

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 21A-0128T

IN THE MATTER OF THE JOINT APPLICATION OF CONSOLIDATED
COMMUNICATIONS HOLDINGS, INC. AND WELLS FARGO BANK
NATIONAL ASSOCIATION TO EXECUTE AN ENCUMBRANCE.

**COMMISSION DECISION
APPROVING ENCUMBRANCE**

Mailed Date: April 29, 2021
Adopted Date: April 28, 2021

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a follow-on joint application filed by Consolidated Communications Holdings, Inc. (CCHI), the indirect parent of Consolidated Communications of Colorado Company (Consolidated Colorado), and Consolidated Communications of Kansas Company (together with Consolidated Colorado, the Colorado Consolidated Operating Companies), along with Wells Fargo Bank, National Association (Wells Fargo) on March 19, 2021 (Joint Application). The Joint Applicants seek authority to further encumber the operating authorities held by the Colorado Consolidated Operating Companies, with an additional financial commitment not to exceed \$150 million.

2. The Joint Applicants, including Wells Fargo (as the Administrative Agent and designated Trustee) requesting Commission authorization for a supplemental encumbrance of the Commission, issued telecommunications authorities held by the Colorado Consolidated Operating Companies.

3. On January 15, 2021, Consolidated Communications, Inc. (CCI) borrowed an additional \$150 million aggregate principal amount of incremental term loans. The Incremental Loans have terms identical to the Existing Term Loans made pursuant to the Existing Credit Agreement, approved in Commission Decision No. C20-0863, Proceeding No. 20A-0465T on December 9, 2020, including an identical maturity date of October 2, 2027.

4. CCI, is a wholly owned subsidiary of CCHI and the indirect parent of the Colorado Consolidated Operating Companies.

5. CCHI is a holding company and does not directly provide any telecommunications services. The Colorado Consolidated Operating Companies are incumbent local exchange providers (previously known as, Big Sandy Telecom, Inc. (Big Sandy), Columbine Telephone Company (Columbine), and Sunflower Telephone Company, Inc. (Sunflower))¹ that provide local exchange and switched access services under Commission-issued Certificates of Public Convenience and Necessity (CPCNs) and through tariffs on file with the Commission.

6. Big Sandy obtained its telecommunications authority by transfer in Application No. 28016, Decision No. 86488, dated March 17, 1975. Columbine obtained its telecommunications authority by transfer in Application No. 21084T, Decision No. 65083, dated May 28, 1965. Sunflower obtained its telecommunications authority by transfer in Application No. 17711, Decision No. 54391, dated May 31, 1960.

7. Wells Fargo is a national banking association and a subsidiary of Wells Fargo & Company. Wells Fargo is serving both in the capacity as Administrative Agent for the financing

¹ See Decision No. C18-1132 issued in Proceeding No. 18A-0780T, effective December 17, 2018.

transaction and in the capacity of Trustee under the Indenture. Joint Applicants deemed it appropriate to have Wells Fargo be included in this Joint Application in both capacities.

8. We will construe this filing as an application for approval to encumber Colorado Consolidated Operating Companies' authorities to provide telecommunications services as well as the encumbrance of these same authorities, pursuant to 4 *Code of Colorado Regulations* (CCR) 723-2-2110 of the Commission's Rules Regulating Telecommunications Services and Providers of Telecommunications Services. Rule 2110 requires Commission authority for transfers and encumbrances of CPCNs and Letters of Registration (LORs).

9. On March 19, 2021, notice of the application was provided to all persons, firms, or corporations interested in or affected by the grant or denial of the requested relief. Interventions were due on or before April 19, 2021. No interventions were filed.

B. Discussion

10. The Commission has jurisdiction over this Joint Application pursuant to §§ 40-5-105, 40-15-204, and 40-15-303, C.R.S.

11. The Commission previously approved an encumbrance of the operating authorities of the Colorado Consolidated Operating Companies to Wells Fargo in Decision No. C20-0863, Proceeding No. 20A-0465T on December 9, 2020.

12. The Joint Application contains all of the information required by Commission Rules 4 CCR 723-2-2110 and 2002(b), and is therefore deemed complete.

13. The Joint Application is unopposed and therefore may be considered without a formal hearing, pursuant to § 40-6-109(5), C.R.S.

14. The Colorado Consolidated Operating Companies do not receive any funding from the state high cost support mechanism. Certifications to provide basic local exchange

services are no longer required by the Commission. *See* § 40-15-401(1)(b), C.R.S., but Rule 2110 requires Commission authority for the transfer or encumbrance of a CPCN or LOR, even if the authorities are no longer required to provide services that are no longer regulated. The provision of any competitive services, other than switched access, such as advanced features, premium services, intraLATA toll, non-optional operator services, and private line services by CCHI pursuant to its LOR are no longer regulated by the Commission. *See* §§ 40-15-401(1)(e), (k), (n), (o), (s), and (t), C.R.S.

15. Switched access services have not been deregulated. As a result, the Commission has the authority to review and approve or deny the transfer and any encumbrance of the LORs held by the Colorado Consolidated Operating Companies that authorize those services. We also retain the authority to approve transfers and encumbrances of CPCNs and LORs that are held by telecommunications providers.

16. We remind the Joint Applicants that public utilities remain subject to Commission oversight that includes, but is not limited to, reporting and payment obligations to the Colorado High Cost Support Mechanism and the Telecommunications Relay Services Program.

17. We find that the proposed encumbrance of the Commission issued authorities held by the Colorado Consolidated Operating Companies, including the provision of switched access services, is not contrary to the public interest and therefore grant the Joint Application for encumbrance to that extent. The Joint Application recognizes the Commission's jurisdiction as it now exists as to services that continue to be regulated.

18. The Consolidated Colorado Operating Companies will remain obligated to comply with any applicable requirements or regulations as stated in Article 15 of Title 40.

II. ORDER

A. The Commission Orders That:

1. The Joint Application to encumber filed by Consolidated Communications Holdings, Inc. (CCHI) and Wells Fargo Bank, National Association (Wells Fargo) on March 19, 2021 is deemed complete. The request to encumber the Certificates of Public Convenience and Necessity and Letters of Registration, including the authority to provide switched access services held by Consolidated Communications of Colorado Company and Consolidated Communications of Kansas Company, is granted.

2. In the event that the encumbrance held by Wells Fargo is exercised or transferred to another entity, CCHI and Wells Fargo or the acquiring entity shall jointly file an application to transfer the encumbered telecommunications authorities and obtain specific approval for this transaction from the Commission.

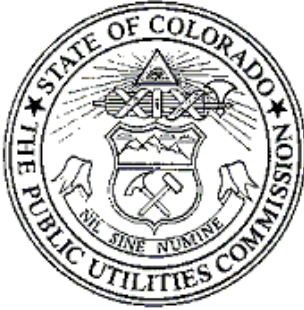
3. Applicants or their authorized representatives shall jointly notify the Commission if the transfer has been terminated or is not completed within 60 days of the proposed effective date stated in the application or if the proposed transfer terms are changed prior to the consummation date. The notice shall include the proceeding and decision number which granted the authority to execute the transfer and encumbrance.

4. The 20-day period provided for in § 40-6-114, C.R.S., within which to file applications for rehearing, reargument, or reconsideration begins on the first day following the effective date of this Decision.

5. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 28, 2021.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

JOHN GAVAN

MEGAN M. GILMAN

Commissioners