

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Stratus Networks, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in the State of Utah	<p style="text-align: center;"><u>DOCKET NO. 24-2648-01</u></p> <p style="text-align: center;"><u>ORDER</u></p>
--	---

ISSUED: July 12, 2024

SYNOPSIS

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

PROCEDURAL HISTORY

On April 4, 2024, Stratus filed an application seeking a CPCN for authority to operate as a provider of facilities-based and resold local exchange telecommunications services within Utah (the “Application”). The PSC issued two supplemental action requests to the Division of Public Utilities (DPU), each seeking clarification concerning Stratus’ compliance with Utah Admin. Code R746-349-3.

In response to the two supplemental action requests, DPU filed comments on April 19, 2024 and May 6, 2024 (“DPU Comments”), stating the Application appeared to meet the requirements of Utah Admin. Code R746-349-3 and recommending, among other things, that the Application be informally adjudicated and approved by the PSC. On May 2, 2024, Stratus submitted the direct testimony of Tyler Evans in support of its compliance with Utah Admin. Code R746-349-3 and requested informal adjudication of the Application.

Based on Stratus' request and DPU's recommendation for informal adjudication, the PSC issued a Notice of Filing and Comment Period dated May 7, 2024 ("Notice"), which provided deadlines for objections, comments, or opposition to the request for informal adjudication and to the Application. The Notice further provided that if no objection or opposition was filed, the PSC may adjudicate the docket informally and without a hearing under Utah Code Ann. § 54-8b-3. No objection or opposition was filed; accordingly, the PSC will adjudicate this docket informally.

DPU's Comments state it reviewed the technical, managerial, and financial abilities of Stratus and found Stratus provided the necessary information to fulfill the requirements under the PSC's rules. DPU further states granting a CPCN to Stratus as requested and under the same terms and conditions granted in other CPCN dockets will promote the public interest. DPU recommends that the \$100,000 bond be waived on the basis that Stratus will not require customer deposits or prepayments of any kind. In making its recommendation to approve the Application, DPU relied on the following representations made by Stratus:

1. Stratus seeks to offer local exchange services that are currently open or will become open to competition within Utah.
2. Stratus intends to offer services to business and other non-residential customers, which include healthcare facilities, remote weather monitoring stations, rural communities, college campuses, self-driving vehicle providers, large-scale

entertainment and sport venues, hospitality industry, wireless carriers, and other service providers.

3. Stratus states it does not currently own property in Utah but will construct or acquire the facilities in Utah as necessary to provide services through a combination of microwave links and fixed lines.

4. Stratus intends to immediately initiate negotiations with CenturyLink for an interconnection/commercial agreement to operate as a local exchange telecommunications service provider in Utah upon receiving PSC approval of the Application.

5. Stratus will provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services through resale services from the appropriate incumbent local exchange carrier.

6. Stratus' financial statements filed with the Application show it has a positive net worth and ample working capital.

7. Stratus will not require customer deposits or prepayments of any kind.

8. Stratus is currently in the process of obtaining the authority to operate in all fifty states and the District of Columbia.

9. Stratus claims that it has never had any complaints nor has any investigation been undertaken against it or any of its affiliates involving unauthorized switching, which is sometimes known as slamming, or any other illegal activities.

10. Stratus asserts that approval of its application will serve the public interest by creating and enhancing competition and expanding customer service options. Additionally, approval will expand the availability of innovative, high quality, reliable, and competitively priced telecommunications services in the State of Utah.

Based on the PSC's review of the Application, Stratus' representations and sworn written direct testimony, and DPU's Comments and recommendation, and considering there is no opposition, the PSC enters the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. There are no intervenors in this docket, and no one objects to or opposes the Application.

2. Stratus filed documentation containing sufficient information to support the Application.

3. Stratus demonstrated it is qualified to do business in Utah.

4. Stratus will use its managerial expertise to support its Utah operations.

5. Stratus has sufficient technical resources and abilities to provide the regulated telecommunications services it proposes to offer.

6. Stratus reports a positive net worth and access to sufficient working capital for its Utah operations.

CONCLUSIONS OF LAW

1. Status meets the statutory requirements of Utah Code Ann. § 54-8b-2.1 and related rules for the requested CPCN.

2. Issuance of the requested CPCN to provide public telecommunications services as described in the Application is consistent with the legislative policy set forth in Utah Code Ann. § 54-8b-1.1 and is in the public interest.

3. Given that Stratus will not require customer deposits and has demonstrated that it has access to sufficient capital, adequate provisions exist to protect customer and state fund liabilities under Utah Admin. Code R746-349-3(1)(b).

ORDER

Based on the above Findings and Conclusions, the PSC Orders:

1. Stratus is granted the CPCN attached as Exhibit A, incorporated by reference into this Order.

2. The requirement stated in Utah Admin. Code R746-349-3(1)(b) that an applicant submit proof of a bond in the amount of \$100,000 is waived.

Any person may protest this Order within 20 days from the date of the Order. If the PSC finds the protest to be meritorious, the PSC will suspend the effective date of

this Order, pending further proceedings. This Order otherwise takes effect 20 days from the date below.

DATED at Salt Lake City, Utah, July 12, 2024.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#334675

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 30 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. 24-2648-01

- 7 -

EXHIBIT A

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Stratus Networks, Inc. for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services in the State of Utah	<u>DOCKET NO. 24-2648-01</u> <u>CERTIFICATE 2648</u>
--	---

ISSUED: July 12, 2024

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

DATED at Salt Lake City, Utah, July 12, 2024.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary

CERTIFICATE OF SERVICE

I CERTIFY that on July 12, 2024, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

Michael P. Donahue (mpd@commlawgroup.com)
Jane L. Wagner (jlw@commlawgroup.com)
Marashlian & Donahue, PLLC
Counsel to Stratus Networks, Inc.

Tyler Evans (tevans@stratusnet.com)
VP, Operations
Stratus Networks, Inc.

Patricia Schmid (pschmid@agutah.gov)
Patrick Greco (pgrecu@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Assistant Utah Attorneys General

Madison Galt (mgalt@utah.gov)
Division of Public Utilities

Alyson Anderson (akanderson@utah.gov)
Bela Vastag (bvastag@utah.gov)
Alex Ware (aware@utah.gov)
Jacob Zachary (jzachary@utah.gov)
(ocs@utah.gov)
Office of Consumer Services

Administrative Assistant