

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
APPLEWOOD COMMUNICATIONS CORPORATION)
FOR A CERTIFICATE OF PUBLIC CONVEN-)
IENCE AND NECESSITY TO PROVIDE) PSC DOCKET NO. 07-133
COMPETITIVE INTRASTATE TELECOMMUNI-)
CATIONS SERVICES WITHIN THE STATE OF)
DELAWARE (FILED MAY 8, 2007))

ORDER NO. 7401

AND NOW, to-wit, this 17th day of June, A.D. 2008;

WHEREAS, on May 8, 2007, Applewood Communications Corporation ("Applewood") filed an application with the Delaware Public Service Commission ("PSC" or "Commission") for a Certificate of Public Convenience and Necessity ("CPCN") to provide competitive intrastate telecommunications services to the public between and among all points throughout the State of Delaware. Applewood has also filed a proposed tariff setting forth the rates, terms, and conditions for its proposed services;

AND WHEREAS, Applewood, as a part of its application for a CPCN, expressly sought a waiver of the provisions of Rule No. 4(f)(ii) of the Commission's "Rules for the Provision of Telecommunications Services" regarding the filing of a Bond and Surety;

AND WHEREAS, the PSC has reviewed the application of Applewood for a CPCN and has determined that the application, as filed on May 8, 2007, satisfies the minimum requirements of the Commission's "Rules for the Provision of Telecommunications Services;"¹

¹Adopted in PSC Order No. 5833 (eff. Dec. 10, 2001) and amended in PSC Order No. 6839 (eff. Mar. 11, 2006).

AND WHEREAS, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Applewood authorizing it, as a public utility, to offer telecommunications services under the provision of the Commission's "Rules for the Provision of Telecommunications Services;"

AND WHEREAS, the Commission, after publication of notice, has not received any protest concerning the proposed granting of such Certification to the Applicant; now, therefore,

IT IS ORDERED:

1. That pursuant to 26 Del. C. §§ 203A and 703(3) and the Commission's "Rules for the Provision of Telecommunications Services," a Certificate of Public Convenience and Necessity is granted to Applewood Communications Corporation to operate as a public utility and provide intrastate telecommunications services as described in the application filed on May 8, 2007, and as specified in the Tariff the Applicant has on file with the Commission as the same may, from time to time, be amended. Such Certificate is effective on the date of this Order.

2. That Applewood Communications Corporation shall provide intrastate telecommunications services in the manner required by the Commission's "Rules for the Provision of Telecommunications Services," and shall, at all times, comply with all applicable provisions of such Rules. Applewood Communications Corporation shall also file all returns and pay all assessments and fees as may be required by the provisions of 26 Del. C. §§ 114 and 115.

3. That the provisions of 26 Del. C. § 208(b) are waived, and Applewood Communications Corporation is authorized to maintain its books and records relating to its Delaware operations outside of the State of Delaware provided, however, and upon the condition that, all such books

and records relating to Delaware operations as the Commission may deem it reasonably necessary from time to time, to review and copy, shall be provided to the Commission at the Commission's Office within the State of Delaware in a timely manner upon written request by the Commission's Deputy Director or Executive Director. The conduct of such a review at a location other than Delaware shall be at the Applicant's expense.

4. That Applewood Communications Corporation shall comply with all state and federal statutes and rules relating to a customer's selection of a preferred carrier of telecommunications services. Applewood Communications Corporation, agrees to pay all fees, assessments, penalties, and allowed damages arising from a violation of such state and federal statutes or rules pertaining to the selection of a preferred carrier.

5. That the Commission hereby waives the application of Rule 4(f)(ii) because the Applicant has filed with the Commission a Refunding Bond with Delaware authorized corporate surety in the principal amount of Ten Thousand Dollars (\$10,000).

6. That a continuing condition for the waiver of the full application of Rule 4(f)(ii) is that Applewood Communications Corporation file with the Commission a verified report of its Delaware gross intrastate operating revenue semi-annually on or before the first day of August and February in each year until further Order of the Commission.

7. That a further continuing condition for the waiver of the full application of Rule 4(f)(ii) is that Applewood Communications Corporation will, within sixty (60) days from the filing of a semi-annual report, which reports Delaware gross intrastate operating revenues of Six Thousand Six Hundred and Sixty Seven Dollars (\$6,667) or more, file with the Commission a duly executed and revised Bond with Delaware corporate surety which increases the principal amount of the bond so that it

exceeds 150% of the reported Delaware Gross intrastate operating revenue rounded up to the nearest One Thousand Dollars (\$1,000). Failure to comply with such conditions may be grounds for the immediate revocation of the Certificate granted to Applewood Communications Corporation.

8. That a violation of the "Rules for the Provision of Telecommunications Services" may result in suspension or revocation of this Certificate.

9. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary