#### **BEFORE THE** PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Joint Application of

**Electric Lightwave, LLC**, Eschelon Telecom of Utah, Inc., and Integra Telecom of Utah, Inc.

JOINT APPLICATION

Docket No.

for Approval to Complete a Pro Forma Internal Consolidation

#### JOINT APPLICATION

Electric Lightwave, LLC ("Electric Lightwave"); Eschelon Telecom of Utah, Inc. ("Eschelon"); and Integra Telecom of Utah, Inc. ("Integra") (Electric Lightwave, Eschelon and Integra collectively, the "Applicants") pursuant to Utah Code Ann. § 54-4-28 and the rules of the Public Service Commission of Utah ("Commission"), including R746-349-7, hereby request Commission approval, to the extent required, to enable the Applicants to complete a pro forma 10 internal consolidation of the Applicants into Electric Lightwave, LLC (the "Consolidation") as described below. The Consolidation is part of a series multi-state, intra-company transaction that 12 will simplify the corporate structure of the Applicants' parent company, Allstream Business US, Inc. ("Allstream" or "Company").<sup>1</sup> Subject to the receipt of applicable regulatory approvals, the Applicants propose to complete the Consolidation as soon as possible.

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The Applicants request that the operations of Eschelon and Integra be consolidated with

<sup>&</sup>lt;sup>1</sup> At the time of this filing Allstream has filed a similar application in Minnesota. The Minnesota Commission approved the consolidation, with certain, reasonable conditions. See MN PUC Docket No. P5643, P5423, P5340/PA-17-664. All filings associated with this docket can be obtained from the Minnesota e-dockets system: https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showeDocketsSearch&showEdoc ket=true. The Applicant has also made filings in multiple other states, which are under review.

Electric Lightwave and operate under the Electric Lightwave Certificate ("Certificate"). Once the
Applicants notify the Commission that the Consolidation is complete, we request that the
Certificates for Eschelon and Integra be cancelled.

The Consolidation is in the public interest. It will permit the Applicants to continue providing existing services at just and reasonable rates and will neither alter this Commission's authority to regulate services nor adversely affect the competitiveness of the State's telecommunications markets. The Consolidation will be transparent to customers and it will enhance the Applicant's ability to provide services in Nevada through a more efficient process. In support of this Joint Application, Applicants provide the following information:

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I.

#### DESCRIPTION OF THE APPLICANTS

The Applicants are subsidiaries of Allstream Business US, Inc. (formerly known as Electric 12 Lightwave Holdings, Inc.), an Oregon corporation with its principal offices at 18110 SE 34<sup>th</sup> Street; 13 Building One, Suite 100; Vancouver, Washington 98683. Allstream functions solely as a holding 14 company, and does not serve customers. Through its wholly owned subsidiaries, Allstream owns 15 and operates a number of entities that provide telecommunications services primarily in Arizona, 16 17 California, Colorado, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, Utah, and Washington. Allstream's operating entities provide a broad range of communication and 18 networking services to businesses, wholesale carriers, web content providers, government 19 organizations, and educational institutions. These services include but are not limited to facilities-20 based local, resold long distance, Internet, broadband transport and data services. Allstream is a 21 subsidiary of Zayo Group, LLC, wholly owned by Zayo Group Holdings, Inc. ("Holdings"). 22 Holdings is a publicly traded Delaware corporation (NYSE: ZAYO), and has no majority owner. 23 In Utah, Applicants hold the following authorizations: 24

| 1        | 1. Electric Lightwave LLC, a Delaware limited liability company, is authorized to               |
|----------|---|
| 2        | provide local exchange and interexchange services pursuant to a Certificate granted by the      |
| 3        | Commission in Docket No. 94-2202-01 on August 16, 1995, as amended on August 16, 1996.          |
| 4        | 2. Integra Telecom of Utah, Inc., an Oregon corporation, is authorized to provide local         |
| 5        | exchange and interexchange services pursuant to Certificate granted by the Commission in Docket |
| 6        | No. 99-2299-01 on April 21, 2000.   |
| 7        | 3. Eschelon Telecom of Utah, Inc., d/b/a Integra Telecom, a Minnesota corporation,              |
| 8        | is authorized to provide local exchange and interexchange services pursuant to Certificate No.  |
| 9        | 2263, granted by the Commission in Docket No. 01-2263-01 on October 4, 2001.                    |
| 10       |   |
| 11       | II. <u>DESIGNATED CONTACTS</u>  |
| 12       | Questions, correspondence or other communications concerning this Application should            |
| 13       | be directed to:   |
| 14       | Douglas Denney  |
| 15       | Vice President, Costs & Policy<br>Allstream   |
| 16<br>17 | 18110 SE 34th Street  |
| 18       | Building One, Suite 100   |
| 19       | Vancouver, WA 96383   |
| 20       | 360-558-4318  |
| 21       | doug.denney@allstream.com   |
| 22       |   |
| 23       |   |
| 24       | III. <u>DESCRIPTION OF THE CONSOLIDATION</u>  |
| 25       | As illustrated in Exhibit A, Allstream is a holding company owned by Zayo. Electric             |
| 26       | Lightwave and Integra are operating entities and a wholly-owned subsidiary of Allstream. In     |
| 27       | addition, Eschelon Telecom, Inc. is a holding company that is owned by Allstream and owns the   |
| 28       | operating entity Eschelon Telecom of Utah, Inc. Under the proposed consolidation, the assets,   |

liabilities and operations of the Applicants will merge, with the surviving operating entity being
Electric Lightwave, LLC and the surviving holding company being Allstream Business US, Inc.
There will be no change in the ultimate ownership and control of assets, liabilities or operations
of the consolidated companies.

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IV.

#### **INFORMATION REQUIRED BY R746-394-7**

Pursuant to R746-394-7, Applicants provide the following information:

#### a. identification that it is not an ILEC,

Applicants confirm that none of the Applicants or their affiliates is an ILEC in Utah.

b. identification that it seeks approval of the application pursuant to this rule,
Applicants confirm that they seek approval of the application pursuant to the informal adjudication process set forth in this rule.

c. a reasonably detailed description of the transaction for which approval is sought,A detailed description of the Consolidation is provided in Section III, above.

d. a copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction,

17 In connection with this Consolidation, Applicants and/or their affiliates also expect to provide notice or request approval for the Consolidation from the utility regulatory agencies in the following 18 19 states in addition to Utah: Arizona, California, Colorado, Minnesota, Montana, Nevada, North 20 Dakota, Oregon and Washington. Due to the voluminous nature of these state filings, which contain 21 the same basic information, Applicants have only attached as Exhibit B a copy of the Minnesota filing 22 requesting approval and Exhibit C the subsequent order from the Minnesota Public Utilities 23 Commission authorizing the consolidation. Applicants will provide any additional filings or notices at the request of the Commission or the parties to this docket. 24

copies of any notices, correspondence or orders from any federal agency or any e. other state utility regulatory agency reviewing the transaction which is the subject of the application.

Please see Exhibit C. The Applicants have not yet received any additional notices, correspondence or orders from any federal agency or Public Utilities Commission ("PUC") reviewing the Consolidation. To the extent requested by the Commission, Applicants will forward any orders or similar actions approving or denying the Consolidation.

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#### PUBLIC INTEREST CONSIDERATIONS

As explained above, this merger is entirely internal. Allstream, which is and will remain the holding company of Electric Lightwave, will retain complete indirect ownership and control of the assets and operations used to provide regulated services in the State of Utah. The merger requires no new financing or re-financing and, therefore, will have no impact on the Company's ability to raise, or its cost of, necessary capital.

The merger will be seamless and transparent to Utah customers. There will be no change in the rates or terms and conditions under which Allstream currently serves customers, either under tariff or contract, as a result of the merger. Once the merger is complete, the same personnel who manage these services will continue to do so and there will be no change in the network assets used to provide these services. Currently Electric Lightwave, Eschelon and Integra operate under the same tariffs, retail contracts, and price lists. As the surviving entity, Electric Lightwave will make any necessary name changes and updates to tariffs and contracts.

22 Customers will not notice any changes as a result of the consolidation. Customers' contracts, rates, terms, services and bills will not change as a result of the Consolidation. The 23 Consolidation will be completely transparent to customers, thus, no notice to the customer will 24

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1 be required.

When concluded, this merger will result in a more streamlined corporate structure that will enable the Company to: realize the administrative efficiencies incident to a less complex and more flexible corporate structure; reduce the cost of maintaining multiple entities; and enable a greater ability to compete in the highly competitive telecommunications service market.

VI. <u>CONCLUSION</u>

For the foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by grant of this Application, authorizing Applicants to complete the Consolidation described herein.

Respectfully submitted,

Douglas Denney Vice President, Costs & Policy

15 Filed this  $2^{nd}$  day of November 2017.

### LIST OF EXHIBITS

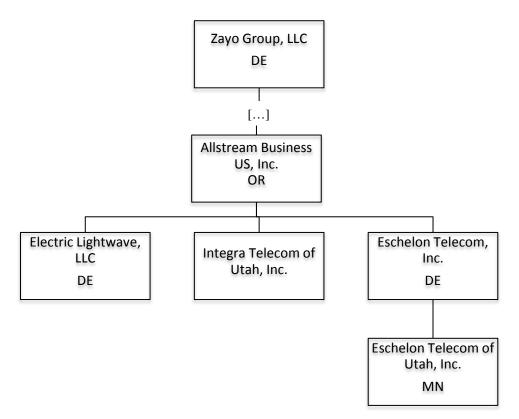
Exhibit A Diagrams of the Pre- and Post-Consolidation Corporate Organization Structures

- Exhibit B Copy of Minnesota Application
- Exhibit C Copy of Minnesota Commission Approval

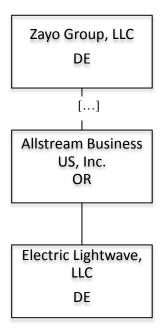
Verification

#### EXHIBIT A

Allstream Entities in Utah Before Consolidation



Allstream Entities in Utah After Consolidation



### EXHIBIT B

**Copy of Minnesota Application** 

#### BEFORE THE STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange Dan Lipschultz Matt Schuerger John Tuma Katie Sieben Chair Vice-chair Commissioner Commissioner Commissioner

Joint Application of

Electric Lightwave, LLC, Eschelon Telecom of Minnesota, Inc., and Integra Telecom of Minnesota, Inc.

for Approval to Complete a *Pro Forma* Internal Consolidation

MPUC Docket No.

#### JOINT APPLICATION

Electric Lightwave, LLC ("Electric Lightwave"); Eschelon Telecom of Minnesota, Inc. ("Eschelon"); and Integra Telecom of Minnesota, Inc. ("Integra") (collectively, "the Applicants"), by their undersigned representative and pursuant to Minn. Stat. Section 237.23 and the rules of the Minnesota Public Utilities Commission ("Commission"), hereby request Commission approval, to the extent required, to enable the Applicants to complete a pro forma internal consolidation of the Applicants into Electric Lightwave, LLC (the "Consolidation") as described below. The Consolidation is part of a series of intra-company transactions that will simplify the corporate structure of the Applicants' parent company, Allstream Business US, Inc. Subject to the receipt of applicable regulatory approvals, the Applicants propose to complete the Consolidation as soon as possible.

The Applicants request that the Certificate of Authority of Integra<sup>1</sup> be transferred to Electric Lightwave and that the existing Certificates of Authority of Eschelon<sup>2</sup> and Electric Lightwave<sup>3</sup> be cancelled upon notification by Applicants to the Commission that the Consolidation is complete. Similarly, the Applicants request that the Integra tariffs may be revised to reflect the surviving entity, Electric Lightwave, LLC.

In support of this Application, the Applicants provide the following information:

#### I. <u>DESCRIPTION OF THE APPLICANTS</u>

The Applicants are subsidiaries of Allstream Business US, Inc. (formerly known as Electric Lightwave Holdings, Inc.) ("Allstream") an Oregon corporation with its principal offices at 18110 SE 34<sup>th</sup> Street; Building One, Suite 100, Vancouver, Washington 98683. Allstream functions solely as a holding company, and does not serve customers. Through its wholly owned subsidiaries, Allstream owns and operates a number of entities that provide telecommunications services primarily in Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, Utah and Washington. Allstream's operating entities provide a broad range of communication and networking services to businesses, wholesale carriers, web content providers, government organizations and educational institutions. These services include, but are not limited to, facilities-based local, resold long distance, Internet, broadband transport and data services. Allstream is a subsidiary of Zayo Group, LLC, wholly owned by Zayo Group Holdings, Inc. ("Holdings"). Holdings is a publicly traded Delaware corporation (NYSE: ZAYO), and has no majority owner.

<sup>&</sup>lt;sup>1</sup> Dkt. No. P-5643/NA-98-660 (August 12, 1998) as amended in Dkt. No. P-5643/M-98-1340 (Nov 23, 1998)

<sup>&</sup>lt;sup>2</sup> Dkt. No. P5340/NA-96-403 (July 18, 1996)

<sup>&</sup>lt;sup>3</sup> Dkt. No. P-5423/MA-96-1261 (February 5, 1997)

In Minnesota the Applicants hold the following Certificates of Authority:

1. Electric Lightwave LLC, a Delaware Limited Liability Company, is authorized to provide niche services pursuant to a Certificate granted by the Commission in Docket No. P-5423/NA-96-1261 on February 5, 1997.

2. Eschelon Telecom of Minnesota, Inc. d/b/a Integra Telecom, a Minnesota corporation, is authorized to provide local and interexchange services pursuant to Certificates granted by the Commission in Docket No. P5340/NA-96-403 on July 18, 1996.

3. Integra Telecom of Minnesota, Inc., a Minnesota corporation, is authorized to provide resold and facilities-based local exchange, private line and special access services, and long distance services, pursuant to Certificates granted by the Commission in Docket no. P-5643/NA-98-660 on August 12, 1998.

#### II. <u>DESIGNATED CONTACTS</u>

Questions, correspondence or other communications concerning this Application should

be directed to:

Douglas Denney Vice President, Costs & Policy Allstream 18110 SE 34th Street Building One, Suite 100 Vancouver, WA 96383 360-558-4318 doug.denney@allstream.com

with a copy to:

Donna Heaston Corporate Attorney Allstream 6160 Golden Hills Drive Golden Valley, MN 55416 763-745-8466 donna.heaston@allstream.com

#### III. REQUEST FOR APPROVAL OF THE CONSOLIDATION

To simplify its corporate structure, Allstream is undertaking a series of pro forma intra-company transactions, including the consolidation of the Applicants into Electric Lightwave, LLC. The Consolidation is expected to result from the mergers of Integra and Eschelon with and into Electric Lightwave, whereupon Electric Lightwave will be the surviving entity and the separate existence of Integra and Eschelon will cease. Exhibit A depicts the corporate organizational structure of the Applicants, as it pertains to Allstream's entities in Minnesota, both before and after the Consolidation.

#### IV. TRANSACTION CHECKLIST

The Applicants provide the following responses to the Commission's "Criteria for Transfer of Control Applications" issued in Docket No. CI-07-192, and to the Department of Commerce's applicable checklist.

#### a) State that the current transaction will not be completed prior to the Commission's approval.

Applicants confirm that the Consolidation Transaction will not be completed prior to the Commission's approval. Since the Consolidation involves internal pro forma mergers, there is no inter-company agreement required by the Consolidation. Certificates of Merger, or similar documents, will be prepared before the Consolidation occurs.

#### b) Attest that the acquiring party has the financial capability to continue to provide service to customers and include a copy of the parties' most recent financial statements.

The surviving entity, Electric Lightwave, will have the financial capability to provide service to the Applicants' customers upon completion of the Consolidation. The most recent audited financial statements are available at: http://investors.zayo.com/sec-filings.

# c) State that no new 911 approvals are needed, or that parties will obtain such approvals prior to offering local voice services.

As there will be no network or NENA ID changes immediately associated with the

Consolidation, the Applicants will operate under the existing 911 Plans of Eschelon and Integra until a 911 plan for Electric Lightwave is approved. Electric Lightwave will prepare a Facilities-Based 911 Plan that incorporates the information currently included in the 911 Plans of Eschelon and Integra, and will submit such 911 Plan within 30 days of the Consolidation.

# d) Address the intent of the parties with respect to the assumption or transfer of the parties' interconnection agreements.

Eschelon and Integra currently have Interconnection Agreements with CenturyLink. The

Eschelon agreement was approved by the Commission in Docket Number P-5340, 421/IC-06-

768. Integra opted into the Eschelon agreement. Electric Lightwave will continue to operate

under the existing Interconnection Agreement, and will work with CenturyLink to the extent re-

quired, pursuant to section 5.12 of the Interconnection Agreement.

# e) Set forth the intent of the parties with respect to the release or return of NXX codes to the North American Numbering Plan Administration (NANPA).

Electric Lightwave will assume any NXX codes assigned to Eschelon and Integra.

Electric Lightwave will comply with all number conservation requirements of NANPA with re-

spect to the NXX codes assigned to Eschelon and Integra.

#### f) Set forth the anticipated status of the acquired company following close of the transaction (i.e. will the entity continue to offer services in Minnesota or will the acquired entity be extinguished).

Upon completion of the Consolidation, Electric Lightwave will provide the services pre-

viously provided by Eschelon and Integra, and there will be no change to customers' services,

rates, terms or conditions as a result of the Consolidation.

# g) Describe who shall be responsible for filing annual reports or making other regulatory filings following the close of the transaction, including the contact information for such person or internal department.

Upon completion of the Consolidation, Electric Lightwave will be responsible for its

regulatory filings, including its annual report. Regulatory affairs will be managed by:

Douglas Denney Vice President, Costs & Policy Allstream 18110 SE 34th Street Building One, Suite 100 Vancouver, WA 96383 360-558-4318 doug.denney@allstream.com

and

Donna Heaston Corporate Attorney Allstream 6160 Golden Hills Drive Golden Valley, MN 55416 763-745-8466 donna.heaston@allstream.com

#### h) Describe the parties' customer notification plans.

Because this change will be transparent to Customers, there is no planned customer

notification.

### i) Describe anticipated tariff changes or include a statement that no tariff changes are necessary.

The Applicants request that the Integra tariffs may be revised to reflect the surviv-

ing entity, Electric Lightwave LLC.

# j) State that parties agree to file with the Commission a notice of closing within 20 days of the completion of the transaction.

The Applicants agree to file a notice of closing within 20 days of the completion of the

Consolidation.

# k) State that the parties agree to pay any outstanding regulatory fees of either or both parties

The Applicants will pay any outstanding regulatory fees that they may have.

- l) Address Telephone Assistance Plan (TAP) questions:
  - 1) Do any of the affected companies have customers enrolled in the TAP?

No.

2) If yes, does the transaction alter the company providing service to any TAP customers?

Not applicable.

3) If yes, which companies will be filing TAP reports after the transaction closes?

Not applicable.

4) If yes, what is the name and phone number of the TAP contact person?

Not applicable.

5) If yes, with what frequency (monthly or quarterly) will the TAP reports be filed? If the frequency of filing TAP reports after the transaction is different that the frequency before the transaction, show how the data of the companies is reconciled to validate that proper reimbursement from the TAP fund is requested.

Not applicable.

6) The acquired company should commit to filing a final TAP report indicating the number of local access lines it served and the amount of TAP surcharge revenues and deposits made upon the closing of the acquisition transaction.

Not applicable.

7) The acquiring company, in its next TAP report, should explain how the number of access lines changed as a result of the acquisition activity and describe any potential discrepancies between the number of access lines reported and the amount of TAP surcharge revenues reported.

Not applicable. The number of access lines will not change as a result of the Consolidation. Electric Lightwave will continue to make all required filings as a collector and remitter of the TAP surcharge.

### m) Describe projected impact on employees of each company involved in the proposed transaction

The Applicants do not have any employees. All employees are employed by the holding company, Allstream Business US, Inc. The Consolidation will not impact Minnesota employees of Allstream Business US, Inc.

#### n) Discuss how competition will be affected by the proposed transaction.

Since the Consolidation is an internal pro forma transaction, competition will not be affected.

#### o) Explain how broadband deployment will be impacted by the proposed transaction.

The Consolidation will not impact broadband deployment.

#### V. PUBLIC INTEREST CONSIDERATIONS

The pro forma Consolidation described herein is in the public interest. The Consolidation, along with certain other intra-company consolidations, will simplify Allstream's existing corporate structure and Allstream's business will be more efficient from a management, operations, regulatory, accounting, financial and customer perspective, thereby reducing reporting and accounting burdens and providing other operational benefits. As a result of the efficiencies and focus, Allstream expects to become a stronger competitor to the ultimate benefit of consumers.

The Consolidation will be transparent to customers and will not result in any change to their services. Minnesota customers are familiar with the Allstream brand, so

the Consolidation will not result in customer confusion. Moreover, the rates, terms and conditions of their services will not change as a result of the Consolidation.

Finally, there will be no change in the provider's financial, technical or managerial capabilities following the Consolidation, since the Applicants are owned and operated by the same company and Officers.

#### VI. CONCLUSION

For the foregoing reasons, the Applicants believe that the public interest would be furthered by the Consolidation, and respectfully request that the Commission grant this Application.

Respectfully submitted,

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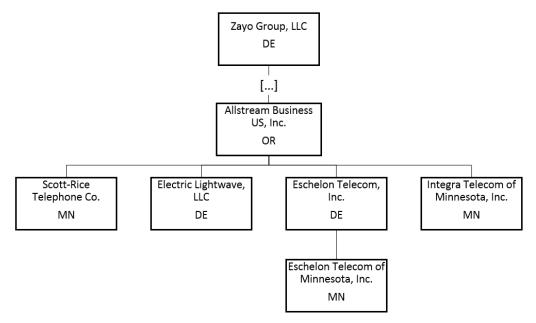
Donna Heaston Corporate Attorney

Dated: August 31, 2017

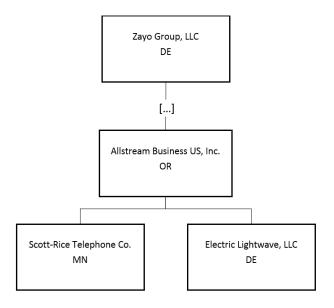
#### EXHIBIT A

#### **Pre- and Post-Transaction Corporate Ownership Structures**

#### Allstream Entities in Minnesota Before Consolidation



#### Allstream Entities in Minnesota After Consolidation



### EXHIBIT C

**Copy of Minnesota Approval** 

#### BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange Dan Lipschultz Matthew Schuerger Katie J. Sieben John A. Tuma

Chair Commissioner Commissioner Commissioner

Donna HeastonSERVICE DATE: November 1, 2017Corporate AttorneyDOCKET NO. P5643,5423,5340/AllstreamDOCKET NO. P5643,5423,5340/6160 Golden Hills DrivePA-17-664Golden Valley, MN 55416PA-17-664

In the Matter of the Joint Application for Approval to Complete a Pro Forma Internal Consolidation

The above entitled matter has been considered by the Commission and the following disposition made:

Approved the merger of Integra Telecom of Minnesota, Inc. (Company No. P5643) and Eschelon Telecom of Minnesota, Inc. (Company No. P5340) into Electric Lightwave, LLC (Company No. P5423) with new Electric Lightwave as the surviving entity having Integra's Certificate of Authority (Company No. P5643), and cancel the Certificates of Authority of Eschelon and Electric Lightwave (Company Nos. P5340 and P5423) upon notification by the Applicants that the Consolidation is complete.

- The new Electric Lightwave is responsible for the regulatory filings and fees of all three certificated companies in this transaction. By May 1, 2018, the new Electric Lightwave must ensure that a 2017 intrastate jurisdictional annual report is filed for all three currently certificated entities, or explain that the operations are included in the new Electric Lightwave's 2017 jurisdictional annual report.
- Tariffs are to be filed that incorporate the terms, conditions, services and rates that are currently included in the tariffs of Electric Lightwave, Integra and Eschelon.
- Applicants must file a notice of completion within 20 days of the completion of the Transaction. The relinquishment of Integra's and the current Electric Lightwave's certificates of authority are effective upon receipt of such notice.
- The new Electric Lightwave must collect and remit the 911 emergency telephone service fee (911 fee), the Telecommunications Access Minnesota (TAM) fee, and the Telephone Assistance Plan (TAP) surcharge for former customers of all applicable operating entities.

- The new Electric Lightwave will operate under the existing 911 plans of Integra and Eschelon, prepare a Facilities-Based 911 Plan that incorporates the information currently included in the 911 Plans of Eschelon and Integra, and submit such 911 Plan within 30 days of the Consolidation.
- The Applicants have provided notice that the interconnection agreement negotiated between Eschelon and CenturyLink QC in Docket No. 06-768, and adopted by Integra will be assigned to the new Electric Lightwave.
- The new Electric Lightwave will assume the NXX codes assigned to Eschelon and Integra.
- The Metropolitan Emergency Service Board, the Department of Public Safety, and Qwest Corporation d/b/a CenturyLink QC are placed on the service list for this docket.

This decision is issued by the Commission's consent calendar subcommittee, under a delegation of authority granted under Minn. Stat. § 216A.03, subd. 8 (a). Unless a party, a participant, or a Commissioner files an objection to this decision within ten days of receiving it, it will become the Order of the full Commission under Minn. Stat. § 216A.03, subd. 8 (b).

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf Executive Secretary

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email <u>consumer.puc@state.mn.us</u> for assistance.

### COMMERCE DEPARTMENT

October 9, 2017

Daniel P. Wolf Executive Secretary Minnesota Public Utilities Commission 121 7<sup>th</sup> Place East Suite 350 St. Paul, MN 55101-2147

#### RE: **Comments of the Minnesota Department of Commerce** Docket No. P5643,P5423,P5340/PA-17-664

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce (Department) in the following matter:

In the Matter of the Joint Application for Approval to Complete a *Pro Forma* Internal Consolidation

The initial petition was filed on September 5, 2017 by:

Donna Heaston Corporate Attorney Allstream 6160 Golden Hills Drive Golden Valley, MN 55416

Sincerely,

/s/ BRUCE L. LINSCHEID Financial Analyst

BLL/lt Attachment



### **Before the Minnesota Public Utilities Commission**

### **Comments of the Minnesota Department of Commerce**

Docket No. P5643,P5423,P5340/PA-17-664

#### I. BACKGROUND

On September 5, 2017, the Minnesota Department of Commerce (Department) received a copy of a joint application (Application) on behalf of Electric Lightwave, LLC (company no. P5423 or Electric Lightwave), Eschelon Telecom of Minnesota, Inc. (company no. P5340 or Eschelon), and Integra Telecom of Minnesota, Inc. (company no. P5643 or Integra, and together with Electric Lightwave and Eschelon, the Applicants) to the Minnesota Public Utilities Commission (Commission) to complete a pro forma internal consolidation of the Applicants into Electric Lightwave (the Consolidation). The Applicants request that the Certificate of Authority of Integra (company no. P5643) be transferred to Electric Lightwave as the surviving entity (the new Electric Lightwave with company no. P5643), and that the existing Certificates of Authority of Eschelon (company no. P5340) and Electric Lightwave (company no. P5423) be cancelled upon notification by the Applicants to the Commission that the Consolidation is complete.<sup>1</sup>

#### A. APPLICANTS

The Applicants are subsidiaries of Allstream Business US, Inc. (Allstream) (formerly known as Electric Lightwave Holdings, Inc.). Allstream functions as a holding company and does not serve customers. Allstream operates a number of entities that provide telecommunication and networking services. Allstream is a subsidiary of Zayo Group, LLC, which is a subsidiary of Zayo Group Holdings, Inc. (Holdings), a publicly traded company with no majority owner. Integra and Eschelon have operational facilities-based authorities to provide competitive local exchange and long distance telecommunications services, and Electric Lightwave has operational local niche authority.

#### B. THE CONSOLIDATION

Allstream is simplifying its corporate structure with a series of pro forma intra-company transactions, including the mergers of Integra and Eschelon into the new Electric Lightwave with company no. P5643. The new Electric Lightwave will be the surviving entity operating as

<sup>&</sup>lt;sup>1</sup> September 18, 2017 electronic response from the Applicants in reply to the Department's September 14, electronic information request asking why the Integra tariff is to be substituted for the Electric Lightwave tariff. The Commission's order in Docket No. 96-1261 only grants operational local niche authority to Electric Lightwave. Electric Lightwave requires operational facilities-based CLEC authority to provide services found in Integra's tariff.

Docket No. P5643,P5423,P5340/PA-17-664 Analyst Assigned: Bruce Linscheid Page 2

Electric Lightwave, LLC d/b/a Allstream, with the Minnesota certificate of authority associated with company no. 5643, and the separate existence of Integra and Eschelon will cease (see Attached Pre- and Post-Transaction Corporate Ownership Structures).<sup>2,3</sup>

#### C. PUBLIC INTEREST

The Applicants state that the Consolidation is in the public interest because it is expected to be virtually transparent to customers. The rates, terms and conditions of service and services will not change as a result of the Consolidation. Applicants state that Minnesota customers are familiar with the Allstream brand so the Consolidation will not result in customer confusion.<sup>4</sup> Services that were provided under Integra will be available under the new Electric Lightwave tariffs, which the new Electric Lightwave will revise as necessary. No change in the financial, technical and managerial capabilities is expected following the Consolidation because the Applicants are owned and operated by the same company and officers.

#### II. STATEMENT OF ISSUES

- A. Does the proposed Consolidation require Commission approval?
- B. Is the proposed Consolidation in the public interest?
- C. Have the Applicants complied with Minnesota law requiring prior Commission approval of the Consolidation?
- D. Should Electric Lightwave's and Eschelon's Certificates of Authority be cancelled, and are there any additional regulatory requirements?

<sup>&</sup>lt;sup>2</sup> September 18, 2017 electronic reply form the Applicants in response to the Department's September 14, 2017 electronic information request asking how the new Electric Lightwave tariff will incorporate the rates, terms and conditions of Eschelon. Eschelon's access service tariff is largely the same as that of Integra.

<sup>&</sup>lt;sup>3</sup> September 22, 2017 conference call between representatives of the Applicants and the Department. The Applicants explained that Integra and Eschelon are being consolidated into Electric Lightwave rather than simply changing the name of Integra to Electric Lightwave because Electric Lightwave is registered in Delaware, and Integra and Eschelon are registered in Minnesota. Consolidating Integra and Eschelon into Electric Lightwave retains a single identity for Electric Lightwave across the country as a company registered in Delaware. <sup>4</sup> The request for the Applicants to operate under the business name, Allstream, was filed on August 23, 2017 in Docket No. 17-628.

Docket No. P5643,P5423,P5340/PA-17-664 Analyst Assigned: Bruce Linscheid Page 3

#### III. LEGAL REFERENCES

Minn. Stat. § 237.035(a) provides that telecommunications carriers are subject to regulation under this chapter only to the extent required under paragraphs (b) to (e). Minn. Stat. § 237.035(b) provides that telecommunications carriers shall comply with sections 237.121 (prohibited practices) and 237.74 (regulation of telecommunication carriers).

Minn. Stat. § 237.23 states that it shall be unlawful for any telephone company, corporation, person, partnership, or association subject to the provisions of this chapter to purchase or acquire the property, capital stock, bonds, securities, or other obligations, or the franchises, rights, privileges, and immunities of any telephone company doing business within the state without first obtaining the consent of the commission thereto.

Minn. Stat. § 237.74, subd. 12 provides that no telecommunications carrier shall construct or operate any line, plant, or system, or any extension of it, or acquire ownership or control of it, either directly or indirectly, without first obtaining from the commission a determination that the present or future public convenience and necessity require or will require the construction, operation, or acquisition, and a new certificate of territorial authority.

Minn. Stat. §237.121 (a) (6) provides for the relinquishment of a telephone company's or telecommunications carrier's certificate of authority.

Minn. R Part 7812.0300, Subpart 6 requires that a company file and obtain approval of tariffs to reflect any changes in terms or conditions of service.

The Commission's requirement that it receive notice regarding the assignment of interconnection agreements is documented in the docket, In the Matter of ASC, L.P. and U S WEST Communications, Inc. Under the Federal Telecommunications Act of 1996, Docket No. P421/EM-98-554, Order Rejecting Agreement and Directing Further Filing, June 22, 1998 at page 3.

Minn. Rule Part 7812.0550 contains the requirements for Commission approval of 911 Plans.

#### IV. ANALYSIS

#### A. COMMISSION APPROVAL IS REQUIRED FOR THE TRANSACTION

The Commission has established a consistent precedent for requiring approval for any change of ownership affecting Minnesota telephone companies and telecommunications carriers. Commission approval is required for transactions where the ultimate ownership or control of either a telephone company or telecommunications carrier authorized to operate in Minnesota changes, or a telephone company's or a telecommunications carrier's Minnesota operations are affected by a merger or acquisition transaction. Commission approval is not required for corporate reorganizations in which ultimate ownership and control do not change or the operating company is not impacted by the reorganization.<sup>5</sup>

Although ultimate ownership and control of the Applicants remains with Holdings, the Consolidation proposed impacts Integra's and Eschelon's customers as they become customers of the new Electric Lightwave, and the Commission should review the Consolidation to determine if it is in the public interest.

#### B. THE CONSOLIDATION IS IN THE PUBLIC INTEREST

As wholly owned indirect subsidiaries of Zayo Group Holdings, Inc. (Holdings), the operations of the Applicants are currently reflected in the consolidated financial performance and condition of Holdings. Holdings' consolidated financial statements for the fiscal year ended June 30, 2017 indicate that Holdings has the financial, managerial and technical resources to ensure that the Applicants' customers continue to receive reliable telecommunications services from Lightwave.

Holdings reported a sound working capital and a positive equity position on June 30, 2017. It had \$514.6 million of current assets and \$620.3 million of current liabilities.<sup>6</sup> It had \$5,532.7 million of long-term debt and \$1,410.5 million of stockholders' equity.<sup>7</sup>

<sup>&</sup>lt;sup>5</sup> In the Matter of an Application for Approval of a Corporate Reorganization by Winstar Wireless, Inc., Docket No P5246/PA-00-925, August 25, 2000.

<sup>&</sup>lt;sup>6</sup> US SEC Form 10-K for the fiscal year ended June 30, 2017, Zayo Group Holdings, Inc. and Subsidiaries, Consolidated Balance Sheets, p. F-3.

- Holdings' financial performance for the fiscal year ended June 30, 2017 was profitable with net income of \$85.7 million and net operating cash flows of \$909.8 million.<sup>8</sup>
- As of June 30, 2017, Holdings had \$220.7 million in cash and cash equivalents and a working capital deficit of \$105.7 million. A substantial portion of the deficit is the result of a current deferred revenue balance of \$146.0 million that will be recognized as revenue over the next twelve months. In addition, Holdings had \$442.2 million available under its Revolver financing and believes it has sufficient resources to fund its obligations and foreseeable liquidity requirements in the near term and the foreseeable future.<sup>9</sup>

The Consolidation should be in the public interest. As customers of wholly owned subsidiaries of Holdings, customers of Eschelon and Integra will remain under the same holding company with its substantial resources as they transfer to the new Electric Lightwave. No changes in rates, terms and conditions of service are expected because Electric Lightwave will revise its tariff to incorporate Integra's and Eschelon's tariffs, and the new Electric Lightwave continues to have access to the same financial, managerial and technical resources to ensure that it continues to deliver reliable services. In addition, the Applicants state:

- 1) They do not have any employees as all employees are employed by the holding company, Allstream Business US, Inc., and the Consolidation will not impact Minnesota employees of Allstream Business US, Inc.
- 2) The Consolidation will not have an impact on broadband deployment.
- Competition will also not be impacted by the Consolidation since Integra and Eschelon are owned by the same parent company and are not competing companies from a customer perspective.<sup>10</sup>

#### C. PETITIONERS HAVE COMPLIED WITH THE REQUIREMENT TO REQUEST PRIOR COMMISSION APPROVAL FOR THE CONSOLIDATION

The Consolidation results in the transfer of Integra's and Eschelon's customers to the new Electric Lightwave as a result of an internal corporate reorganization. The Petition for the transfer of assets was filed on September 5, 2017. Since the Consolidation involves internal pro forma mergers, there is no inter-company agreement. The Applicants state that they do not

<sup>&</sup>lt;sup>8</sup> *Op cit.* Fn. 6, Condensed Consolidated Statements of Operations, p. F-4 and Consolidated Statements of Cash Flows, p. F-7.

 <sup>&</sup>lt;sup>9</sup> Op cit. Fn. 5, Management's Discussion and Analysis of Financial Condition and Results of Operations, p.54.
<sup>10</sup> September 18, 2017 electronic response from the Applicants in reply to the Department's September 14, 2017 electronic information request asking how competition will be affected by the Consolidation.

plan to close the transaction without Commission approval and request Commission action as soon as possible. No violation of Minn. Stat. §§ 237.23 or 237.74, Subd. 12 is expected to occur.

D. THE CERTIFICATES OF AUTHORITY FOR ELECTRIC LIGHTWAVE AND ESCHELON SHOULD BE CANCELLED, AND THE CERTIFICATE OF AUTHORITY FOR INTEGRA SHOULD BE TRANSFERRED TO THE NEW ELECTRIC LIGHTWAVE UPON NOTIFICATION THAT THE CONSOLIDATION HAS CLOSED

Upon approval of the Consolidation, Integra and Eschelon customers will transfer to Electric Lightwave, and the new Electric Lightwave will provide the services previously provided by Integra and Eschelon. The separate existence of Integra and Eschelon will cease. The certificates of authority for Electric Lightwave (company no. P5423) and Eschelon (company no. P5340) should be cancelled, and the certificate of authority for Integra (company no. 5643) should transfer to form the new Electric Lightwave upon notice to the Commission that the Consolidation is completed. The following regulatory items regarding the cancellation of Electric Lightwave's and Eschelon's certificates of authority have been addressed (see attached relinquishment checklists):

- The new Electric Lightwave (to become company no. 5643) will be responsible for the regulatory filings and fees. By May 1, 2018, the new Electric Lightwave must ensure that a 2017 intrastate jurisdictional annual report is filed for all three currently certificated companies (Electric Lightwave, Integra and Eschelon) or explain that their operations are included in the new Electric Lightwave's 2017 jurisdictional annual report.
- The new Electric Lightwave (to become company no. 5643) will file tariffs that incorporate the terms and conditions and services and rates that are currently included in the tariffs of all three CLEC tariffs in Minnesota, which include the access service tariffs for Integra and Eschelon and the retail service tariff of Integra. <sup>11</sup>
- Applicants will file a notice of closing within 20 days of the completion of the Consolidation.
- Applicants generally must inform the Minnesota Department of Public Safety (DPS) or the Metropolitan Emergency Services Board (MESB) to coordinate any required changes to affected 911 Contracts or Plans if the proposed transaction will result in a network change or any change to a county 911 Contract or Plan for customers. The new Electric Lightwave will operate under the existing 911 Plans of Eschelon and Integra until a 911 plan for the new Electric Lightwave is approved. The new Electric Lightwave will prepare a Facilities-Based 911 Plan that incorporates the information

<sup>&</sup>lt;sup>11</sup> September 18, 2017 electronic response from the Applicants in reply to the Department's September 14, 2017 electronic information request asking if the new Electric Lightwave or revised Integra tariff incorporate the rates, terms and conditions of Eschelon.

currently included in the 911 Plans of Eschelon and Integra, and will submit such 911 Plan within 30 days of the Consolidation. The MESB and the DPS will be placed on the service list of this docket.

- The Commission's 60-day notice requirement for the assignment of interconnection agreements<sup>12</sup> applies to the Consolidation. The new Electric Lightwave will continue to operate under the existing Interconnection Agreement between Eschelon and CenturyLink and adopted by Integra in Docket No. 06-768. The Applicants have complied with the notice requirement by addressing the assignment of interconnection agreements in this docket. Qwest Corporation dba CenturyLink QC will be placed on the service list for this docket.
- The new Electric Lightwave will assume any NXX codes assigned to Eschelon and Integra and comply with all number conservation requirements of NANPA.
- The Consolidation is expected to be transparent to customers, and no customer notification is planned. The Applicants are owned by the same parent company. The Applicants believe that customers are not generally aware of the certified entity that is serving them, but are aware of the trade name under which the entity is branded and are not expected to be aware of any change with respect to the Consolidation.<sup>13</sup> Both a letter and bill message were sent to customers to introduce the Allstream brand in June 2017.<sup>14,15</sup>
- The new Electric Lightwave must collect and remit the 911 emergency telephone service fee (911 fee), the Telecommunications Access Minnesota (TAM) fee, and the Telephone Assistance Plan (TAP) surcharge for former customers of all applicable operating entities.<sup>16</sup>

The Department generally files a petition with the Commission to require that all carriers discontinue their services to companies that relinquish their certificates of authority, pursuant to Minn. Stat. § 237.121 (a) (6). For administrative efficiency, this petition will be filed at a

<sup>&</sup>lt;sup>12</sup> In the Matter of an ASC, L.P. and US WEST Communications, Inc. Under the Federal Telecommunications Act of 1996, Docket No. P421/EM-98-554, ORDER REJECTION AGREEMENT AND DIRECTION FURTHER FILING, June 22, 1998, page 8.

<sup>&</sup>lt;sup>13</sup> September 18, 2017 electronic response from the Applicants in reply to the Department's September 14, electronic information request asking how the name change will be transparent to customers.

<sup>&</sup>lt;sup>14</sup> September 21, 2017 electronic response from the Applicants in reply to the Department's September 21, electronic information request asking how customers were notified of the brand name, Allstream.

<sup>&</sup>lt;sup>15</sup> September 22, 2017 conference call between representatives of the Applicants and the Department. Applicants explained that customers were given bill insert and letter notification of the Allstream brand.

<sup>&</sup>lt;sup>16</sup> October 9, 2017 electronic reply from the Applicants in response to the Department's September 29, 2017 electronic information request asking why Electronic Lightyear remitted 911, TAM and TAP fees as a local niche provider. Applicants explained that a wholesale customer was not set as exempt and Electronic Lightyear billed the 911, TAP and TAM fees in error, and the mistake was corrected in the second quarter of 2016. Consequently, Electric Lightyear will only submit 911, TAP, and TAM fees from Integra and Eschelon.

Docket No. P5643,P5423,P5340/PA-17-664 Analyst Assigned: Bruce Linscheid Page 8

future time with other carriers that have recently relinquished their authority or have recently had their authority revoked. Since the relinquishments in this transaction should not affect the service to customers, the Department will attempt to provide clarity in that future petition of what has transpired with this consolidation to avoid customer disruption. A separate docket number will be assigned to that petition.

#### V. COMMISSION ALTERNATIVES

- Approve the merger of Integra Telecom of Minnesota, Inc. (company no. P5643 or Integra) and Eschelon Telecom of Minnesota, Inc. (company no. P5340 or Eschelon) into Electric Lightwave, LLC (company no. P5423 or Electric Lightwave) as the surviving entity having Integra's Certificate of Authority (the new Electric Lightwave with company no. P5643), and cancel the Certificates of Authority of Eschelon and Electric Lightwave upon notification by the Applicants that the Consolidation is complete.
  - The new Electric Lightwave is responsible for the regulatory filings and fees of all three certificated companies in this transaction. By May 1, 2018, the new Electric Lightwave must ensure that a 2017 intrastate jurisdictional annual report is filed for all three currently certificated entities, or explain that the operations are included in the new Electric Lightwave's 2017 jurisdictional annual report.
  - Tariffs are to be filed that incorporate the terms, conditions, services and rates that are currently included in the tariffs of Electric Lightwave, Integra and Eschelon.
  - Applicants must file a notice of completion within 20 days of the completion of the Transaction. The relinquishment of Integra's and the current Electric Lightwave's certificates of authority are effective upon receipt of such notice.
  - The new Electric Lightwave must collect and remit the 911 emergency telephone service fee (911 fee), the Telecommunications Access Minnesota (TAM) fee, and the Telephone Assistance Plan (TAP) surcharge for former customers of all applicable operating entities.
  - The new Electric Lightwave will operate under the existing 911 plans of Integra and Eschelon, prepare a Facilities-Based 911 Plan that incorporates the information currently included in the 911 Plans of Eschelon and Integra, and submit such 911 Plan within 30 days of the Consolidation.
  - The Applicants have provided notice that the interconnection agreement negotiated between Eschelon and CenturyLink QC in Docket No. 06-768, and adopted by Integra will be assigned to the new Electric Lightwave.
  - The new Electric Lightwave will assume the NXX codes assigned to Eschelon and Integra.

- The Metropolitan Emergency Service Board, the Department of Public Safety, and Qwest Corporation d/b/a CenturyLink QC are placed on the service list for this docket.
- 2. Approve the Application with modifications.
- 3. Reject the Application.

#### VI. RECOMMENDATION

The Department recommends Alternative 1.

/lt

#### CHECKLIST FOR PROCESSING RELINQUISHMENTS OF CERTIFICATES OF AUTHORITY

#### I. Type of Certification

- A. Local Certificate of Authority (Docket No.)
- B. Long Distance and Alternate Operator Service Certificate of Authority (Docket No.96-438)
- C. Local Niche Certificate of Authority (Docket No. 96-1261)

#### II. Relinquishment processes that apply To Long Distance and Local Niche Certificates

A. Carrier has provided at least 30 days notice to customers. <u>Carrier attests that customers</u> are generally not aware of the certified operating entity that is serving them, but are aware of the trade name under which the entity is branded. The name change from <u>Eschelon and Integra to Electric Lightwave is transparent because all three companies</u> are owned by the same parent company that operates under the Allstream brand. Both a letter and bill message were sent to customers to introduce the Allstream brand in <u>June 2017.</u>

B. Carrier remains responsible for any remaining assessments or other fees currently unpaid to the Department or Commission.

Company is current with filing annual reports.

Intrastate jurisdictional revenue must be submitted to enable assessment for the following past years: \_\_\_\_\_

Intrastate jurisdictional revenue will need to be filed by May 1 of the following year if company had intrastate revenues in current year: Yes No -

C. Other: <u>Electric Lightwave</u>, <u>LLC adopts Integra Telecom of Minnesota</u>, <u>Inc.'s</u> <u>certificate of authority and tariff</u>, and a tariff update must be filed to reflect the Electric <u>Lightwave</u>, <u>LLC d/b/a Allstream entity on Integra's tariff</u>.

#### III. Relinquishment Processes that apply only to Local Certificates

A. The carrier has provided at least 60 days written notice of relinquishment to its customers, the Commission, the Department and the Office of Attorney General-Residential Utilities Division (OAG-RUD) as required by Minn. Rules part 7812.0600, subp. 6.

B. The carrier's 911 plan, filed in Docket No. should be cancelled. If the carrier has filed a 911 plan and has operational or conditional authority to provide local services, the Minnesota Department of Public Safety, and if applicable, the Metropolitan 911 Board will be notified of this recommendation by being placed on the service list for this docket.

C. Any Incumbent Local Exchange Carriers (ILECs) that have interconnection agreements with the carrier should be notified that the carrier no longer has authority to provide telecommunications services in Minnesota and services should no longer be offered under its interconnection agreement(s). The parties to those interconnection agreements have been notified of this recommendation by being placed on the service list in this docket. The carrier's interconnection agreement(s) were approved in Docket Nos.

D. If the carrier has either filed a 911 plan or has been an operational provider of local services, the 911 system integrator, if known, will be notified of the relinquishment of the carrier's certificate of authority by being placed on the service list for this docket. Qwest is the 911 system integrator for the metropolitan area.

| 🗌 E.      | For facilities-based carriers, the North American Numbering Plan Administrator       |
|-----------|--|
| (NANPA    | ) should be notified of the relinquishment of the carrier's certificate of authority |
| so that a | any NXX blocks assigned to the carrier may be returned to NANPA.                     |

NANPA has been added to the service list for this docket.

NANPA has not been added to the service list for this docket. Explain.

Carrier did not have facilities-based authority.

F. Any assessments or fees unpaid to the Department, Commission, Metropolitan 911 Board, or Department of Public Safety remain the responsibility of the carrier. Carrier has no outstanding assessments.

Company is current with filing annual reports.

Intrastate jurisdictional revenue must be submitted to enable assessment for the following past years: \_\_\_\_\_

Intrastate jurisdictional revenue will need to be filed by May 1 of the following year if company had intrastate revenues in current year:

Yes No \_\_\_\_\_

G. For competitive local exchange carriers, the Universal Service Administrative Company (USAC) has been notified of the relinquishment, so they can discontinue paying funds to the affected carrier.

USAC has been added to the service list for this docket. <sup>17</sup>

<sup>&</sup>lt;sup>17</sup> When handling relinquishments or revocation dockets, the Department analyst should check to see whether the affected carrier is on the list of high cost low income companies by going to <u>www.usac.org</u> and clicking the blue tab entitled "high cost." Next click on "disbursement data search" under "high cost tools" in the left hand column and type "MN" into the box marked "State." The address of this page is

<sup>&</sup>lt;u>http://www.usac.org/hc/tools/disbursements/default.aspx</u>. Check the list of low income companies for all names that the affected carrier has ever used. If the affected carrier is on the USAC list, then send the Department comments to Karen at USAC. Otherwise, send the Department comments to Legal at USAC.

USAC has not been added to the service list for this docket. Explain.

🗌 Н.

Other issues (specify):

#### IV. Recommendation of the Department

A. Approve the carrier's request to relinquish its authority.

B. Approve the carrier's request to relinquish its local resale authority subject to the above action (restate all actions that are to be taken): <u>Electric Lightwave, LLC</u> <u>adopts Integra Telecom of Minnesota, Inc.'s certificate of authority and tariff upon the closing of the consolidation of Integra into Electric Lightwave, and a tariff update must be filed to reflect the operations of Electric Lightwave, LLC d/b/a Allstream entity on Integra's tariff.</u>

**Company:** EschelonTelecom of Minnesota, Inc. d/b/a Integra Telecom **Docket No.** P5643, P5423, P5340/PA-17-664

#### CHECKLIST FOR PROCESSING RELINQUISHMENTS OF CERTIFICATES OF AUTHORITY

#### I. Type of Certification

- A. Local Certificate of Authority (Docket No. 96-403)
- B. Long Distance and Alternate Operator Service Certificate of Authority (Docket No. 96-403)
- C. Local Niche Certificate of Authority (Docket No. 96-403)

#### II. Relinquishment processes that apply To Long Distance and Local Niche Certificates

A. Carrier has provided at least 30 days' notice to customers. <u>Carrier attests that</u> <u>customers are generally not aware of the certified operating entity that is serving them,</u> <u>but are aware of the trade name under which the entity is branded. The name change</u> <u>from Eschelon and Integra to Electric Lightwave is transparent because all three</u> <u>companies are owned by the same parent company that operates under the Allstream</u> <u>brand. Both a letter and bill message were sent to customers to introduce the Allstream</u> <u>brand in June 2017.</u>

B. Carrier remains responsible for any remaining assessments or other fees currently unpaid to the Department or Commission.

Company is current with filing annual reports.

Intrastate jurisdictional revenue must be submitted to enable assessment for the following past years: \_\_\_\_\_

Intrastate jurisdictional revenue will need to be filed by May 1 of the following year if company had intrastate revenues in current year: Yes No -

C. Other: Eschelon's Certificate of Authority is cancelled <u>upon the closing of the</u> <u>consolidation of Eschelon into Electric Lightwave.</u>

#### III. Relinquishment Processes that apply only to Local Certificates

A. The carrier has provided at least 60 days written notice of relinquishment to its customers, the Commission, the Department and the Office of Attorney General-Residential Utilities Division (OAG-RUD) as required by Minn. Rules part 7812.0600, subp. 6.

B. The carrier's 911 plan, filed in Docket No. should be cancelled. If the carrier has filed a 911 plan and has operational or conditional authority to provide local services, the Minnesota Department of Public Safety, and if applicable, the Metropolitan 911 Board will be notified of this recommendation by being placed on the service list for this docket. Docket No. 16-726 Metro Area and Greater MN should not be cancelled until a 911 plan for Electric Lightwave has been approved.

 $\bigcirc$  C. Any Incumbent Local Exchange Carriers (ILECs) that have interconnection agreements with the carrier should be notified that the carrier no longer has authority to provide telecommunications services in Minnesota and services should no longer be offered under its interconnection agreement(s). The parties to those interconnection agreements have been notified of this recommendation by being placed on the service list in this docket. The carrier's interconnection agreement(s) were approved in Docket Nos. 06-768, will be adopted by Electric Lightwave.

D. If the carrier has either filed a 911 plan or has been an operational provider of local services, the 911 system integrator, if known, will be notified of the relinquishment of the carrier's certificate of authority by being placed on the service list for this docket. Qwest is the 911 system integrator for the metropolitan area. <u>Qwest Corporation is the underlying carrier and 911 System coordinator for Eschelon and will be placed on the service list for this docket.</u>

E. For facilities-based carriers, the North American Numbering Plan Administrator (NANPA) should be notified of the relinquishment of the carrier's certificate of authority so that any NXX blocks assigned to the carrier may be returned to NANPA.
NANPA has been added to the service list for this docket. <u>Electric Lightwave will assume any NXX codes assigned to Eschelon and Integra, and will comply with all number conservation requirements of NANPA with respect the NXX codes assigned to Eschelon and Integra.</u>

NANPA has not been added to the service list for this docket. Explain.

Carrier did not have facilities-based authority.

F. Any assessments or fees unpaid to the Department, Commission, Metropolitan 911 Board, or Department of Public Safety remain the responsibility of the carrier. Carrier has no outstanding assessments.

Company is current with filing annual reports.

Intrastate jurisdictional revenue must be submitted to enable assessment for the following past years: \_\_\_\_\_

| Intrastate jurisdictional revenue will need to be filed by May 1 of the following year if |
|---|
| company had intrastate revenues in current year:  |
| ⊠ Yes □ No  |

G. For competitive local exchange carriers, the Universal Service Administrative Company (USAC) has been notified of the relinquishment, so they can discontinue paying funds to the affected carrier.

 $\Box$  USAC has been added to the service list for this docket. <sup>18</sup> <u>USAC</u> has not been added to the service list for this docket. Explain. <u>Eschelon does</u> <u>not receive universal support payments.</u>

H. Other issues (specify):

#### I. IV. Recommendation of the Department

A. Approve the carrier's request to relinquish its authority.

 $\boxtimes$  B. Approve the carrier's request to relinquish its local resale authority subject to the above action (restate all actions that are to be taken):

- 1. <u>Eschelon's Certificate of Authority is cancelled upon the closing of the consolidation</u> <u>of Eschelon into Electric Lightwave.</u>
- 2. <u>The Metropolitan Emergency Services Board and the Department of Public Safety</u> <u>are placed on the service list of this docket</u>.
- 3. <u>Qwest Corporation d/b/a CenturyLink QC is placed on the service list of this docket</u>.

<sup>&</sup>lt;sup>18</sup> When handling relinquishments or revocation dockets, the Department analyst should check to see whether the affected carrier is on the list of high cost low income companies by going to <u>www.usac.org</u> and clicking the blue tab entitled "high cost." Next click on "disbursement data search" under "high cost tools" in the left hand column and type "MN" into the box marked "State." The address of this page is

<sup>&</sup>lt;u>http://www.usac.org/hc/tools/disbursements/default.aspx</u>. Check the list of low income companies for all names that the affected carrier has ever used. If the affected carrier is on the USAC list, then send the Department comments to Karen at USAC. Otherwise, send the Department comments to Legal at USAC.

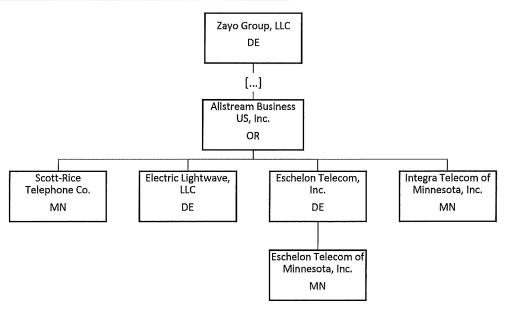
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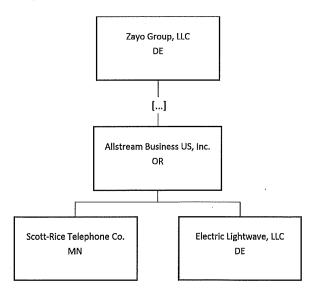
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#### Pre- and Post-Transaction Corporate Ownership Structures

Allstream Entities in Minnesota Before Consolidation



Allstream Entities in Minnesota After Consolidation



#### **CERTIFICATE OF SERVICE**

I, Robin Benson, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

# Minnesota Public Utilities Commission ORDER

Docket Number: P5643,5423,5340/PA-17-664

Dated this 1st day of November, 2017

/s/ Robin Benson

| STATE OF WASHINGTON | § |
|---------------------|---|
|                     | § |
| COUNTY OF CLARK     | ş |

#### VERIFICATION

I, Douglas K. Denney, am Vice President, Costs & Policy of Allstream Business US, Inc.; that I am authorized to make this Verification on behalf of Allstream Business US, Inc. and its operating subsidiaries Electric Lightwave, LLC, Eschelon Telecom of Utah, Inc. and Integra Telecom of Utah, Inc.; that the foregoing filing was prepared by me and under my direct supervision; and that the contents contained herein are true and correct to the best of my knowledge, information and belief.

Douglas K. Denney Vice President, Costs & Policy Allstream Business US, Inc.

Sworn and subscribed to me this  $\underline{a}$  day of November, 2017.

Notary Public

My commission expires 6-30-18.

**DELAYNE HEINETZ NOTARY PUBLIC** STATE OF WASHINGTON **COMMISSION EXPIRES** JUNE 30, 2018