BEFORE THE UTAH PUBLIC SERVICE COMMISSION

Application of)		
)		
Neighborhood Networks, Inc.)		
)	Docket No.	
for a Certificate of Public Convenience and Necessit	ty)		
to Provide Resold and Facilities-Based)		
Local Exchange Services within the State of Utah)		

APPLICATION

Neighborhood Networks, Inc. ("Neighborhood Networks" or "Applicant"), by its authorized consultant and pursuant to Chapter 8b of Title 54 of the Utah Code; the Commission's Rules of Practice and Procedure, Utah Admin. Code §§ 746-100 et seq.; and the federal Telecommunications Act of 1996, 47 U.S.C. §§ 151 et seq., hereby applies to the Utah Public Service Commission for a certificate of public convenience and necessity. The Applicant will operate as a provider of resold and facilities-based local exchange telecommunications services in the State of Utah.

In support of its application, Neighborhood Networks provides the following information pursuant to Utah Admin. Code R746-349:

1. General Information

Corporate Information

Applicant's legal name is Neighborhood Networks, Inc. Applicant may be reached at its principal place of business:

Neighborhood Networks, Inc. P O Box 970968 Orem, UT 84097 801-609-7900 801-852-0228 (F) www.neighborhoodnetworks.co/

Applicant was formed as a Utah corporation on August 14, 2014.

A copy of Neighborhood Networks' Articles of Organization is attached hereto as Exhibit

A. It's Certificate of Existence and Good Standing to transact business as a corporation in Utah is attached hereto as Exhibit B.

Correspondence or communications pertaining to this Application should be directed to:

Carol Lisowski, Regulatory Consultant for Neighborhood Networks, Inc. Incompass Consulting Group, LLC 8670 W Cheyenne Ave., Ste. 120 Las Vegas, NV 89129 702-637-2450 x703 clisowski@incompasscg.com

Questions concerning the ongoing operations of Applicant following certification should be directed to:

Johnathan Penberthy CEO and CTO Neighborhood Networks, Inc. P O Box 970968 Orem, UT 84097 801-874-7347 801-852-0228 (F)

Email: jp@neighborhoodnetworks.co

Applicant's registered agent in the State of Utah is:

Johnathan Penberthy 1045 S 1700 W #120 Payson, UT 84651

Neighborhood Networks' toll-free number for customer inquiries is 844-889-6641.

- 2. <u>R746-349-3(A)(2)</u>. <u>Proof of Bond.</u> This bond is intended to provide security for customer deposits or other liabilities to the Applicant's customers. Neighborhood Networks has begun the process of securing a surety bond as required for companies that will be taking deposits and will provide it to the Commission as soon as it is issued. Exhibit E is reserved for the bond when it is issued.
- 3. <u>R746-349-3(A)(3)</u>. Facilities to be Used. Neighborhood Networks will initially provide service through facilities it leases from the Incumbent LECs and other CLECs and will enter into interconnection agreements where appropriate.
- 4. <u>R746-349-3(A)(4)</u>. <u>Services to be Offered</u>. See 4.(c) below.
- 4.(a) <u>R746-349-3(A)(4)(a)</u>. <u>Classes of customers</u>. The Applicant's customer base will be residential and business customers in the State of Utah.
- 4.(b) <u>R746-349-3(A)(4)(b)</u>. <u>Location of service</u>. Neighborhood Networks primarily will provide service in locations which are within the CenturyLink service areas in the State of Utah, but may also provide service within the state in other ILEC service areas if the demand arises. Therefore, the Applicant seeks statewide authority.
- 4.(c) <u>R746-349-3(A)(4)(c)</u>. <u>Types of services to be offered</u>. The Applicant intends to offer local exchange and interexchange services through VoIP and will also offer fiber Internet and IPTV. Neighborhood Networks' communications services will be available on a full-time basis, twenty-four (24) hours a day, seven (7) days a week.
- 5. <u>R746-349-3(A)(5)</u>. Access to standard services. Neighborhood Networks will provide access to local exchange, toll, operator services, directory assistance, and directory listings either through facilities-based interconnection or resale services purchased directly from the ILEC. Emergency services such as 911 and E911will be provided by an upstream carrier.

- 6. R746-349-3(A)(6). Implementation schedule pursuant to 47 U.S.C. 252(c)(3) of the Telecommunications Act of 1996 which shall include the date local exchange service for residential and business customers will begin. After approval of the Certification by the Commission, the Applicant expects to begin offering services as soon as possible, depending on all requirements being in place.
- 7. R746-349-3(A)(6)–(7). Professional experience and education of managerial personnel and personnel responsible for Utah operations. Mr. Penberthy is the primary officer in the Company and has a number of years of experience in telecommunications. He manages all aspects of the company including direction and training of his employees. Mr. Penberthy's resume can be found in Exhibit C.
- 8. <u>R746-349-3(A)(8)</u>. Organizational chart listing all the Applicant's employees currently working or that plan to be working in Utah operations and their job titles. Neighborhood Networks' Utah operations will be directed by its CEO and CTO, Mr. Penberthy, who is located at its headquarters in Orem, Utah. Mr. Penberthy is responsible for managing and training all of his employees and contractors. Additional management will be brought on as the company grows. See Mr. Penberthy's resume in Exhibit C to satisfy R746-349-3(A)(7).
- 9. <u>R746-349-3(A)(9)</u>. Chart of accounts. Request for a chart of accounts is typically necessary with an entity using regulated rate base or rate of return methodology so that authorities can be confident of the proper classification of revenue and expenses for end user pricing calculations. Neighborhood Networks is in the start-up phase as a telecommunications provider as of yet has no financials. Neighborhood Networks' accounting methods will be according to GAAP.

- 10. <u>R746-349-3(A)(10)(a)</u>. Financial statements. As noted above, Neighborhood Networks is a new start-up company and does not yet have financial statements. Neighborhood Networks is committed to funding the operations of the CLEC and anticipates winning contracts for very large projects which will bring an influx of capital into the company.
- 11. <u>R746-349-3(A)(11)</u>. Financial statements to demonstrate sufficient financial ability on the part of the Applicant's statements.
- 11.(a) Positive net worth of for the Applicant. See response for R746-349-3(A)(10)(a) above.
- 11.(b) Sufficient projected and verifiable cash flow to meet cash needs as shown in a five-year projection of expected operations. See Exhibit D for the five-year projection.
 - 11.(c) <u>R746-349-3(A)(11)(c)</u>. <u>Bond Requirement</u>. See response for <u>R746-349-3(A)(2)</u>.
- 12. R746-349-3(A)(12)(a). See response to 11.(b) above.
- 12. (b) R746-349-3(A)(12)(b). Types of technology to be deployed. Neighborhood Networks will deploy the technology specified above in R746-349-3(A)(3) of this Application. Neighborhood Networks does not have facilities in Utah.
- 12. (c) R746-349(A)(11)(c). Maps of facilities locations. Not applicable. The Applicant does not have physical facilities and does not plan to construct such facilities in Utah.
- 13. <u>R746-349-3(A)(6)</u>, <u>R746-349-3(A)(13)</u>. <u>Implementation schedule.</u> See response to <u>R746-349-3(A)(6)</u>. Neighborhood Networks intends to initiate interconnection negotiations with CenturyLink after approval of its Application, and will make provisions for collocating its electronic equipment at incumbent carrier central offices and purchasing unbundled loops. Neighborhood Networks intends to begin marketing its services as soon as its certification is granted.

14. R746-349-3(A)(1), R746-349-3(A)(14). Evidence of sufficient managerial and technical ability to provide the public telecommunications services contemplated by the application. The Applicant's primary officer, Mr. Penberthy, has the necessary managerial and technical resources and qualifications necessary to execute the Company's business plan, to provide its proposed telecommunications services, and to operate and maintain facilities over which such services will be deployed. The Applicant will initially utilize resold services and combinations of network elements provided by the underlying carrier(s). Underlying carriers will perform switching, routing and call completion functions. Company personnel have experience working with underlying carriers of long distance and local services. Applicant is well qualified to direct the delivery and billing of the proposed services. A resume of the Applicant's CEO and CTO are included in Exhibit C.

14(a-b). <u>Proof of certification in other jurisdictions</u>, and proof of providing services in <u>other jurisdictions</u>. Neighborhood Networks, Inc. only plans to operate in Utah and has no plans at this time to expand its operations to other states.

15. <u>R746-349-3(A)(1)</u>, <u>R746-349-3(A)(15)</u>. <u>Public interest.</u> Granting Neighborhood Networks' Application will further the goals of the Utah Public Service Commission and further the public interest by expanding the availability of competitive telecommunications services in the State of Utah. In addition, intrastate offering of these services is in the public interest because the services will provide Utah customers with increased efficiencies and cost savings.

Authorizing Neighborhood Networks to provide competitive telecommunications services will enhance materially the telecommunications infrastructure in the State of Utah and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Neighborhood Networks and indirectly, because the Company's presence in Utah will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Utah citizens for the reasons set forth above.

16. R746-349-3(A)(16) Proof of authority to conduct business in Utah. See Exhibit B.

17. and 18. R746-349-3(A)(17-18). <u>Unauthorized switching</u>, solicitation of new customers, and prevention of unauthorized switching. No complaints have been made nor has any investigation been undertaken against Neighborhood Networks for unauthorized switching ("slamming") or any other illegal activities. The Applicant will comply with Utah law and the FCC's regulations regarding how interexchange carriers may change a consumer's Primary Interchange Carrier ("PIC"). The Applicant will also comply with the FCC's regulations regarding how carriers may change a consumer's primary local exchange provider. Neighborhood Network has adopted written policies regarding the solicitation of new customers in compliance with Utah law and FCC regulations.

WHEREFORE, Neighborhood Networks, Inc., respectfully requests that the Utah Public

Service Commission issue a Certificate of Public Convenience and Necessity authorizing

Neighborhood Networks to provide competitive telecommunications services in the State of

Utah.

Respectfully submitted,

Carol L'issursier

Carol Lisowski

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Regulatory Consultant for Neighborhood Networks, Inc.

Dated: February 16, 2016