

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer  
Marshall Johnson  
Ken Nickolai  
Phyllis A. Reha  
Gregory Scott

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Request of Blue Earth Valley Telephone Company, Runestone Telephone Company, and Lowry Telephone Company to Disconnect Service to OneStar Long Distance, Inc.

ISSUE DATE: February 9, 2004

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P-543,425/M-03-1671

ORDER PERMITTING DISCONTINUATION OF ACCESS SERVICES AND REQUIRING ONESTAR TO SHOW CAUSE

**PROCEDURAL HISTORY**

On August 19, 2003, Blue Earth Valley Telephone Company d/b/a BEVCOMM (Blue Earth), an incumbent local exchange carrier (ILEC) in Minnesota, filed a petition requesting authorization to discontinue the provision of access services to OneStar Long Distance, Inc. (OneStar), a telecommunications carrier providing long distance service in Minnesota. Blue Earth's request was based on OneStar's failure to pay to Blue Earth access charges owed between October 2001 and the date of the petition.

On October 17, 2003, Runestone Telephone Association (Runestone) and Lowry Telephone Company (Lowry), both ILECs, jointly filed a petition for authorization to disconnect OneStar. The request was based on OneStar's failure to pay access charges to Runestone and Lowry from January 1, 2003.

On November 25, 2003, the Department of Commerce (DOC) filed comments recommending that the Commission grant the petitions of Blue Earth, Runestone, and Lowry to disconnect the provision of access services to OneStar. Further, the DOC recommended that the Commission require OneStar to show cause why its certificate of authority to provide interexchange service in Minnesota should not be revoked for failure to pay access charges owed to ILECS in Minnesota.

OneStar did not respond to either petition.

This matter came before the Commission on January 29, 2004.

## FINDINGS AND CONCLUSIONS

### **I. Background**

OneStar is a long distance telecommunications reseller. It resells 1+, 800 and travel card services to residential and business customers. It incurs local access charges under the tariffs of the local exchange carriers that serve these customers and under the tariffs of the local exchange carriers that serve the persons to whom these customers place long distance calls.

### **II. Parties' Positions**

#### **A. Blue Earth**

Blue Earth stated that OneStar has numerous invoices for access services provided by Blue Earth dating back to October 2001 which are unpaid. As of August 15, 2003, OneStar had accrued \$59,536.02 in unpaid access charges.

On July 15, 2003, Blue Earth sent a certified letter to OneStar regarding its outstanding account. It gave 30 days notice that disconnection would occur unless payment was made by August 15, 2003. No payment was received.

#### **B. Runestone and Lowry**

Runestone and Lowry stated that OneStar purchases access services from them and has numerous invoices dating back to January 1, 2003, which are unpaid. As of October 16, 2003, OneStar had accrued \$1,726.15 in unpaid access charges with Runestone and \$141.13 in unpaid access charges with Lowry.

On August 7, 2003, Runestone and Lowry sent a certified letter to OneStar regarding its outstanding accounts. It gave OneStar notice that disconnection would occur if payment was not made by September 8, 2003. As of October 16, 2003, no payments have been received by either company from OneStar for the amounts past due.

#### **C. The DOC**

The DOC recommended that the petitions of the ILECs to discontinue the provision of access services to OneStar be approved.

The DOC indicated that OneStar has not made any payments to the three petitioning ILECs since their petitions were filed and that OneStar does not dispute any of the charges that the ILECs claim are owed.

The DOC also argued that customers will not be harmed by the disconnections requested. The DOC stated that Blue Earth indicated that as of November 17, 2003, there were 10 remaining long distance customers of OneStar in Blue Earth's territory. Blue Earth stated to the DOC that prior to its disconnections with OneStar, all remaining customers will be contacted and given the opportunity to choose a new long distance provider, thereby ensuring that there will be no interruption of service for any customer.

The DOC also indicated that it has confirmed with Runestone and Lowry that as of November 20, 2003, there were no customers in their service area that were customers of OneStar.

Finally, the DOC recommended that the Commission order OneStar to show cause why its certificate of authority to provide interexchange service in Minnesota should not be revoked for failure to pay access charges owed. It argued that OneStar has not demonstrated an intent to pay the ILECs for access services which it used to provide service to its customers. However, OneStar is continuing to provide toll service in Minnesota under the carrier identification number of another underlying provider and doing so without paying past bills due for access service.

#### **D. OneStar**

OneStar did not offer comments or appear at the hearing.

### **III. Commission Action**

The Commission is in agreement with the DOC's recommendation and will grant the requests of Blue Earth, Runestone and Lowry to discontinue the provision of access service to OneStar. The record supports that OneStar does not dispute the access charges which the ILECs claim are owed, has not indicated its intent to pay the overdue charges, and has given no reason as to why the requested disconnections should not be authorized. Therefore, the Commission finds that such authorization is appropriate and will be granted.

However, the Commission, in order to provide that any remaining customers of OneStar be given other long distance options without a break in service, will allow the disconnection to take place only after any remaining OneStar customers are given notice of the intended disconnection and are given an opportunity to choose another carrier. The Commission will require that Blue Earth, Runestone and Lowry inform the Commission of the notice and actual termination dates.

Clearly, there is reason to question whether OneStar should remain an authorized provider in Minnesota. Therefore, the Commission will require OneStar to Show Cause why its certificate of authority should not be revoked under Minn. Stat. § 237.16, subd. 5 for failure to meet the terms of its certificate. The Commission will require a response to this Order to Show Cause within 30 days from this Order.

**ORDER**

1. The petitions of Blue Earth Valley Telephone Company, Runestone Telephone Company and Lowry Telephone Company to disconnect access service to OneStar Long Distance, Inc. are hereby granted.
2. The disconnection of service shall take place after notice, as set forth herein, is provided to any remaining OneStar customers.
3. Blue Earth, Runestone and Lowry shall notify the Commission of the dates of notice and actual termination of service.
4. Within 30 days of the date of this Order, OneStar shall show cause why its certificate of authority to operate in Minnesota should not be revoked for failure to meet the terms of its certificate.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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