

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ZIPLY FIBER OF) CASE NO. GNR-T-25-02
IDAHO, LLC’S AND ZIPLY FIBER)
NORTHWEST, LLC’S FAILURE TO) ORDER TO VACATE HEARING
PROVIDE ADEQUATE SERVICE AND)
MAINTENANCE OF PLANT IN SERVICE) ORDER NO. 36507
PURSUANT TO IDAHO CODE §§ 62-601)
THROUGH 62-624)
)

ZiPLY Fiber of Idaho, LLC and ZiPLY Fiber Northwest, LLC (“Companies”) are related telecommunication companies that, along with several other related entities, provide telecommunications service in several locations around Idaho. The Companies are “telephone corporations” offering “telecommunication services” as defined by *Idaho Code* § 61-121 and are public utilities regulated by the Idaho Public Utilities Commission (“Commission”). *Idaho Code* §§ 61-121, -129. At the Commission’s February 4, 2025, Decision Meeting, the Commission ordered that a Show Cause Hearing be scheduled to address the Companies’ alleged failures to comply with Commission mandates.

With this Order, the Commission vacates the previously ordered Show Cause Hearing and instructs Staff to open a formal investigation of the Companies with Mike Ayers’ formal complaint proceeding independently.

BACKGROUND

After receiving several customer complaints, Commission Staff (“Staff”) conducted an initial investigation of the Companies. The results of this investigation led Staff to believe that the Companies had failed to adequately maintain their system, leaving customers in certain areas without reliable service due to crosstalk, static, or other transmission problems. Staff stated that it had received allegations that the Companies failed to respond timely to service outage reports from customers as required by Telephone Customer Relations Rule 502, IDAPA 31.41.01.502. Staff further disclosed that customers had reported the Companies had instructed their technicians to disregard customer requests that might require infrastructure investment. Staff also indicated that the Companies had 18 open informal complaints as of January 31, 2025.

Additionally, the Companies had 87 informal complaints during the preceding calendar year and 1,124 such complaints since 2016. In sum, Staff asserted that the Companies may have attempted to charge customers in an unreasonable fashion, failed to maintain adequate service, failed to adequately respond to customer complaints, and may have failed to comply with the Commission's requirements to withdraw or discontinue service to a service area(s). *Idaho Code* §§ 61-301, 302, 303, and 62-612.

PROCEDURAL HISTORY

During the Commission's February 4, 2025, Decision Meeting, Staff presented a decision memorandum recommending that the Commission issue a Notice of Hearing and Order to Show Cause why the Companies had failed to maintain equipment and provide reliable service to customers. The Commission orally adopted Staff's recommendation to schedule a Show Cause Hearing. The Commission also held that the show cause hearing in this case should be combined with Mike Ayers' formal complaint (Case No. CTC-T-24-01). However, the Commission has yet to issue a written order on this matter. At the Commission's March 4, 2025, Decision Meeting, the previously ordered Show Cause Hearing was vacated for the reasons described below.

STAFF RECOMMENDATION

In its March 4, 2025, Decision Memorandum, Staff stated that, since the Commission's February 4, 2025, Decision Meeting, the parties have engaged in meaningful communication—with the Companies expressing an interest in further understanding the alleged violations and a desire to address any deficiencies. Staff recommended that the Commission vacate its prior decision to hold a Show Cause Hearing and instead open a formal investigation into the Companies. Staff stated that the purpose of this investigation would be to determine whether the Companies have attempted to charge customers in an unreasonable fashion, failed to maintain adequate service, failed to adequately respond to customer complaints, and failed to comply with the Commission's requirements to withdraw or discontinue service to a service area(s). Staff stated that such an investigation would provide a better understanding of the status of the Companies' systems and provision of services. Additionally, if the investigation reveals any deficiencies, the parties will have greater flexibility within that investigation to address those deficiencies without further formal Commission action.

Staff noted that the Commission has previously followed a course of action similar to what has been described above. In Case Nos. SMR-R-19-01 and BGR-R-19-01, the Commission

ordered that Show Cause Hearings be held to determine if St. Maries River Railroad Company and its affiliate BG & CM Railroad, Inc. should be penalized for alleged violations of the Commission's mandates. However, once the companies involved addressed the Commission's concerns, the Orders to Show Cause were vacated. Order Nos. 34380 and 34381. Staff stated that the Companies have expressed a desire to address any relevant service issues, and Staff asks that the Commission close GNR-T-25-02 and instead initiate an investigation to ensure that the alleged issues are properly examined and, where appropriate, addressed. While the issues surrounding Mike Ayers' formal complaint might intersect and be resolved by Staff's investigation, Staff asked that Mike Ayers' formal complaint continue until its conclusion.

COMMISSION DECISION

Staff has stated that since, the Commission's decision during its February 4, 2025, Decision Meeting, Staff and the Companies have been in frequent communication about how best to process these matters. The Companies desired an opportunity to come into compliance with Commission mandates (if not already), and Staff desired the flexibility to investigate all of the alleged and relevant issues of non-compliance relative to the Companies. Accordingly, the Commission grants Staff's recommendation to open an investigation in this matter in part due to the parties' concerns and in part due to the seriousness of the allegations levied against the Companies. Because of the nature of these allegations, the Commission desires more information before making a ruling.

Staff has raised concerns about broad maintenance-related allegations across the state. Accordingly, this order authorizes Staff with broad authority to investigate these matters. Within the Commission's jurisdiction, Staff is authorized to investigate the formal and informal complaints received by the Commission, the complaints received directly by the Companies, material issues that overlap with former customers of the Companies, and issues that relate to the Companies' interactions with other Idaho utilities. Staff has the latitude to investigate formal complaints, informal complaints, and all other issues that are material to the allegations asserted against the Companies or other areas where non-compliance is discovered.

While Mike Ayers' formal complaint will continue to be processed independently of this Complaint, Staff may investigate items that are uniquely related to Mike Ayers' formal complaint. Staff is encouraged to make sure that vacating the Show Cause Hearing in this matter does not leave Mike Ayers' alleged concerns unattended to. Where relevant, information resulting from Staff's investigation may inform Mike Ayers' formal complaint and vice versa.

The Commission also acknowledges that telecommunications companies often have a complicated corporate structure—where an entity having several related subsidiaries and affiliates is common. Therefore, the Commission authorizes Staff to investigate all affiliates of the Companies that are operating, or seeking to operate, as an Eligible Telecommunication Carrier, or that operate under a Certificate of Public Convenience and Necessity issued by this Commission. Staff may also investigate those entities that are otherwise materially connected to the Companies within the bounds prescribed in *Idaho Code* § 61-610. This order authorizes those entities described above to release confidential documentation to Staff—with unredacted copies for Staff’s internal usage. Where such documents will become part of the public record, appropriate redactions for confidential information may be made pursuant to *Idaho Code* § 74-107 and IDAPA 31.01.01.67. If violations of Commission mandates are discovered, the parties are encouraged to seek fully compliant solutions amongst themselves where such is reasonable.

Failure to comply with Commission mandates, and failure to timely respond to Staff’s production requests in a full and comprehensive manner, may result in the Commission again ordering a Show Cause Hearing where the Companies will need to explain why penalties should not be imposed for the alleged violations of Commission mandates.

For the reasons stated above, the Commission finds it reasonable to vacate the previously ordered Show Cause Hearing, open a broad investigation of the Companies and materially related entities, and order that Mike Ayers’ formal complaint shall proceed independently.

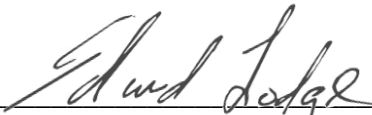
ORDER

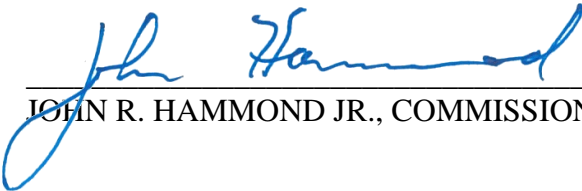
IT IS HEREBY ORDERED that the Show Cause Hearing ordered at the Commission’s February 4, 2025, Decision Meeting, is hereby VACATED. The Commission Secretary shall open a new docket for Staff’s investigation and close Case No. GNR-T-25-02.

IT IS FURTHER ORDERED that Staff shall engage in a formal investigation of the Companies to ensure compliance with Idaho law and Commission mandates.

IT IS FURTHER ORDERED that Mike Ayers’ formal complaint shall proceed forward as an independent case.

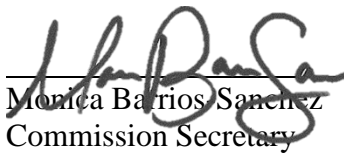
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of March 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER

Recused
DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios Sanchez
Commission Secretary

I:\Legal\TELECOM\GNRT2502_Ziply Show Cause\VacateSCH.docx