commission authority. The complaint was assigned to Docket No. P-5110/C-94-1139 (the 94-1139 Docket).

Lakedale is a local exchange company serving a number of exchanges, primarily in Wright County. Jones is a cable television operator with service franchises in several Minnesota counties, including Wright County. Jones provides private line service (also known as special access service) via five fiber optic cables to Wright-Hennepin Cooperative Electric Association (Wright-Hennepin). The private line service connects Wright-Hennepin's Maple Lake office with its Rockford office, located in the Twin Cities Metropolitan Calling Area. Before Jones began providing the private line service, a similar service was provided by Lakedale.

On April 18, 1996, Jones, now known as Cable TV Fund 14-A, d/b/a Jones Intercable, Ltd., filed an application for authority to provide non-switched telecommunications services to Wright-Hennepin. The application was assigned to the above-captioned docket.

On April 24, 1996, the Commission issued its ORDER TO CEASE UNAUTHORIZED PROVISION OF TELECOMMUNICATIONS SERVICE IN MINNESOTA in the 94-1139 Docket. In that Order the Commission found that Jones was providing Wright-Hennepin with private line/special access telephone service without the requisite Commission authority. The Commission directed Jones to cease providing telephone service until the Company obtained a certificate of authority from the Commission.

On May 6, 1996, Jones filed a report with the Commission, stating that it had ceased providing telephone service in Minnesota, pursuant to the Commission's Order.

On May 7, 1996, Jones filed a petition for reconsideration of the April 24, 1996 Order in the 94-1139 Order.

On May 20, 1996, the Department of Public Service (the Department) filed comments supporting Jones' request for a certificate of authority.

On July 2, 1996, the Jones request for a certificate of authority came before the Commission for consideration.

On July 22, 1996, the Commission issued its ORDER DENYING REQUEST FOR RECONSIDERATION AND CLOSING DOCKET in the 94-1139 Docket. In that Order the Commission denied Jones' request to reconsider the April 24 Order requiring a cessation of service. The Commission noted that Jones' request for a certificate of authority was before the Commission in this docket, and deferred questions of the Company's right to provide service on a going forward basis to this docket.

FINDINGS AND CONCLUSIONS

Minn. Stat. § 237.16, subd. 1 provides the requirements for a certificate of authority to provide new service:

No person shall provide telephone service in Minnesota without first obtaining a determination that the person possesses the technical, managerial, and financial resources to provide the proposed telephone services and a certificate of authority from the commission under terms and conditions the commission finds to be consistent with fair and reasonable competition, universal service, the provision of affordable telephone service at a quality consistent with commission rules, and the commission's rules.

In its comments, the Department stated that Jones possesses the requisite financial, technical, and managerial resources to obtain a certificate of authority. The Company's balance sheet shows adequate resources and the Company's income statement reflects an improved financial picture. Jones' general partner, Jones Intercable, Inc., owns and manages 55 cable television systems serving more than 1.3 million subscribers.

The Department stated that Jones' application also fulfills the public interest requirements of Minn. Stat. § 237.16, subd. 1. In lieu of tariffs, Jones submitted the Fiber Lease Agreement which governs its terms of service to its only customer, Wright-Hennepin. The Department reviewed the supporting cost information and found that Jones would recover its costs within approximately 3.25 years. Upon full review of the Fiber Lease Agreement, the Department stated that it has no concerns regarding the price of the service or the recovery of costs.

The Commission agrees with the Department that Jones' application fulfills the requirements for a certificate of authority under Minn. Stat. § 237.16, subd. 1. The Commission will grant

Jones' request for certification, with the requirement that Jones' service must comply with the rules to be promulgated by the Commission in its local competition rulemaking proceeding, Docket No. P-999/R-95-53. If Jones seeks to serve customers other than Wright-Hennepin in the future, to provide telephone services other than private line/special access to Wright-Hennepin, or to provide any telephone services in any other areas of the state, the Company must first obtain an amendment to its certificate of authority.

ORDER

1. The Commission grants Jones its request for a certificate of authority, with the requirement that Jones' service must comply with the rules to be promulgated by the Commission in its local competition rulemaking proceeding, Docket No. P-999/R-95-53.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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