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## State of Utah

### Department of Commerce Division of Public Utilities

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*Director, Division of Public Utilities*

## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Ron Slusher, Utility Technical Consultant

**Date:** June 9, 2020

**Re:** **Docket Nos. 20-2218-01, 20-041-02 and 20-050-02**, In the Matter of the Joint Application of Frontier Communications Corporation, Citizens Telecommunications Company of Utah, Navajo Communications Co., Inc., and Frontier Communications of America, Inc. For Acknowledgement of a Transfer of Control Associated with the Chapter 11 Plan of Reorganization of Frontier Communications Corporation and its Subsidiaries.

### Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed the joint application Frontier Communications Corporation, Citizens Telecommunications Company of Utah, Navajo Communications Co., Inc., and Frontier Communications of America, Inc. (collectively, the “Applicants”). For acknowledgement of a transfer of control associated with the Chapter 11 Plan of Reorganization of Frontier Communications Corporation and its Subsidiaries. The public interest will be promoted by the Public Service Commission (“Commission”) acknowledging this reorganization/transfer of control.

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.

## **Discussion**

On or about May 22, 2020, the Applicants notified the Commission of a transaction, which will result in a transfer of control through a corporate restructuring, as a result of a Chapter 11 bankruptcy filing.

Frontier Communications Corporation (“Frontier”) is a Delaware corporation headquartered at 401 Merritt 7, Norwalk, Connecticut 06851. Frontier currently owns and operates more than 50 incumbent local exchange carriers located in 25 states, including Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah, Navajo Communications Co., Inc., and Frontier Communications of America, Inc.

On April 14, 2020, Frontier Communications Corporation, and all of its direct and indirect subsidiaries filed voluntary petitions to reorganize under the Chapter 11 Bankruptcy Code. Under this reorganization plan, Frontier will have a new corporate structure consisting of three newly formed companies: Reorganized Frontier, Frontier Communications Intermediate, and Frontier Communications Holdings. The three companies will replace Frontier in the ownership structure of the Frontier subsidiaries, including in the ownership structure of the Utah Operating Subsidiaries. As part of the Chapter 11 emergence process, Frontier will transfer all of the stock of its 57 direct, first-tier subsidiaries, including Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah, Navajo Communications Co., Inc., and Frontier Communications of America, Inc., and any other assets directly held by Frontier to the newly-formed Frontier Communications Holdings. Under the Plan, all regulatory authorizations currently held by Frontier’s subsidiaries will continue to be held by those same entities.

The Applicants submit that the restructuring of the company as described will serve the public interest and that Frontier will emerge from Chapter 11 as a financially stronger service provider

and competitor. The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent to their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

Cc: Carl Erhart, VP Regulatory & Gov't Affairs, Frontier Communications  
Greg Brubaker, Associate General Counsel, Frontier Communications  
Phillip J. Russell, Outside Counsel  
Justin Jetter, Assistant Attorney General, State of Utah  
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