

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 4, 2014

IN RE:

APPLICATION OF RIDGELINK, LLC, FOR
CERTIFICATE TO PROVIDE COMPETING LOCAL
TELECOMMUNICATIONS SERVICES IN TENNESSEE

)
) DOCKET NO.
) 13-00145
)
)

INITIAL ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

This matter came before the Hearing Officer of the Tennessee Regulatory Authority (the “Authority” or “TRA”) during a hearing held on February 3, 2014, to consider the *Application for Certificate to Provide Competing Local Telecommunications Services in Tennessee* (the “*Application*”) filed by RidgeLink, LLC (“RidgeLink” or “Applicant”) on November 22, 2013. In its *Application*, RidgeLink seeks a Certificate of Public Convenience and Necessity (“CCN”) for authority to provide competing local telecommunications services in Tennessee.

LEGAL STANDARD

RidgeLink’s *Application* was made pursuant to and considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201 *et seq.* (Supp. 2013), which provides, in pertinent part:

- (a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator

thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

* * *

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and

(2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

* * *

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112 (2004), a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

HEARING ON THE MERITS

Pursuant to Tenn. Code Ann. § 65-4-201, *et seq.*, the Hearing Officer issued public notice of the hearing in this matter on January 24, 2014. No persons sought intervention prior to or during the Hearing. Mr. Bradford L. Shields, Senior Vice President and Chief Technology Officer for Blue Ridge Electric Membership Corp. ("BREMCO") and Chief Operating Officer of RidgeLink, appeared personally during the Hearing with legal counsel, Mr. Dale Grimes of Bass Berry & Sims PLC, Nashville, Tennessee. During the hearing, Mr. Shields ratified his sworn pre-filed testimony that had been filed in the docket file with the *Application* and was subject to examination by the Hearing Officer.

FINDINGS & CONCLUSIONS

I. RIDGELINK'S QUALIFICATIONS

1. RidgeLink is a limited liability company organized under the laws of the State of North Carolina on October 29, 2008, and was licensed by the Tennessee Secretary of State to transact business in Tennessee on October 10, 2013.

2. The registered agent for RidgeLink is CT Corporation System located at 800 S Gay Street, Suite 2021, Knoxville, Tennessee 37929. RidgeLink's corporate offices are located at 1216 Blowing Rock Blvd, N.E., Lenoir, North Carolina 28645.

3. The *Application* and information in the record demonstrate that RidgeLink has the requisite technical and managerial ability to provide the services for which it has applied in the State of Tennessee. Specifically, RidgeLink's senior management team possesses extensive business, technical, operational and regulatory experience.

4. RidgeLink has also demonstrated that it has the necessary capital and financial ability to provide the services it proposes to offer.

5. RidgeLink has affirmed that it will adhere to all applicable statutes, policies, rules and orders of the Authority.

II. PROPOSED SERVICES

RidgeLink is an operator of a dark fiber telecommunications network located in Northwest North Carolina, and holds a certificate to provide telecommunications in North Carolina.¹ Under long-term indefeasible rights of use ("IRU") agreements, RidgeLink makes dark fiber available to carriers (both wireline and wireless), very large businesses (utilities and other enterprise customers), and not-for-profit entities charged with delivering high speed data communications and high speed Internet access service to government offices, schools and other

¹ *Application*, p. 5

“anchor-institutions” in largely rural communities in northwest North Carolina (also referred to as “Grantees”). The rates, terms and conditions in these dark fiber IRU agreements are determined through negotiations between RidgeLink and the respective Grantees.

RidgeLink plans to construct approximately 50 miles of fiber optic transmission facilities extending from the North Carolina-Tennessee border, passing Hampton, to Elizabethton, and then terminating in Johnson City, Tennessee. In response to customer demand and market conditions, the Applicant may extend its Tennessee network to other areas within Northeastern Tennessee and to other areas of the state. RidgeLink manages approximately 20,600 fiber miles (route miles x fiber strands) within North Carolina, and acts as the general contractor for all fiber builds, and can call upon experienced employees of its parent, BREMCO, to support the construction projects.²

In the future, RidgeLink may offer telecommunications services over its fiber network, but these services will be limited to facilities-based, very high capacity, non-switched (Ethernet or TDM) interexchange services that will be provided to wireline and wireless carriers, cable operators, and very large business customers, such as utilities. RidgeLink will not be providing services – interexchange or local exchange services – to residential or small business customers, and it will not be offering voice services to any customers.³ Thus, RidgeLink is requesting authority to provide facilities-based, very high capacity, non-switched (Ethernet or TDM) service throughout the State of Tennessee.

III. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

RidgeLink’s *Application* and its proposed services have been found to foster the goals of the Tennessee General Assembly and determined to likely benefit the present and future public

² *Application*, p. 4

³ *Application*, p. 5

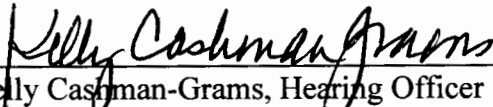
convenience by increasing competition in the telecommunications services markets in the State and fostering the development of an efficient, technologically advanced statewide system of telecommunications services.

IV. SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN AND BUSINESS ASSISTANCE PROGRAM

RidgeLink has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2004) and the Authority's Rules.

IT IS THEREFORE ORDERED THAT:

1. The *Application for Authority to Provide Competing Local Exchange Service* filed by RidgeLink, LLC, is approved.
2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen days from the date of this Order.
3. This Initial Order shall become a Final Order of the Tennessee Regulatory Authority, unless a petition requesting reconsideration or an appeal of this Order is filed prior to the expiration of the fifteen-day period noted above.



Kelly Cashman-Grams, Hearing Officer