

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Applications of)	Case Nos.18-1735-TP-AMT
Consolidated Communications to Merge and)	90-5014-TP-TRF
Rename ILECs and IXC's.)	90-5021-TP-TRF
)	90-5033-TP-TRF
		90-5897-TP-TRF
		90-5954-TP-TRF
		90-6117-CT-TRF
		90-6121-CT-TRF

REVIEW AND RECOMMENDATION
SUBMITTED ON BEHALF OF THE STAFF OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

On November 28, 2018, The Orwell Telephone Company dba Consolidated Communication/Orwell (Orwell), The Columbus Grove Telephone Company dba Consolidated Communications/Columbus Grove (Columbus Grove), The Germantown Independent Telephone Company dba Consolidated Communications/Germantown (Germantown and collectively the "Ohio ILECs), Orwell Communications, Inc. (Orwell Comm), Quality One Technologies, Inc. (Quality One), FairPoint Carrier Services (FairPoint CS) and Consolidated Communications Enterprise Services, Inc. dba Consolidated Communications Operator Services (CCES, collectively the "Ohio IXCs" and altogether the "Applicants") filed an application for approval of a merger with another telephone company and name change. The automatic approval date is December 28, 2018, with an effective date of January 1, 2019 (per Applicant's request).

The Applicants requests Commission approval of the proposed transaction to consolidate three incumbent local exchange companies in Ohio into a new legal entity and each of their respective interexchange carrier subsidiaries into another existing legal entity. In Case Nos. 98-1542-TP-AMT, 99-1001-TP-UNC and 06-1124-TP-ACO, FairPoint through its subsidiary, MJD Ventures, Inc. (MJD), acquired the Applicants (except FairPoint CS). Subsequently, in Case No. 17-0069-TP-ACO, Consolidated Communications Holdings, Inc. (CCHI), a direct operating subsidiary of Consolidated Communications. Inc. (CCI) acquired FairPoint, the parent company, via MJD, of the Applicants. Additionally, in Case Nos. 18-70-TP-ACN, 18-71-TP-ACN, and 18-72-TP-ACN, the Ohio ILECs were approved to do business as Consolidated Communications/Columbus

Grove, Consolidated Communications/ Germantown, and Consolidated Communications/Orwell, respectively.

To initiate the proposed transaction, CCI formed a new Delaware limited liability company subsidiary named Consolidated Communications of Ohio Company, LLC (“Consolidated Communications Ohio”). The proposed transaction entails the following: Orwell will merge into Consolidated Communications Ohio with Consolidated Communications Ohio surviving. Orwell’s certification will be transferred to Consolidated Communications Ohio. Germantown and Columbus Grove also will merge into Consolidated Communications Ohio with Consolidated Communications Ohio surviving. The certificates for Germantown and Columbus Grove will be cancelled. Consolidated Communications Ohio will be a direct subsidiary of CCI. FairPoint will be merged into Consolidated Communications Enterprise Services, Inc. and MJD will be merged into CCI. CCI also will merge the Ohio IXCs into its existing certificated interexchange carrier, CCES. CCES is and will remain a direct subsidiary of CCI. The certificates for the Quality One, Orwell Comm and FairPoint CS will be cancelled.

The Applicants state that the proposed transaction will not negatively affect any of the services provided to any Ohio customers. The Applicants also state its Ohio customers will receive the same local exchange services and interexchange services at the same rates, terms and conditions through Consolidated Communications Ohio and CCES that they currently receive. The Applicant further states that since the Ohio ILECs already are doing business as Consolidated Communications, the proposed transaction will likely be transparent to customers. However, the Applicants state that each affected customer received a notice of the proposed transaction at the end of November.

Lastly, the Applicants state the proposed transaction will serve the public interest by creating efficiencies and a stronger combined business and broadband provider to better serve and meet the local and national needs of its customers. The Applicants also state that as a direct subsidiary of CCI, Consolidated Communications Ohio will be technically, managerially and financially capable of maintaining the obligations of an ILEC.

The Staff reviewed all documents and exhibits filed on November 28 and as amended on December 21, 2018. In conclusion, the Staff review found that the application does meet all the requirements set forth in Rule 29 of the Telephone Company Procedures and Standards. Therefore, Staff recommends that the Applicants application for a merger with another telephone company (AMT) be approved.

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Case No(s). 18-1735-TP-AMT

Summary: Staff Review and Recommendation electronically filed by Jason Well on behalf of PUCO Staff