

GARY HERBERT. Governor SPENCER J. COX Lieutenant Governor

State of Utah Department of Commerce Division of Public Utilities

FRANCINE GIANI Executive Director CHRIS PARKER Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities Chris Parker, Director Bill Duncan, Telecommunications / Water Manager Ron Slusher, Utility Technical Consultant

Date: September 19, 2018

Re: In the Matter of the Joint Application of Crown Castle Fiber LLC, Crown Castle NG West LLC, and NewPath Networks, LLC for
(1) Approval of a Pro Forma Consolidation,
(2) Approval for the Crown Castle NG West LLC Certificate to Be Transferred to Crown Castle Fiber LLC or, in the Alternative, Issuance of a New Certificate, and
(3) Exemption from Utah Code Ann. § 54-8b-18 and Commission Rule R746-349-5

Docket Number(s) 18-2445-01, 18-2512-01, and 18-2608-01.

RECOMMENDATION (Approve):

The Division of Public Utilities ("Division") has reviewed the joint application between Crown Castle NG West, LLC, NewPath Network, LLC, and Crown Castle Fiber, LLC. The public interest will be promoted by recommending that the Public Service Commission ("Commission") allowing this Consolidation of the Companies into Crown Castle Fiber, LLC. As a result of the consolidation, the Company should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division has reviewed the technical, managerial, and financial abilities of the Crown Castle Fiber, LLC and has found that they have provided the necessary information to fulfill the requirements as stated in the existing Public Service Commission rules. The public interest will be promoted by the Commission granting Crown Castle Fiber, LLC a Certificate of Public Convenience and Necessity ("CPCN") as requested under the same terms and conditions allowed in other CPCNs.

With the issuance of the CPCN to Crown Castle Fiber, LLC, the company ask that the CPCN's issued to Crown Castle NG West, LLC, number 2445, and NewPath Network, LLC, number 2512, be cancelled.

The Division also recommends that the \$100,000 bond be waived on the basis that the Crown Castle Fiber, LLC will not require customer deposits or prepayments of any kind.

The Division expects that, based on history that a filing of this type and with the information submitted by the company, there will be no objections or opposition to this recommendation. Therefore, the Division requests that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about August 24, 2018, Crown Castle NG West, LLC, NewPath Network, LLC, and Crown Castle Fiber, LLC notified the Commission of a transaction, which will result in the consolidation of Crown Castle NG West LLC and NewPath Network, LLC to a new company named Crown Castle Fiber, LLC. All transactions will take place within the Crown Castle International Corp., the parent company.

Crown Castle NG West, LLC is a Delaware limited liability company headquartered at 1220 Augusta Drive, Suite 600, Houston, TX 77057. It is authorized to provide public telecommunications services in the State of Utah by the Commission on March 30, 2005, Docket No. 04-2445-01.

NewPath Network, LLC is a New Jersey limited liability company headquartered at 1220 Augusta Drive, Suite 600, Houston, Texas 77057. It is authorized to provide telecommunications services in the State of Utah by the Commission on February 9, 2010, Docket No. 09-2512-01.

Both Companies are subsidiaries of Crown Castle International Corp. ("Crown Castle"). Crown Castle is undergoing a reconstruction / consolidation to streamline the corporate structure and operations. This consolidation will encompass Crown Castle NG West, LLC and NewPath Network, LLC. These companies will be consolidated into a new company within the Crown Castle Corporation named Crown Castle Fiber, LLC.

Crown Castle Fiber, LLC ("Crown Fiber") is a registered foreign corporation within the State of Utah; with its corporate headquarters located at 200 Corporate Drive, Canonsburg, PA 15317.

The Crown Castle Fiber, LLC seeks authority to offer interexchange telecommunications statewide. To the extent Crown Fiber provides basic local exchange service, it will initially do so in the areas served by CenturyLink Communications, Inc. ("CenturyLink") and does not plan to provide service in areas of any small or rural local exchange carriers having fewer than 5,000 access lines that are owned or controlled by an ILEC with fewer than 30,000 total access lines in accordance with Utah Code Ann. 5 54-8b-2.1 (3) and (4). However, Crown Fiber does seek

statewide authority so that it may expand into other services as market conditions warrant and as additional service areas become open to competition.

Crown Fiber intends to provide a full range of telecommunications services to business customers in the incumbent, CenturyLink, exchanges statewide in Utah, consistent with the exchange maps CenturyLink has on file with the Commission.

Crown Fiber will primarily provide services using its own facilities and facilities leased from other carriers. Crown Fiber will use existing network infrastructure, including fiber optic lines, poles, conduits, ducts and other access methods, where appropriate to provide its services. Crown Fiber does not have plans to deploy specific facilities in Utah at this time.

The Applicants propose to begin providing telecommunications service in Utah no later than January 1, 2019 or as soon as possible after the grant of this Application. Applicants seek expedited approval so that they can complete the transfer of Utah customers no later than December 31, 2018.

Because Crown Fiber does not intend to provide voice services, it will not provide access to ordinary intraLATA and interLATA message toll calling, operator services, directory assistance, directory listings, and emergency services.

Summaries of professional experience and education of its managerial personnel demonstrate that the Applicants have considerable experience in the telecommunications industry.

According to financial statements attested to be accurate, objective and with integrity by Neil Dickson, Vice President, of Crown Castle Fiber, LLC the Applicants have a positive net worth and ample working capital.

Crown Fiber respectfully requests a waiver of the requirement in R746-349-3(A)(2)(c) for proof of a bond in the amount of \$1,000,000. Crown Fiber will not require Utah retail customers to make a service deposit. Further, as demonstrated by the financial information provided, Crown Fiber has the financial resources to cover other liabilities to Utah telecommunications customers. The Applicants are currently authorized to provide local exchange telecommunications services in Connecticut, the District of Columbia, Delaware, Florida, Georgia, Illinois, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Texas, Vermont, and Virginia.

The Applicants claim that they have never had any complaints nor has any investigation been undertaken against them or any of their affiliates involving unauthorized switching (slamming) or any other illegal activities. The Applicants also does not have a written slamming policy; Crown Fiber intends to comply with all applicable laws.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the consolidation will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together

two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

cc: William J. Evans, Parsons Behle & Latimar
 Fernanda Biehl, Manager – Regulatory Affairs – Fiber Crown Castle Fiber, LLC
 Neil Dickson, Vice President, Crown Castle Fiber, LLC
 Justin Jetter, Assistant Attorney General, State of Utah
 Office of Consumer Services, State of Utah