

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of SQF, LLC for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in the State of Utah	<u>DOCKET NO. 17-2599-01</u> <u>REPORT AND ORDER</u>
--	---

ISSUED: October 13, 2017

SYNOPSIS

The PSC approves the application of SQF, LLC (SQF) for a Certificate of Public Convenience and Necessity and authorizes SQF to provide local exchange telecommunications services within Utah.

PROCEDURAL HISTORY

SQF filed its application on August 29, 2017, seeking a certificate of public convenience and necessity (Certificate) for authority to provide telecommunications services within Utah. SQF seeks authority to offer local exchange services throughout the State of Utah to and from all points in the state that are currently or become open to competition. The application set forth detailed information regarding the technical, financial, and managerial resources and abilities of SQF to provide the public telecommunications services it seeks to offer. In addition, SQF requested that the Commission waive the \$100,000 bond requirement set forth in Utah Administrative Code R746-349-3(A)(2), as the company will not require customer deposits or prepayments.

On September 19, 2017, the Division of Public Utilities (DPU) filed a memorandum recommending approval of the application. In its memorandum, the DPU noted the following:

1. Approval of SQF's application will serve the public interest by creating greater competition in Utah's local exchange marketplace.
2. SQF intends to operate initially in CenturyLink/Qwest's non-rural ILEC service area. Therefore, SQF will not operate in any area considered rural or within an area of an incumbent with fewer than 30,000 total access lines.
3. SQF seeks to provide wholesale transport, trunks and loops to wireless local loop providers by increasing network coverage and network capacity with its services. SQF deploys small network nodes (low-powered small cellular antennas), facilities-based and leased fiber transport, and routing/switching of comingled voice and data traffic (including local exchange bound service as internet protocol traffic generated by other retail providers) for its wholesale customers. SQF's customers include wireless internet service providers, public safety network operators, CLECs, and cellular carriers.

In the August 30, 2017 notice of filing and comment period the PSC stated: "If no comment is filed in opposition to the application, the PSC will adjudicate this docket informally and without hearing."¹ No comments from parties expressing opposition to the application were filed.

In light of the foregoing, the PSC enters the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. There are no intervenors in this docket. There has been no opposition to the application.

¹ Notice p. 1. See also Utah Code § 54-8b-3.

2. SQF has filed documentation containing sufficient information to support the application.
3. SQF has demonstrated that it is qualified to do business in Utah.
4. SQF proposes to provide public telecommunications services in the non-rural ILEC service area of CenturyLink/Qwest.
5. SQF will utilize its managerial expertise to support its Utah operations.
6. SQF has sufficient technical resources and abilities to provide the public telecommunications services it proposes to offer.
7. SQF has a positive net worth and sufficient working capital for its Utah operations.
8. In providing intrastate services, SQF will be subject to competition from other certified telecommunications service providers.
9. SQF's service offerings will provide customers with a wider range of choice in meeting their telecommunications needs and will support the development of competition.
10. SQF will not require customer deposits or offer any prepaid services in Utah.

CONCLUSIONS OF LAW

1. SQF meets each of the statutory requirements of Utah Code Ann. §§ 54-8b-1.1 *et seq.* for the requested Certificate.
2. SQF's request to be exempted from the \$100,000 bond requirement is in accord with PSC practice and is in the public interest.

3. Issuance of the requested Certificate to provide public telecommunications services, as described in the application, is in accord with the legislative policy set forth in Utah Code Ann. §§ 54-8b-1.1 *et seq.*, and is in the public interest.

ORDER

In light of the Findings and Conclusions set forth above, the PSC ORDERS:

1. SQF, LLC is granted the Certificate attached as Exhibit A, which exhibit is incorporated by reference into this Order as if fully set forth.
2. SQF, LLC's Certificate is subject to the limitations stated therein.
3. SQF, LLC shall provide annual reports to the PSC and to the DPU. SQF, LLC shall meet with the DPU to determine what information is required in order for the DPU to exercise its statutory obligations.
4. SQF, LLC is exempted from the \$100,000 bond requirement set forth in Utah Administrative Code R746-349-3(A)(2).

Any person may file a protest in regard to this Order within 20 days from the date of issuance. If the PSC finds the protest to be meritorious, the effective date shall be suspended pending further proceedings. Otherwise, this order shall take effect 20 days from the signature date below.

DOCKET NO. 17-2599-01

- 5 -

DATED at Salt Lake City, Utah, October 13, 2017.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#297303

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

DOCKET NO. 17-2599-01

- 6 -

EXHIBIT A

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of SQF, LLC for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in the State of Utah	<u>DOCKET NO. 17-2599-01</u> <u>CERTIFICATE 2599</u>
--	---

ISSUED: October 13, 2017

The Public Service Commission of Utah, pursuant to Utah Code Ann. § 54-8b-2.1, issues a Certificate of Public Convenience and Necessity authorizing SQF, LLC to provide public telecommunications services within the State of Utah. SQF, LLC may not operate in any area with fewer than 5,000 access lines that is served by an incumbent local exchange carrier that has fewer than 30,000 total access lines.

DATED at Salt Lake City, Utah, October 13, 2017.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#297303

CERTIFICATE OF SERVICE

I CERTIFY that on October 13, 2017, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Nicholas Bournakel (nbournakel@tilsonotech.com)
SQF, LLC

Brett N. Anderson (bretta@blackburn-stoll.com)

Vicki Baldwin (vbaldwin@parsonsbehle.com)

Sharon Bertelsen (bertelsens@ballardspahr.com)

Larry Bowman (larry.bowman@charter.com)

Brian W. Burnett (bburnett@kmclaw.com)

(cflregulatory@chartercom.com)

Eddie L. Cox (ecox@cut.net)

Carl Erhart (carl.erhart@ftr.com)

William J. Evans (bevans@parsonsbehle.com)

James Farr (james.farr@centurylink.com)

Amy Gross (agross@tminc.com)

Alan Haslem (ahaslem@mleainc.com)

Ray Hendershot (ray.hendershot@beehive.net)

William Huber (william.huber@questar.com)

Bill Hunt (williamp.hunt@dish.com)

David R. Irvine (drirvine@aol.com)

Kristin L. Jacobson (Kristin.l.jacobson@sprint.com)

Brock Johansen (bjohansen@emerytelcom.com)

Dawn Kubota (kubotad@ballardspahr.com)

Jasen Lee (jlee@desnews.com)

Shirley Malouf (srmalouf@stoel.com)

Jennifer H. Martin (jhmartin@stoel.com)

Steve Mecham (sfmecham@gmail.com)

Roger Moffitt (roger.moffitt@att.com)

Gregory Monson (gbmonson@stoel.com)

Sharon Mullin (smullin@att.com)

Thorvald Nelson (tnelson@hollandhart.com)

Janice Ono (Janice.ono@att.com)

Sheila Page (spage@utah.gov)

Mike Peterson (mpeterson@utahcooperatives.org)

Pam Pittenger (pam.pittenger@ftr.com)

Jenny Prescott (jenny.prescott@allwest.com)

Bruce Rigby (bruce@ucmc-usa.com)

Gary Sackett (gsackett@joneswaldo.com)

Kira Slawson (kiram@blackburn-stoll.com)

Alan L. Smith (alanakaed@aol.com)

Ted D. Smith (tsmithlaw@earthlink.net)

Kendra Thomas (kthomas@kfrservices.com)

Bruce H. Todd (btodd@stratanetworks.com)

Jake Warner (jakew@beehive.net)

James H. Woody (jwoody@union-tel.com)

John Woody (jwoody@union-tel.com)

Union Telephone Company

Patricia Schmid (pschmid@agutah.gov)

Justin Jetter (jjetter@agutah.gov)

Robert Moore (rmoore@agutah.gov)

Steven Snarr (stevensnarr@agutah.gov)

Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)

Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant