

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

CP 1315, CP 1316, CP 1317

In the Matter of

COMTEL TELCOM ASSETS LP

Petition for Waiver of Notice Requirement
of OAR 860-032-0020(11)(a) and (b).

ORDER

DISPOSITION: PETITION GRANTED

On May 3, 2010, Comtel Telcom Assets LP (Comtel) filed a petition with the Public Utility Commission of Oregon (Commission), requesting a waiver of the 90-day period for customer and Commission notification of abandonment of service under OAR 860-032-0020(11)(a) and (b), and permit a notice period of 60 days.

OAR 860-032-0020(11)(a) and (b) require a competitive provider that intends to abandon any or all services in Oregon to notify customers and the Commission of its intent at least 90 days before abandoning the services. If the Commission grants Comtel's petition for waiver of the 90-day notice requirement the Company will have met all applicable Commission notice requirements. A description of the filing is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

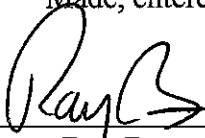
At its Public Meeting on May 25, 2010, the Commission adopted Staff's Recommendation and granted Comtel's petition for waiver of the notice requirement.

ORDER


IT IS ORDERED that:

1. Comtel Telecom Assets LP's petition to waive the 90-day period for Commission and customer notification of abandonment of services under OAR 860-032-0020(11)(a) and (b) is granted.
2. A notice period of 60 days for the Commission and customers is approved.

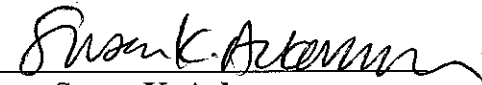
Made, entered, and effective JUN 02 2010



Ray Baum
Chairman



John Savage
Commissioner



Susan K. Ackerman
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA7

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 25, 2010**

REGULAR _____ CONSENT _____ EFFECTIVE DATE _____ NA _____

DATE: May 12, 2010

TO: Public Utility Commission

FROM: Celeste, Hari *CH*

THROUGH: Lee Sparling *LS*, Bryan Conway *BC* and Kay Marinos *KM*

SUBJECT: COMTEL TELCOM ASSETS LP: (Docket Nos. CP 1315, CP 1316 and CP 1317) Petition for Waiver of Notice Requirement of OAR 860-032-0020(11)(a)(b).

STAFF RECOMMENDATION:

The Commission should grant the petition by Comtel Telcom Assets LP (Comtel) seeking waiver of the 90-day time period for customer and Commission notification of abandonment of service under OAR 860-032-0020(11)(a) and (b) and permit a notice period of 60 days.

DISCUSSION:

The Commission's abandonment of service rule for competitive telecommunications service providers is OAR 860-032-0020. On April 30, 2010, Comtel notified its customers in Oregon that the company would no longer be providing service as of June 30, 2010. At the time it sent notification to the Commission, Comtel also filed a petition for waiver of OAR 860-032-0020(11)(a) and (b), specifically the 90-day customer and Commission notice periods. Comtel has complied with all other parts of OAR 860-032-0020.

OAR 860-032-0020(11)(a) and (b) require a competitive provider that intends to abandon any or all services in Oregon to notify customers and the Public Utility Commission of Oregon least 90 days prior to the actual abandonment. OAR 860-032-0020(16) allows the Commission to grant a petition to waive any time period or requirement of the rules for good and sufficient reason.

Comtel has been a competitive telecommunications provider in Oregon since

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2006. See dockets CP 1315, 1316 and 1317, Order No. 06-210. Comtel entered into an agreement with Matrix Telecom, Inc. (Matrix) whereby some of Comtel's assets and all of its Oregon customers will be acquired by Matrix. Matrix holds a current and valid certificate of authority to provide telecommunications service in Oregon that encompasses all of the services being provided currently by Comtel to its customers. See docket CP 1281, Order No. 05-599. Comtel will request its certificate of authority be canceled at the conclusion of the acquisition.

Comtel has approximately 2,840 customers in Oregon that are being transferred to Matrix. While that is a large number of customers, Comtel is confident that customers will be minimally impacted and the transfer will be nearly transparent. Customers will be able to utilize the same services, at the same level of reliability, rates, terms and conditions following the transfer. Customers will experience no interruption of service. Customers also have the option of discontinuing service and selecting a provider other than Matrix if they choose.

Comtel believes the public interest will not be harmed if the waiver is granted. The 60-day time period is a sufficient notice period and customers will have had ample time to make a decision regarding their telecommunications service. The requested notice period is adequate time for Comtel and any underlying carriers to arrange for the transfer of customers. Matrix is willing and able to absorb all of Comtel's customers and provide them with the same service they were receiving with no interruption during the process. Comtel desires to complete the acquisition on a national level and nationally the customer notice period is 30-60 days rather than the 90 days required in Oregon. A waiver allows Comtel to streamline the acquisition.

Waivers should not be granted routinely and without good cause. The purpose of the notice rule is to protect customers by giving them ample opportunity to make a choice regarding their telecommunications service. It is also in place to allow adequate time for the carriers, including any underlying carriers, to make arrangements for the transfer. Other companies have been granted waivers in the past for a 60-day notice period. There have been few, if any, difficulties in any of these past cases. Staff supports Comtel's request for a 60-day notice period since it has been proven in the past that 60 days is an adequate notice period. The customers will experience no interruption in service and will receive the same service as they previously obtained from Comtel. At the conclusion of the acquisition, Comtel will request all three of its certificates be canceled by the Commission.

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PROPOSED COMMISSION MOTION:

Comtel Telcom Assets LP's petition for waiver of the 90-day time period for Commission and customer notification of abandonment of service under OAR 860-032-0020(11)(a) and (b) be granted and a notice period of 60 days be permitted.

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