

PUBLIC UTILITIES COMMISSION OF NEVADA
MEMORANDUM

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DATE: October 25, 2018

TO: The Commission
Via: Anne-Marie Cuneo, DRO *AMC*

FROM: Swetha Venkat, Economist, Resource and Market Analysis Division *sw/vk*

SUBJECT: Agenda No. 19-18; Item No. 3A; Docket No. 18-08023;
Application of Blockchains Communications LLC for authority to operate as a competitive supplier of telecommunication service within the State of Nevada.

I. Summary:

On August 28, 2018, Blockchains Communications LLC (“Blockchains”) filed an application for authority to operate as a competitive supplier of telecommunication service within the state of Nevada. The Regulatory Operations Staff (“Staff”) of the Public Utilities Commission of Nevada (“Commission”) has completed its review and Blockchains satisfies the requirements of NAC 704.7472 for providing telecommunications service as a competitive provider in Nevada. Staff recommends that the Amended Application be granted and an order and certificate be issued.

II. Analysis and Investigation:

On August 29, 2018, the filing was accepted for docketing when Blockchains amended its application by filing supplemental information for Exhibit 3. On October 22, 2018, Blockchains amended its application by filing a supplemental Exhibit 10.

This Amended Application is being reviewed under the rules governing competitive suppliers of telecommunication service. Blockchains’ Amended Application contains information satisfying the requirements prescribed in Nevada Administrative Code (“NAC”) 704.7472(1), which include: (a) a description of the type of service to be provided; (b) timely financial statements; (c) a copy of the certificate issued by the Secretary of State confirming incorporation or registration; (d) a performance bond, if necessary; (e) a toll-free customer service number; (f) a demonstration of the technical competence to provide the requested service; (g) if the company is doing business in Nevada under an assumed name, proof that the fictitious name has been registered; and (h) areas to be served, including an identification of the certificated service areas served by any small-scale provider of last resort.

With regard to paragraph (a) of NAC 704.7472(1), Blockchains proposes to provide local exchange and interexchange services to business and residential customers.

In response to a Staff data request, Blockchains provided timely confidential financial statements of its parent company, Blockchains, LLC in satisfaction of NAC 704.7472(1)(b). Blockchains states in its Application that no annual or quarterly financial statements are available for it since it is a new entity formed in May 2018.

In satisfaction of paragraph (c), Blockchains provided a copy of its Limited Liability Company Charter and its Nevada State Business License. Additionally, Staff checked the Nevada Secretary of State's website and verified that the Company is currently in good standing.

Blockchains is not offering prepaid services or requiring customer deposits; therefore, no surety bond is required by paragraph (d).

With regard to paragraph (e), Blockchains' toll-free number is 1-800-998-6104.

In satisfaction of paragraph (f), Blockchains represents that it possesses the necessary technical capability to provide services. Jeffrey Berns is the CEO and founder of Blockchains and Blockchains, LLC. Gary Bayer works in Network Operations and has overseen a project connecting Switch's Tahoe-Reno Industrial Center location with its Las Vegas Supernap Headquarters, worked for Zayo Group, which partnered with Verizon for a project to upgrade fiber-optic infrastructure and equipment and cell site activations and developed a fiber optic network with Level-3 Communications/Century Link.

Blockchains will not be offering services under a fictitious name, so no proof as specified in NAC 704.7472(1)(g) is required.

In accordance with Nevada Revised Statutes ("NRS") 704.330(7) and NAC 704.7472(1)(h), an applicant must indicate whether it intends to provide telecommunication service in an area served by a small-scale provider of last resort. Blockchains indicates that it will provide service to Storey County. The areas of intended service are not served by a small-scale provider of last resort.

In accordance with NRS 704.040, competitive suppliers are not required to file any information pertaining to their rates or terms and conditions of service.

III. Notice and Subsequent Action:

On August 31, 2018, the Commission issued a Notice of Application which allows interested and affected persons to file: 1) petitions for leave to intervene made pursuant to NAC 703.578 through 703.600; or 2) protests at either of the Commission's offices on or before Wednesday, September 26, 2018. No such documents were received.

IV. Conclusion and Recommendations:

Based on the foregoing, Staff believes that Blockchains Communications, LLC has met the requirements of NAC 704.7472. Staff recommends that the Commission grant the Amended Application and issue an order and certificate granting authority to Blockchains

Communications, LLC to operate as a competitive supplier of telecommunication service within the state of Nevada.