

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

May 2, 2023

IN RE:)	
)	
APPLICATION OF LORETTO)	
COMMUNICATION SERVICES, INC. FOR)	DOCKET NO.
A CERTIFICATE TO PROVIDE)	22-00140
COMPETING TELECOMMUNICATION)	
SERVICES IN TENNESSEE)	

**INITIAL ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

This matter came before the Hearing Officer of the Tennessee Public Utility Commission (the “Commission” or “TPUC”) at a Hearing held on April 24, 2023 to consider the *Application of Loretto Communication Services, Inc. for Certificate to Provide Competing Local Telecommunication Services in Tennessee* (the “*Application*”) filed by Loretto Telecommunication Services, Inc. (“Loretto Telecom,” “Applicant,” or “Company”) on December 22, 2022. In its *Application*, Loretto Telecom seeks a Certificate of Public Convenience and Necessity (“CCN”) for authority to provide intrastate telecommunications services within the State of Tennessee.

I. LEGAL STANDARD

Loretto Telecom’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 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 commission, 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) (1) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the commission shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

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

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

* * *

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112, a competing telecommunications provider is required to file with the Commission a small and minority-owned telecommunications business participation plan which provides the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses and information on programs that might provide technical assistance to such businesses.

II. HEARING ON THE MERITS

Pursuant to Tenn. Code Ann. § 65-4-204, a public notice of the Hearing in this matter was issued by the Hearing Officer on April 14, 2023 setting the case for Hearing on April 24, 2023. No persons sought intervention prior to or during the Hearing. Mr. Jason Shelton, General Manager of Loretto Telecom, appeared at the Hearing and provided testimony.

Mr. Shelton participated in the Hearing, adopting and summarizing his Pre-Filed Testimony with no corrections, additions, or amendments. Mr. Shelton testified that the Company will comply with all applicable laws, and TPUC rules, policies, and orders and stated that it is in

the public interest to grant the *Application*. He also provided a summary of the Company's financial, technical, and managerial qualifications and provided responses to the questions of the Hearing Officer.

The Hearing Officer opened the floor for public comment, but no member of the public came forward to comment. Upon conclusion of the presentation of its proof, the Hearing Officer granted Loretto Telecom's *Application* based upon the findings of fact and conclusions of law stated herein.

III. FINDINGS AND CONCLUSIONS

A. LORETTO TELECOM'S QUALIFICATIONS

1. Loretto Telecom is a Tennessee corporation, incorporated in the State of Tennessee as Loretto Telephone Company, Inc. on May 3, 1956.

2. The Company's principal office is located at 136 South Main Street, P.O. Box 130, Loretto, TN 38469. The Company's telephone number is (931) 853-4351.

3. Loretto Telecom is a subsidiary of SkyBest Communications, Inc., which itself is certificated to provide competing local telecommunications services in Tennessee.¹

4. The *Application* and information in the record indicate that Loretto Telecom has the requisite technical and managerial ability to provide competitive local and intrastate telecommunications services within the State of Tennessee. Specifically, Loretto Telecom's management team possesses extensive business, technical, operational, and regulatory experience in the telecommunications industry.

¹ See *In re: Petition of SkyBest Communications, Inc. for a Certificate to Provide Competing Local Telecommunication Services Within the State of Tennessee*, Docket No. 16-00078, *Initial Order Granting Certificate of Public Convenience and Necessity* (September 28, 2016).

5. Loretto Telecom has the necessary capital and financial ability to provide the services it proposes to offer.

6. Loretto Telecom has represented that it will adhere to all applicable statutes, policies, rules, and orders of the Commission.

B. PROPOSED SERVICES

Loretto Telecom proposes to offer internet via fiber to the premises (“FTTP”) along with hosted voice over internet protocol. The Company began its FTTP deployment in 2018, choosing to overbuild their entire service area with FTTP. Serving approximately 320 square miles in Lawrence County, Tennessee, Loretto Telecom has reached nearly 50% of its customers with FTTP.

C. PERMITTING COMPETITION TO SERVE THE PUBLIC CONVENIENCE AND NECESSITY

Loretto Telecom’s *Application* and its proposed services would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and fostering the development of an efficient, technologically advanced statewide system of telecommunications services. The Company’s proposed services would also assist in ensuring that persons are able to obtain competitive pricing, increased accountability through reliable and responsive customer service, and advanced technological innovation.

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

Loretto Telecom has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 and the Commission’s Rules.

IT IS THEREFORE ORDERED THAT:

1. The *Application of Loretto Telecommunications Services, Inc. for Certificate to Provide Competing Local Telecommunication Services in Tennessee*, filed by Loretto Telecommunication Services, Inc. is approved.
2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen (15) days from the date of this Order.
3. This Initial Order shall become a Final Order of the Tennessee Public Utility Commission, if no petition for reconsideration or appeal of this Order is filed prior to the expiration of the fifteen (15) day appeal period.



Aaron J. Conklin, Hearing Officer