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State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: February 11, 2019

Re: In the Matter of the Application of Teliix, Inc. For a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Services within the State of Utah, Docket No. 19-2611-01.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the technical, managerial, and financial abilities of the Teliix, Inc. and has found that they have provided the necessary information to fulfill the requirements as stated in the existing Public Service Commission (“Commission”) rules. The public interest will be promoted by the Commission granting Teliix, Inc. a Certificate of Public Convenience and Necessity (“CPCN”) as requested under the same terms and conditions allowed in other CPCNs.

The Division also recommends that the \$100,000 bond be waived on the basis that the Applicant will not require customer deposits or prepayments of any kind.

The Division expects that based on history, a filing of this type and with the information submitted by the company will generate no objections or opposition to this recommendation. Therefore, the Division requests that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about January 14, 2019, Teliix, Inc. (“Teliix or Applicant”) filed an application for a CPCN. The Division reviewed the application and found the following:

Teliix, Inc. is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 2150 West 29th Avenue, Suite 200, Denver, CO 80211.

The Applicant seeks statewide authority except within exchange areas with less than 5,000 access lines that are owned or controlled by an ILEC with fewer than 30,000 total access lines in accordance with Utah Code Ann. 5 54-8b-2.1 (3) and (4). Specifically, The Applicant seeks authority as a reseller local exchange services in the service areas of CenturyLink Communications, Inc. and any other existing or future LECs providing service in Utah.

The Applicant intends to provide a full range of telecommunications services to business and residential customers in the incumbent, CenturyLink, exchanges statewide in Utah, consistent with the exchange maps CenturyLink has on file with the Commission.

The Applicant intends to provide services by using its own switching facilities as well as leased and resold transport facilities and services from the incumbent local exchange carriers and/or other carriers with such facilities. Applicant will interconnect with CenturyLink pursuant to the terms and conditions of an interconnection agreement that will be filed with the Commission in accordance with 47 U.S.C. Section 252.

Teliix will provide access to intraLATA and interLATA toll, operator services, directory assistance, directory listings, and emergency services such as 911 and E911 either through facilities-based interconnection or resale services purchased directly from the ILEC.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicant has considerable experience in the telecommunications industry.

According to financial statements attested to be accurate, objective and with integrity by David Aldworth, President, Teliix, Inc., the Applicant has a positive net worth and has ample working capital.

The Applicant requests that the \$100,000 bond requirement be waived because it will not require customer deposits or prepayments of any kind.

The Applicant is currently authorized to provide local exchange telecommunications services in Colorado, the District of Columbia, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, Ohio, Oregon, Texas, and Washington.

The Applicant claims that it has never had any complaints nor has any investigation been undertaken against it or any of its affiliates involving unauthorized switching (slamming) or any other illegal activities. The Applicant also states that it utilizes company sales representatives to

market its services. Teliix states the company's marketing plan for Utah will be limited in nature. As such, the Company's exposure to unauthorized switching of customers is almost non-existent. The Applicant asserts that approval of its application will serve the public interest creating and enhancing competition and expanding customer service options. Additionally, the approval of this application will expand the availability of innovative, high quality, reliable and competitively-priced telecommunications services in the State of Utah.

cc: Sharon Thomas, Consultant to Teliix, Inc., Inteserra Consulting Group, Inc.
David Aldworth, President, Teliix, Inc.
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah