# Exhibit 2 State of Oregon Application and Order

X5 Solutions, Inc. and X5 OpCo LLC Joint Application for Transfer Public Service Commission of Utah PUBLIC UTILITY COMMISSION OF OREGON 550 CAPITOL STREET NE, STE. 215 PO BOX 2148 SALEM, OREGON 97308-2148 (503) 378-8959

## APPLICATION FOR TRANSFER OF CERTIFICATE OF AUTHORITY TO PROVIDE COMPETITIVE TELECOMMUNICATIONS SERVICES IN OREGON

INSTRUCTIONS: Complete every applicable section of this application. Attach additional documents and/or sheets to complete responses (if needed). You will be notified when the Commission receives your application, and again when it has been processed. Upon acceptance of this application, the Commission will publish notice pursuant to ORS 759.020(2). After submitting this application electronically, mail one copy with original signature and all attachments.

| Desired Effective Date: | 3/1/2015 |
|-------------------------|----------|

To guarantee processing by the effective date, the Commission must receive an application at least 60 days prior to the desired effective date unless Commission Staff and Applicant have agreed to an earlier effective date. The Commission allows filing and notice prior to effective date of transaction. The Commission will issue an order on the desired effective date unless Applicant files a notice of extension or withdraws the application.

### SECTION I -- Transferee/Surviving Entity Information

1. Exact Legal Name of Surviving Entity or Transferee: X5 OpCo LLC

Applicant's Assumed Business Name(s) (if any) (e.g., dba, aka) Must be registered with the Corporation Division.

Applicant's Type of Legal Entity (e.g., corporation, limited partnership)

Business Address X5 OpCo LLC

c/o NewSpring Holdings LLC 555 E. Lancaster Ave., Suite 444

Radnor, PA 19087

Phone 610-567-2380 Fax Email

Fax

2. Name and Address of Person to be Contacted for Further Information Regarding This Application:

Walter P. Maner Chairman X5 OpCo LLC c/o NewSpring Holdings LLC 555 E. Lancaster Ave, Suite 444 Radnor, PA 19087

Radnor, PA 19087
Telephone: 610.567.2380
Email Email: smaner@newspringcapital.com

1776 K Street, NW
Washington, DC 20006
Telephone: 202.719.7487
Email: tnavin@wileyrein.com

With a copy to:

Wiley Rein LLP

With a copy to: Thomas J. Navin, Esq.

Thomas J. Navin, Esq.

3. Name and Address of Person to be Contacted for Regulatory Information (Commission will send requests for

information to this person).

Walter P. Maner Chairman X5 OpCo LLC c/o NewSpring Holdings LLC 555 E. Lancaster Ave, Suite 444 Radnor, PA 19087

Telephone: 610.567.2380 Email: smaner@newspringcapital.com Wiley Rein LLP 1776 K Street, NW Washington, DC 20006 Telephone: 202.719.7487 Email: tnavin@wileyrein.com

Phone Fax Email

4. Affiliated Interests:

Phone

As of the date of the transfer, will you be, or are you now, or have you ever been affiliated with any provider of telecommunications service that serves Oregon? If so, who? When? Describe affiliation. Affiliated interest is defined in OAR 860-032-0001.

N/A

5. Previous Certificates of Authority: List each certificate of authority previously granted by the Oregon PUC to Applicant and to each affiliated entity, under a legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate include: name of entity, docket number, and order number. Name of Entity Docket Number Order Number a. N/A b. C. d. SECTION II -- Transferring Entity (Transferor) Information By completing this information the Transferor acknowledges that it will no longer have authority and cannot provide the telecommunications services that are transferred. 1. Exact Legal Name of Transferring or Merging Entity (Transferor): X5 PDX, LLC Applicant's Assumed Business Name(s) (if any) (e.g., dba, aka) X5 Solutions, Inc. Must be registered with the Corporation Division. Applicant's Type of Legal Entity (e.g., corporation, limited partnership) LLC X5 PDX, LLC **Business Address** 1301 Fifth Ave. Suite # 2301 Seattle, WA 98101 info@x5solutions.com Phone 206.973.5800 Fax Email 2. Name and Address of Person to be Contacted for Further Information Regarding the Application: With a copy to: Barbara Meyer Andrew O. Isar Controller Regulatory Consultant X5 Solutions, Inc. Miller Isar, Inc. X5 PDX, LLC 4423 Point Fosdick Drive, NW 1301 Fifth Ave. Suite 306E Suite # 2301 Gig Harbor, WA 98335 Seattle, WA 98101 Telephone: 253.851.6700 Telephone: 206.973.5800 Phone Fax Email Email: aisar@millerisar.com Email: bmeyer@x5solutions.com 3. Name and Address of Person to be Contacted for Regulatory Information (Commission will send requests for information to this person). Please provide the email address: With a copy to: Barbara Meyer Andrew O. Isar Controller Regulatory Consultant X5 Solutions, Inc. Miller Isar, Inc. X5 PDX, LLC 4423 Point Fosdick Drive, NW 1301 Fifth Ave.

Fax

Phone

Suite # 2301

Email

Seattle, WA 98101

Telephone: 206.973.5800

Email: bmeyer@x5solutions.com

Page 2 of 4

Suite 306E

Gig Harbor, WA 98335

Telephone: 253.851.6700

Email: aisar@millerisar.com

- 4. Certificates of Authority to be Transferred:
  - a. List each certifiate of authority previously granted by the Oregon PUC to Transferor, under its legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate provide the name of entity, docket number, and order number.

Docket Number

Order Number

| · · · · · · · · · · · · · · · · · · ·   |                    |                |
|---|--------------------|----------------|
| 1) X5 PDX, LLC  | CP 1126            | 03-167         |
| 2)  |                    |                |
| 3)  |                    |                |
| 4)  |                    |                |
| b. Do you request that ALL authority to provide telecommunications service be tra                         | ansferred?         | Yes □ No       |
| c. If response to 4.b. is No, describe what authority is to be transferred and what by the Transferor.    | authority is to be | retained       |
|   |                    |                |
| Note: The transferring entity (Transferor) will no longer be authorized to services that are transferred. | provide the tele   | communications |

SECTION III -- Nature of Transaction between Transferee and Transferor (describe in detail)

Name of Entity

Please see attached letter.

Please use additional sheets if necessary to fully answer any item.

## SECTION IV -- Conditions of a Certificate of Authority

As a condition of a certificate of authority, certificate holder must comply with all applicable Commission rules and state law, as well as conditions listed in the certificate.

For your convenience, following is a summary of some conditions from OAR 860-032-0001 et seq. (Division 32). Additional conditions will be specified in the certificate.

- a. Certificate holder shall provide only telecommunications services authorized by the certificate.
- b. Certificate holder's books and records shall be open to inspection by the Commission to the extent necessary to verify information required by the Commission's rules.
- c, Certificate holder shall pay all access charges and subsidies imposed pursuant to the Commission's rules.
- d. Certificate holder shall pay an annual fee to the Commission pursuant to the Commission's rules. This fee will be based on the certificate holder's annual gross retail intrastate revenues and will be no less than \$100 per calendar year. The certificate holder shall collect the fee by charging an equitable amount to each retail customer and describe the amount of the apportioned charge on each retail customer's bill, pursuant to the Commission's rules.
- e. The surviving entity (Transferee) is responsible for the annual PUC fee and all other fees incurred by the transferring entity (Transferor) as of the date the Commission approves the transfer.
- f. Certificate holder shall respond in a timely manner to Commission inquiries.

Pursuant to Residential Service Protection statutes, Chapter 290, Oregon Laws 1987, and Division 033, certificate holder shall be responsible to ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each paying retail subscriber at a rate that is set annually by the Commission.

Applicant understands that all services provided by Applicant must comply with all applicable Commission rules and state law, and with conditions of the certificate (check box at left).

| Signature of Person Authorized to Represent Transferee/Surviving Entity  | Title  |
|--|--|
| Typewritten Name   | Date   |
| Person Authorized to Represent Transferring Entity (Transferor)  Typewritten Signature Richard F. Reynolds   | Title Chief Executive Officer                |
| By signing this document I certify that I am a legal representative of authority to provide telecommunications to the above noted surviving that are trans | ng entity, the transferring entity no longer |

Applicant understands that all services provided by Applicant must comply with all applicable Commission rules and state law, and with conditions of the certificate (check box at left).

| Signature of Person Authorized to Represent Transferee/Surviving Entity  | Title Chairman                                |
|--|---|
| Typewritten Name Walter P. Maner   | Date  |
| Person Authorized to Represent Transferring Entity (Transferor)  | Title   |
| Typewritten Signature  | Date  |
| By signing this document I certify that I am a legal representative of authority to provide telecommunications to the above noted survivinas authority to provide telecommunications services that are trans | ing entity, the transferring entity no longer |



1776 K STREET NW
WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE MCLEAN, VA 22102

PHONE 703.905.2800 FAX 703.905.2820

www.wileyrein.com

December 30, 2014

Thomas J. Navin 202.719.7487 tnavin@wileyrein.com

### VIA ELECTRONIC DELIVERY

Kathy Shepherd Competitive Provider Analyst Public Utility Commission of Oregon 3930 Fairview Industrial Drive SE Salem OR 97302

Re: X5 PDX, LLC and X5 OpCo LLC – Transfer of Certificate of Authority

Dear Ms. Shepherd:

X5 PDX, LLC, together with its affiliate X5 Solutions, Inc. ("X5" or "Transferors") and X5 OpCo LLC ("X5 OpCo" or "Transferee," jointly, "Applicants") hereby respectfully notify the Public Utility Commission of Oregon ("Commission") of a pending transaction between Transferors and Transferee pursuant to which Transferors will transfer substantially all of their telecommunications assets and Oregon customer base to Transferee (the "Transaction").

The Parties submit this letter to supplement their Application for Transfer of Certificate of Authority to Provide Competitive Telecommunications Services in Oregon.



### I. PARTIES

## A. X5 PDX, LLC and X5 Solutions, Inc. (Transferors)

X5 PDX, LLC is a Seattle, Washington-based privately-held limited liability company organized under the laws of the State of Washington on August 7, 2002. X5 PDX, LLC and its affiliate, X5 Solutions, Inc., provide local exchange and domestic interexchange telecommunications services primarily to commercial and governmental institution subscribers, wholesale telecommunications network facilities and services to carriers, and switched exchange access services to interconnecting carriers in the States of Washington, Oregon, and Utah. X5 PDX, LLC provides services primarily in the State of Oregon. X5 PDX, LLC is authorized to provide intraexchange (local exchange) switched services and non-switched private line services in Oregon. X5 serves approximately 160 customers in the state of Oregon.

## B. X5 OpCo LLC (Transferee)

X5 OpCo is a limited liability company formed under the laws of the State of Delaware in 2014. X5 OpCo is a wholly owned subsidiary of X5 Holdings LLC ("X5 Holdings") which is controlled by NewSpring Holdings Management Company LLC ("NewSpring"). X5 OpCo has been formed specifically to effect the proposed Transfer. NewSpring is a limited liability company organized under the laws of the State of Delaware. NewSpring is affiliated with NewSpring Holdings LLC, a private equity fund that seeks to partner with successful business owners and management teams to grow profitable businesses. Neither X5 OpCo, X5 Holdings or NewSpring currently provide telecommunications services. After consummation of the Transfer, X5 OpCo will manage Transferors' operations and business under its current organization. X5 OpCo is not and has never been authorized to provide telecommunications service in Oregon.

## II. DESIGNATED CONTACTS

Correspondence concerning this matter should be directed to:

See Application for a Certificate of Authority to Provide Telecommunications Service in Oregon and Classification as a Competitive Provider, Order, Docket No. CP 1126, Order No. 03-167 (2003).



## For Transferor:

Barbara Meyer Controller X5 Solutions, Inc. 1301 Fifth Ave. Suite #2301 Seattle, WA 98101 Telephone: 206.973.5800

## With a copy to:

Andrew O. Isar Regulatory Consultant Miller Isar, Inc. 4423 Point Fosdick Drive, NW Suite 306E Gig Harbor, WA 98335 Telephone: 253.851.6700 Email: aisar@millerisar.com

## For Transferee:

Walter P. Maner Chairman X5 OpCo LLC c/o NewSpring Holdings LLC 555 E. Lancaster Ave, Suite 444 Radnor, PA 19087 Telephone: 610.567.2380

## With a copy to:

Thomas J. Navin, Esq. Wiley Rein LLP 1776 K Street, NW Washington, DC 20006 Telephone: 202.719.7487



Email: tnavin@wileyrein.com

## III. DESCRIPTION OF THE TRANSACTION AND PUBLIC INTEREST STATEMENT

Transferors seek to sell, and Transferee seeks to acquire, substantially all of the assets and business of Transferors as an ongoing operation. Under the terms of the proposed acquisition, Transferors will sell the entirety of their interest in operational assets, customer and supplier contracts, and the transfer of all personnel to Transferee. Following the grant of the proposed Transfer, Transferee will operate the assets and business of Transferors and will continue to provide domestic telecommunications services to commercial subscribers, wholesale carrier customers, and interconnecting carriers, and otherwise operate under Transferors' current name, organization, and service rates, terms, conditions and authority. The Transaction will provide Transferors' business with additional capitalization needed to innovate, expand operations and generally increase competitiveness. The Transaction will be entirely transparent to Transferors' subscribers and wholesale customers.

The transfer is scheduled to take place on or around March 16, 2015, assuming receipt of all necessary regulatory approvals. The Transferors' customer base will receive notice of the Transaction in accordance with Oregon state requirements and the rules and regulations of the Federal Communications Commission. The Applicants separately are filing a request to waive Oregon's 90-day customer notice requirement period.

The Applicants intend to file or have filed applications seeking authorization for the Transaction with the Federal Communications Commission, the Washington Utilities and Transportation Commission and the Utah Public Service Commission. The Applicants expect the Transaction will receive streamlined treatment from the FCC. To date, no regulatory approvals have been issued.

Applicants submit that the Transaction is consistent with the public interest. The Transaction will provide additional capitalization needed to expand services and operations, and enhance the ability to provide competitive telecommunications services to the public. Further, broad management experience will enable Transferee to explore new innovative service opportunities and provide added value to Transferors' subscribers and customers. The proposed transfer does not raise any



competitive concerns. The only impact of the proposed transaction is that Transferors' business will obtain access to increased resources that will result in a stronger, more capable and robust company, capable of pursuing opportunities.

The Transaction will be entirely transparent to subscribers and customers. The Transaction will not result in any immediate change in service rates, terms, and conditions, and will not result in the discontinuance, reduction, loss, or impairment of service to subscribers or customers. Attached as **Exhibit A** is a customer notification letter that Applicants intend to send to affected customers.

The public interest will also be served by expeditious consideration and approval of the Transaction. The proposed Transaction seeks to strengthen the competitive capabilities of the business being transferred to Transferee. Delays in obtaining regulatory approval could impede the initiatives planned following consummation of the Transaction. Such delays could further create uncertainty and risk to Company subscribers, customers, and employees.

If you have any questions concerning this matter, please contact the undersigned.

Respectfully Submitted,

/s/ Thomas J. Navin

Thomas J. Navin

Counsel for X5 OpCo LLC

## **VERIFICATION**

I, Richard F. Reynolds, am the President and Chief Executive Officer of X5 Solutions, Inc. and X5 PDX, LLC. The factual statements and representations made in the foregoing by and concerning X5 Solutions, Inc. and X5 PDX, LLC and the transactions described therein are true and correct to the best of my knowledge and belief.

Richard F. Reynolds

President and Chief Executive Officer

X5 Solutions, Inc. X5 PDX, LLC

County of <u>Chelan</u>)
State of <u>Washington</u>)

Subscribed and sworn to before me by Richard F Reyrolds this 24th day of December , 2014.

Mutie en Mafngsti Notary Public

My Commission Expires: Dec 20, 2015

## **VERIFICATION**

I, Walter P. Maner, am the Chairman of X5 OpCo LLC. The factual statements and representations made in the foregoing by and concerning X5 OpCo LLC and the transactions described therein are true and correct to the best of my knowledge and belief.

Walter P. Maner Chairman X5 OpCo LLC

| County of | 1 ontgomery) |
|-----------|--------------|
| State of  | JPA )        |

Subscribed and sworn to before me by Walter P. Maner this 23<sup>rd</sup> day of December, 2014.

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal
Mary G. Tluczek, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires July 1, 2017

MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Notary Public / Thursch

My Commission Expires: 7-1-17

15 ORDER NO.

**ENTERED** 

MAR 1 7 2015

## BEFORE THE PUBLIC UTILITY COMMISSION

### OF OREGON

CP 1572 CP 1126

In the Matter of

X5 OPCO, LLC and

X5 PDX, LLC

Application to Transfer a Certificate of Authority to Provide Telecommunications

Service in Oregon as a Competitive Provider.

ORDER

DISPOSITION: DOCKET CP 1572, APPLICATION GRANTED; and

DOCKET CP 1126, ORDER NO. 03-167,

CERTIFICATE OF AUTHORITY TRANSFERRED.

Note: By issuing this certificate, the Commission makes no endorsement or certification regarding the certificate holder's rates or service.

## The Application

On February 10, 2015, X5 OpCo, LLC (X5 OpCo) and X5 PDX, LLC (X5 PDX) filed a joint application to transfer authority to provide telecommunications service in Oregon as a competitive provider. The application requests to transfer the authority of X5 PDX, granted by Order No. 03-167, Docket CP 1126, to X5 OpCo. The application was filed pursuant to OAR 860-032-0005. X5 PDX is the transferor. X5 OpCo is the transferee. Both entities together will be referred to as Joint Applicants.

The transfer is necessitated by X5 OpCo's purchase of X5 PDX's assets and customers. X5 OpCo does not currently hold a certificate of authority in Oregon. X5 PDX's certificate of authority will be canceled upon transfer to X5 OpCo.

X5 PDX is currently authorized to provide intraexchange (local exchange) switched service (i.e., local dial tone) and non-switched, private line service (dedicated transmission service) within all exchanges of the telecommunications utilities and cooperative corporations listed in Appendices A and B to this order.

X5 PDX also is authorized to provide interexchange switched service (toll) and private line service (dedicated transmission service) statewide in Oregon.

X5 OpCo, the Applicant, will operate as a facilities-based provider and as a reseller of intraexchange and interexchange service. X5 OpCo will not directly provide operator services as defined in OAR 860-032-0001 and will not be an 'operator service provider' as defined in ORS 759.690(1)(d).

Applicants request that the transfer coincide with the closing date of the acquisition, which is expected to occur on or about March 16, 2015. Upon transfer of the certificate, the transferor will no longer have authority to provide telecommunications service and will cease providing service in Oregon. The transferor is reminded that because it had a certificate of authority for one or more days in 2015, it is required to file a revenue statement and pay a minimum of \$100 for that year.

The Commission served notice of the application on February 11, 2015. No protests or requests to be made parties of the proceeding were filed.

Based on the record in this matter, the Commission makes the following:

#### FINDINGS AND CONCLUSIONS

## Applicable Law

Two statutory provisions apply to this application. First, ORS 759.020 governs Applicant's request to provide telecommunications as a competitive provider. Under ORS 759.020(5), the Commission shall classify Applicant as a competitive provider if Applicant demonstrates that its services are subject to competition, or that its customers or those proposed to become customers have reasonably available alternatives. In making this determination, the Commission must consider the extent to which services are available from alternative providers that are functionally equivalent or substitutable at comparable rates, terms and conditions, existing economic or regulatory barriers to entry, and any other factors deemed relevant.

Second, ORS 759.050 governs Applicant's request to provide local exchange (intraexchange) telecommunications service. Under ORS 759.050(2)(a), the Commission may authorize Applicant to provide local exchange service within the local exchange of a telecommunications utility if the Commission determines such authorization would be in the public interest. In making this determination, the Commission must consider the extent to which services are available from alternative providers, the effect on rates for local exchange service customers, the effect on competition and availability of innovative telecommunications service in the requested service area, and any other facts the Commission considers relevant. See Order No. 96-021.

## Designation as a Competitive Provider

Applicant has met the requirements for classification as a competitive telecommunications service provider. Applicant's customers or those proposed to become customers have reasonably available alternatives. The incumbent telecommunications utilities and cooperative corporations listed in the appendices provide the same or similar local exchange services in the local service area requested by Applicant. AT&T, Sprint Communications, Qwest Corporation, Frontier Communications Northwest Inc., and others provide interexchange telecommunications service in the service area requested by Applicant. Subscribers to Applicant's services can buy comparable services at comparable rates from other vendors. Economic and regulatory barriers to entry are relatively low.

### **Public Interest**

With regard to the general factual conclusions relevant to this proceeding, the Commission adopts the Commission's findings in Order No. 93-1850 and Order No. 96-021. Based on a review of those findings, as well as information contained in the application, the Commission concludes that it is in the public interest to grant the application of X5 OpCo, LLC to provide local exchange telecommunications service as a competitive telecommunications provider in exchanges of the telecommunications utilities and cooperative corporations listed in the appendices, as described in the application. Further, it is in the public interest to grant statewide interexchange authority as described in the application. This finding will have no bearing on any determination the Commission may be called upon to make under sections 251 or 252 of the Telecommunications Act of 1996 (47 USC § 251, 252) with regard to the telecommunications utilities and cooperative corporations in this docket.

#### Conditions of the Certificate

In Order No. 96-021, the Commission interpreted ORS 759.050 and established conditions applicable to competitive local exchange carriers. Also, other conditions are listed in administrative rules, including among others OAR 860-032-0007. Applicant, as a competitive provider, shall comply with the conditions adopted in Order No. 96-021, as well as all applicable laws, Commission rules, and orders related to provision of telecommunications service in Oregon.

Per ORS 759.050(2)(c) and Order No. 96-021, Applicant shall comply with the following conditions.

1. Applicant shall terminate all intrastate traffic originating on the networks of other telecommunications providers that have been issued a certificate of authority by the Commission.

- 2. Applicant shall make quarterly contributions to the Oregon Universal Service fund based on a Commission approved schedule and surcharge percentage assessed on all retail intrastate telecommunications services sold in Oregon, pursuant to ORS 759.425. If Applicant bills the surcharge to its end-users, Applicant shall show the charges as a separate line item on the bill with the words "Oregon Universal Service Surcharge \_\_\_\_%".
- 3. Applicant shall offer E-911 service. Applicant has primary responsibility to work with the E-911 agencies to ensure that all users of its services have access to the emergency system. Applicant will deliver or arrange to have delivered to the correct 911 Controlling Office its customers' Automatic Number Identification telephone numbers so the lead 911 telecommunications service provider can deliver the 911 call to the correct Public Safety Answering Point. Applicant shall work with each 911 district and lead 911 telecommunications service provider to develop procedures to match Applicant's customer addresses to the 911 district's Master Street Address Guide in order to obtain the correct Emergency Service Number (ESN) for each address. Applicant shall provide the lead 911 telecommunications service provider with daily updates of new customers, moves, and changes with the correct ESN for each.
- 4. For purposes of distinguishing between local and toll calling, Applicant shall adhere to local exchange boundaries and Extended Area Service (EAS) routes established by the Commission. Applicant shall not establish an EAS route from a given local exchange beyond the EAS area for that exchange.
- 5. When Applicant is assigned one or more NXX codes, Applicant shall limit each of its NXX codes to a single local exchange or rate center, whichever is larger, and shall establish a toll rate center in each exchange or rate center proximate to that established by the telecommunications utility or cooperative corporation serving the exchange or rate center.
- 6. Applicant shall pay an annual fee to the Commission pursuant to ORS 756.310 and 756.320 and OAR 860-032-0095. The minimum annual fee is \$100. Applicant is required to pay the fee for the preceding calendar year by April 1.
- 7. Pursuant to Oregon Laws 1987, chapter 290, sections 2-8, and to OAR chapter 860, division 033, Applicant shall ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each retail subscriber at a rate that is set annually by the Commission.
- 8. Applicant, as transferee, shall be liable for all fees incurred and reports due by the transferor as of the effective date of this order.

## **Competitive Zones**

All exchanges of the telecommunications utilities and cooperative corporations listed in the appendices to this order are designated competitive zones pursuant to ORS 759.050(2)(b).

## **Pricing Flexibility**

#### **Dedicated Transmission Service**

The telecommunications utilities listed in Appendix A are granted pricing flexibility for dedicated transmission service in their respective exchanges by this order. *See* Order No. 93-1850, Docket UM 381.

## Local Exchange Service

Cooperative telephone companies are generally not regulated by the Commission for local exchange services, and therefore already have pricing flexibility. Any telecommunications utility exempt under ORS 759.040, listed in Appendix A, has pricing flexibility for local exchange service. By Order No. 96-021, at page 72, pursuant to ORS 759.050(5), the Commission established procedures whereby telecommunications utilities would be granted pricing flexibility for local exchange switched services. Qwest has complied with those procedural requirements for all except two of its exchanges. Frontier Communications Northwest Inc. has complied with those procedural requirements for all except one of its exchanges.

#### ORDER

### IT IS ORDERED that:

- 1. The joint application of X5 OpCo, LLC and X5 PDX, LLC to transfer the authority granted by Order No. 03-167, Docket CP 1126, from X5 PDX, LLC to X5 OpCo, LLC, is granted. Applicant, X5 OpCo, LLC, is granted authority to provide intraexchange and interexchange service.
- Applicant is designated as a competitive telecommunications provider for intraexchange service in the local exchanges of the telecommunications utilities and cooperative corporations listed in Appendices A and B. In addition, Applicant is designated as a competitive telecommunications provider for interexchange service statewide in Oregon.
- 3. The local exchanges of the telecommunications utilities and cooperative corporations listed in Appendices A and B are designated as competitive zones.

- 4. Any obligation regarding interconnection between Applicant and the telecommunications utilities and cooperative corporations listed in Appendices A and B shall be governed by the provisions of the Telecommunications Act of 1996 (the Act). Commission Order No. 96-021 will govern the interconnection obligations between such parties for the provision of switched local services, unless otherwise addressed by an interconnection agreement or subsequent Commission order.
- 5. No finding contained in this order shall have any bearing on any determination the Commission may be called upon to make under sections 251 or 252 of the Act with regard to the telecommunications utilities and cooperative corporations listed in the appendices to this order.
- 6. The telecommunications utilities listed in Appendix A shall receive pricing flexibility on an exchange-by-exchange basis as set forth in this order.
- 7. The authority granted to X5 PDX, LLC by Order No. 03-167 in Docket CP 1126 will be canceled upon the transfer of assets and customers to X5 OpCo, LLC, which is anticipated to occur on or about March 16, 2015. X5 PDX, LLC will no longer have authority to operate in Oregon as a competitive telecommunications provider.

Made, entered, and effective

MAR 17 2015

Jason Eisdorfer

Director

Utility Program

A party may request reheating or reconsideration of this order under ORS 756.561. A request for reheating or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

### APPENDIX A

### CP 1572

## EXCHANGES ENCOMPASSED BY THE APPLICATION:

## ALL EXCHANGES OF THE TELECOMMUNICATIONS UTILITIES LISTED BELOW

## Telecommunications Utilities Not Exempt Pursuant to ORS 759.040

CenturyTel of Eastern Oregon, Inc. dba CenturyLink CenturyTel of Oregon, Inc. dba CenturyLink Qwest Corporation dba CenturyLink QC United Telephone Company of the Northwest dba CenturyLink Frontier Communications Northwest Inc.

## Telecommunications Utilities Exempt Pursuant to ORS 759.040

Asotin Telephone Company Cascade Utilities, Inc. Citizens Telecommunications Company of Oregon Eagle Telephone System, Inc. Helix Telephone Company Home Telephone Company Monroe Telephone Company Mt. Angel Telephone Company Nehalem Telecommunications, Inc. North-State Telephone Company Oregon Telephone Corporation Oregon-Idaho Utilities, Inc. People's Telephone Company Pine Telephone System, Inc. Roome Telecommunications, Inc. Trans-Cascades Telephone Company

APPENDIX A PAGE 1 OF 1

### APPENDIX B

## CP 1572

## EXCHANGES ENCOMPASSED BY THE APPLICATION:

## ALL EXCHANGES OF THE COOPERATIVE CORPORATIONS LISTED BELOW

Beaver Creek Cooperative Telephone Company
Canby Telephone Association
Clear Creek Mutual Telephone
Colton Telephone Company
Gervais Telephone Company
Molalla Telephone Company
Monitor Cooperative Telephone Co.
Pioneer Telephone Cooperative
Scio Mutual Telephone Association
St. Paul Cooperative Telephone Association
Stayton Cooperative Telephone Co.