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CONFIDENTIAL  
MATERIAL  
IN COMM FILE

March 27, 2019

NHPUC 27MAR19 PM4:27

Ms. Debra A. Howland  
Executive Director and Secretary  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301

**Re: DT 16-872: Joint Petition For Findings in Furtherance of the Acquisition of FairPoint Communications, Inc. and its New Hampshire Operating Subsidiaries by Consolidated Communications Holdings, Inc.**

Dear Ms. Howland:

In Order No. 26,022, "Order Approving Settlement Agreement and Making Findings Under RSA 374:30, II," dated May 31, 2017 in the above captioned docket, the New Hampshire Public Utilities Commission (the "Commission") approved a Revised Settlement Agreement which, *inter alia*, requires Consolidated Communications to make investments in the New Hampshire network and submit notification filings, in accordance with Section II. C. paragraph 16, as follows:

- a. Capital Expenditures (including CAF II, growth [network]<sup>1</sup>, non-revenue generating [core]<sup>2</sup> and success-based,<sup>3</sup> but excluding IT capital expenditures) equal to 13% of Consolidated New Hampshire intrastate revenues from Northern New England Telephone Operations LLC, Northland Telephone of Maine, Inc., Enhanced Communications of Northern New England, Inc., and UI Long Distance, Inc. New Hampshire operations, less intercompany revenues;
- b. Incremental Maintenance and Network Repairs in the amount of \$1 million per year to address areas of the network that have service quality issues and/or higher than average trouble reports (Network Improvement Projects); and,
- c. On or before April 1<sup>st</sup> following each Network Improvement Commitment Year, Consolidated shall submit to the Commission a notification filing:
  - (i) demonstrating that Consolidated has met the obligation in subsection (a) above regarding capital expenditures for the prior Network Improvement Commitment Year; and
  - (ii) demonstrating that Consolidated has met the obligation in subsection (b) above to complete Network Improvement Projects, which demonstration shall describe in reasonable detail and with supporting confidential documentation the Network Improvement Projects completed under subsection (b) above that were performed during the prior Network Improvement Commitment Year.

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<sup>1</sup> The growth (network) category of capital expenses includes fiber expansion, broadband build-out and speed upgrades where identified as network growth.

<sup>2</sup> The non-revenue generating (core) category of capital expenses includes IT, plant maintenance, infrastructure and cost-saving projects.

<sup>3</sup> Success-based includes spending directly attributable to sales.

Please find enclosed Confidential Exhibit A, which provides summary information on all capital investment projects undertaken during calendar year 2018 including its capital program expenditures and its incremental service improvement capital expenditures as required under the terms of the Revised Settlement Agreement. Also enclosed please find Confidential Exhibit B, which provides more detailed information on 2018 capital expenditures and demonstrates that Consolidated Communications not only exceeded its merger capital expenditure requirement of 13% of total company intrastate revenues (less intercompany revenues) by a very large margin but also exceeded 13% of total company intrastate and interstate revenues (less intercompany revenues.)

Also enclosed please find Confidential Exhibit C, which provides information on twelve major network improvement projects undertaken during calendar year 2018 and demonstrates that Consolidated Communications exceeded the average annual incremental maintenance and network repairs investment commitment of \$1 million in year 2018 by almost \$300,000.

Please let me know of any question or concern.

Respectfully submitted,



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