



Public Service Commission

State of North Dakota

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Re: IdeaOne Telecom Group, LLC
Change of Ownership Application
PSC Case No. PU-11-720

We have received your application dated 21 December 2011 for approval of a change in ownership of IdeaOne Telecom Group, LLC. The Public Service Commission discussed this matter at the Administrative Matters portion of its 1 February 2012 Regular Meeting and asked me to respond.

The Commission does not see a need for the application because telecommunications companies (unless they elect rate of return regulation) are exempt from the provisions of N.D.C.C. § 49-04-06, under which the application was filed. Further, the application references issues related to certificates of public convenience and necessity under N.D.C.C. Chapter 49-03.1 (and corresponding Commission rules) that are applicable only to incumbent telecommunications companies. IdeaOne is not an incumbent telecommunications company but rather is a competitive local exchange company (CLEC).

The last sentence of N.D.C.C. § 49-02-01.2 ("Nothing in this section limits the authority of the commission granted under chapters 49-03 and 49-03.1 or Sections 49-04-05 and 49-04-06.") does not make N.D.C.C. § 49-04-06 applicable to competitive local exchange companies. N.D.C.C. § 49-02-01.1 limits the Commission's jurisdiction over cooperative and government owned utilities. The last sentence of that section provides that the limitation in the section (N.D.C.C. § 49-02-01.2) does not work to limit any authority the Commission *might otherwise have* under N.D.C.C. § 49-04-06 (emphasis added). In the case of a telecommunications company that has not elected to be subject to rate of return regulation, specifically a CLEC such as IdeaOne, the Commission has no authority under § 49-04-06.

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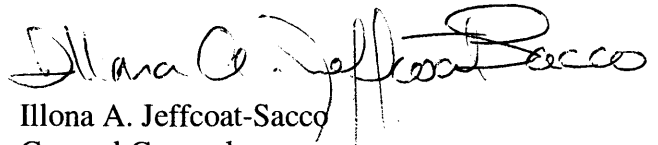
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Given that no application is required and the Commission is without authority to act on a CLEC's change of ownership, the applicants can withdraw the application or the Commission can dismiss the application for lack of jurisdiction. Please let me know at your earliest convenience if the applicants wish to withdraw the application.

Thank you in advance for your attention to this matter. Please call or e-mail if you have questions.

Best regards,


Illona A. Jeffcoat-Sacco
General Counsel

c: Bill VanderSluis
Bob Johnson