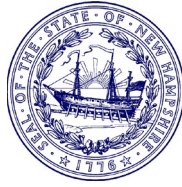


STATE OF NEW HAMPSHIRE

COMMISSIONER  
Jared S. Chicoine

DEPUTY COMMISSIONER  
Christopher J. Ellms, Jr.



TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-3670

Website:  
[www.energy.nh.gov](http://www.energy.nh.gov)

DEPARTMENT OF ENERGY  
21 S. Fruit St., Suite 10  
Concord, N.H. 03301-2429

March 15, 2024

Daniel C. Goldner, Chairman  
New Hampshire Public Utilities Commission  
21 South Fruit Street  
Concord, NH 03301-2429

Re: DT 23-103; Consolidated Communications Holdings, Inc. and Condor Holdings, LLC Joint Petition for Findings in Furtherance of an Indirect Transfer of Control of Consolidated Communications Holdings, Inc.'s Operating Subsidiaries as part of Parent Transaction

Dear Chairman Goldner:

On December 27, 2023, Consolidated Communications Holdings, Inc. (CCHI) and Condor Holdings LLC (Condor) (together, the Joint Petitioners) filed a joint petition requesting that the Commission approve CCHI's transfer of an indirect ownership interest in Consolidated Communications of Northern New England Company, LLC (CCNE) and Consolidated Communications of Maine Company (CCM) to Condor pursuant to RSA 374:30, II. In support of the joint petition, Condor filed the direct testimony and related attachments of Andrew Frey, a partner at Searchlight Capital Partners, L.P. (Frey Testimony). CCHI also submitted the direct testimony of Michael Shultz, CCHI Senior Vice President of Regulatory and Public Policy (Shultz Testimony).

On February 16, 2024, the Commission issued a notice of adjudicative proceeding, which, among other things, required that the Department of Energy ("DOE" or "Department") file its position regarding the Joint Petitioners' petition, including the reasons for its position, on or before March 15, 2024.

The Commission's February 16, 2024 Order identified the issue presented by the Joint Petitioner's filing as follows: "whether the merger transaction will result in the transfer of an ownership interest in CCNE and CCM to an entity or entities technically, managerially, and financially capable of maintaining the obligations of CCNE and CCM as ILECs set forth in RSA 362:8 and RSA 374:22-p, as required by RSA 374:30, II, as well as their obligations under federal law." (PUC Order dated February 16, 2024, at 3).

The substantive statutory provisions governing this matter and referenced in the Commission's February 16, 2024, Order are RSA 362:8, RSA 374:22-p and RSA 374:30, II. RSA 374:30, II pertains to the Commission's oversight authority relative to the

“transfer or lease,” of the “franchise, works, or system, or any part of such franchise, works, or system,” of an incumbent local exchange carrier (ILEC) that is an excepted local exchange carrier (ELEC), i.e. (ILEC-ELEC). Specifically, RSA 374:30, II provides:

An incumbent local exchange carrier that is an excepted local exchange carrier may transfer or lease its franchise, works, or system, or any part of such franchise, works, or system, exercised or located in this state, or contract for the operation of its works and system located in this state, when the commission finds the utility to which the transfer is to be made is technically, managerially, and financially capable of maintaining the obligations of an incumbent local exchange carrier set forth in RSA 362:8 and RSA 374:22-p.

In the Department’s view RSA 362:8 allows the Commission to impose the following obligations on CCHI and Condor.

I. Such obligations that arise pursuant to the commission's authority under the Communications Act of 1934, as amended; or

II. Such obligations that arose prior to February 1, 2011 that relate to the availability of broadband services, soft disconnect processes and capital expenditure commitments within the state; or

III. Such obligations that relate to the provision of services to competitive local exchange carriers, interexchange carriers, and wireless carriers, regardless of technology; or

IV. Such obligations that arise under RSA 374:22-p and RSA 374:30, II.

The joint petition describes the plan of merger/proposed transaction (“Transaction”) as “a stock acquisition of and merger with a parent company of three operating entities that have ELEC status under New Hampshire law, two of which are ILECs.” (Pet. at 6). As expressed in the joint petition, the proposed transaction involves: (1) CCHI (transferor), which “is a major broadband and business communications provider serving consumers, enterprise customers, and wireless and wireline carriers across rural and urban communities in a twenty-two-state service area, including in New Hampshire through Licensees,” and (2) Condor (transferee), “a Delaware limited liability company,” [which] “is a wholly owned subsidiary of Searchlight III CVL, L.P. (“Searchlight III CVL”) that was recently formed for the purpose of the Transaction.” (Pet. at 2, 3). As described in the Joint Petition, “[i]n close proximity to consummation of the Transaction, Searchlight III CVL will be converted to a limited liability company and will contribute its common stock in CCHI to Condor, and Condor will assign all of the issued and outstanding stock of Condor Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Condor (“Merger Sub”), to CCHI.” (Pet. at 5).

The licensees, CCNE and CCM are registered as ILEC-ELECs in New Hampshire. The Joint Petitioners assert that “CCHI and Condor possess the technical,

managerial and financial capabilities to ensure that the Licensees continue to maintain all of the obligations of incumbent local exchange carriers (“ILECs”) that are Excepted Local Exchange Carriers (“ELECs”) as set forth in RSA 362:8 and RSA 374:22-p.”<sup>1</sup> The Department intends to explore, through discovery and technical sessions, the support for the Joint Petitioners assertion that CCHI and Condor possess the technical, managerial, and financial expertise necessary to ensure its obligations as an ILEC-ELEC are met post transaction. Until there is fact finding and discovery, the Department is unable to make a recommendation regarding whether the record supports such assertion and similar request for relief sought by the joint petitioners.

Therefore, as explained above, the Department’s preliminary position is that important substantive questions must be addressed before any approval is granted.

Sincerely,

/s/ *Marie-Helene Bailinson*

Marie-Helene Bailinson-Georges, Esq.  
Hearings Examiner/Staff Attorney

cc: Docket Service List

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<sup>1</sup> Pet. at 2, 3. See also Pet. at 7. “CCHI, which currently operates the Licensees, will continue to do so, and CCHI will continue to possess the necessary technical, managerial and financial capabilities, which Condor also possesses and will supplement, to maintain the above-stated obligations.”

ClerksOffice@puc.nh.gov  
acalloway@fh2.com  
agordon@pylerome.com  
amanda.o.noonan@energy.nh.gov  
Andrew.lipman@morganlewis.com  
bbyrd@fh2.com  
bentonnh@gmail.com  
david.j.shulock@energy.nh.gov  
dbrooks@wiley.law  
donald.m.kreis@oca.nh.gov  
ed\_starr@ibew.org  
Energy-Litigation@energy.nh.gov  
fulling@khlaw.com  
Garrett.Vanosdell@Consolidated.com  
jgolden2320@gmail.com  
jhykel@pylerome.com  
jleckey@drm.com  
joshua.bobeck@morganlewis.com  
joshua.w.elliott@energy.nh.gov  
leetal.weiss@morganlewis.com  
Marie-Helene.B.Bailinson@energy.nh.gov  
michael.chowaniec@charter.com  
mike.shultz@consolidated.com  
mjohnson@devinemillimet.com  
nmalmquist@drm.com  
nmidolo@uptonhatfield.com  
ocalitigation@oca.nh.gov  
patrick.mchugh@consolidated.com  
paul.b.dexter@energy.nh.gov  
russell.blau@morganlewis.com  
sberlin@fh2.com  
sbouboulis@wiley.law  
wjohnsen@wiley.law