

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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	<u>DOCKET NO. 19-2611-01</u> <u>REPORT AND ORDER</u>
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ISSUED: February 27, 2019

SYNOPSIS

The Public Service Commission (“PSC”) approves the application of Teliix, Inc. (“Teliix”) for a Certificate of Public Convenience and Necessity (“CPCN”) and authorizes Teliix to provide Telecommunications Services within Utah.

PROCEDURAL HISTORY

On January 14, 2019, Teliix filed this application, seeking a CPCN for authority to provide telecommunications services within Utah. The application provides detailed information regarding the technical, financial, and managerial resources and abilities of Teliix to provide the public telecommunications services it seeks to offer. In addition, Teliix requests the \$100,000 bond requirement set forth in Utah Admin. Code R746-349-3(A)(2) be waived, as Teliix will not require customer deposits.

On January 28 2019, the PSC issued a Notice of Filing and Comment Period (“Notice”), which set a comment deadline of February 13, 2019. The Notice further stated that if no comment is filed in opposition to the application, the PSC will adjudicate this docket informally and without hearing. *See* Utah Code Ann. § 54-8b-3. No party filed comments in opposition. Therefore, the PSC will adjudicate this docket informally.

On February 11, 2019, the Division of Public Utilities (“DPU”) filed a memorandum recommending approval of the application. The DPU states it has reviewed the technical,

managerial, and financial abilities of Teliix and has found it has provided the necessary information to fulfill the requirements under the PSC's rules. The DPU concludes the public interest will be promoted by the PSC granting Teliix a CPCN as requested under the same terms and conditions allowed in other CPCNs. In its memorandum, the DPU emphasized the following of Teliix's representations:

1. Approval of Teliix's application will serve the public interest by creating greater competition and expanding customer service options.
2. Teliix seeks statewide authority except within exchange areas with fewer than 5,000 access lines that are owned or controlled by an incumbent local exchange carrier ("ILEC") with fewer than 30,000 total access lines. *See* Utah Code Ann. § 54-8b-2.1(3)-(4). Specifically, Teliix seeks authority as a reseller of local exchange services in the service areas of Qwest Corporation d/b/a CenturyLink QC ("CenturyLink") and any other existing or future local exchange carriers, unless excluded by statute, providing service in Utah.
3. Teliix intends to provide a full range of telecommunications services to business customers in CenturyLink's exchanges statewide in Utah, consistent with the exchange maps CenturyLink has on file with the PSC.
4. Teliix intends to provide services by using its own switching facilities as well as leased and resold transport facilities and services from the ILEC 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 PSC in accordance with 47 U.S.C. Section 252.

5. 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.
6. Teliix has a positive net worth and ample working capital to support its operations in Utah, as well as considerable experience in the telecommunications industry.
7. Teliix has never been investigated for unauthorized switching or any other illegal activity.

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.
2. Teliix has filed documentation containing sufficient information to support the application.
3. Teliix has demonstrated it is qualified to do business in Utah.
4. Teliix proposes to provide public telecommunications services within the service area of CenturyLink and certain other local exchange carriers as explained in this order and the application.
5. Teliix will utilize its managerial expertise to support its Utah operations.

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6. Teliix has sufficient technical resources and abilities to provide the public telecommunications services it proposes to offer.
7. Teliix has a positive net worth and sufficient working capital for its Utah operations.
8. Teliix's service offerings will provide customers with a wider range of choice in meeting their telecommunications needs and will foster competition in the marketplace.
9. Teliix will not require customer deposits or offer any prepaid services in Utah.

CONCLUSIONS OF LAW

1. Teliix meets each of the statutory requirements of Utah Code Ann. §§ 54-8b-1.1 *et seq.* for the requested CPCN.
2. Teliix'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 CPCN 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:

- a. Teliix is granted the CPCN attached as Exhibit A, which exhibit is incorporated by reference into this Order as if fully set forth.
- b. Teliix's CPCN is subject to the limitations stated therein.
- c. Teliix is exempted from the \$100,000 bond requirement set forth in Utah Administrative Code R746-349-3(A)(2).

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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.

DATED at Salt Lake City, Utah, February 27, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#306811

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.

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EXHIBIT A

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of TELIAX, INC. for Certificate of Public Convenience and Necessity to Provide Telecommunications Services in the State of Utah	<u>DOCKET NO. 19-2611-01</u> <u>CERTIFICATE 2611</u>
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ISSUED: February 27, 2019

The Public Service Commission of Utah, pursuant to Utah Code Ann. § 54-8b-2.1, issues a Certificate of Public Convenience and Necessity authorizing TELIAX, INC. to provide public telecommunications services within the State of Utah. TELIAX, INC. 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, February 27, 2019

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary

CERTIFICATE OF SERVICE

I CERTIFY that on February 27, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Sharon Thomas (sthomas@inteserra.com)
Inteserra Consulting Group
Consultant to Teliix, Inc.

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
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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
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Administrative Assistant