

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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AT RICHMOND, AUGUST 23, 2024

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JOINT PETITION OF

WINDSTREAM HOLDINGS II, LLC, *et al.*,

CASE NO. PUR-2024-00115

For approval of the *pro forma* reorganization of its Virginia subsidiaries, pursuant to Chapter 5 of Title 56 of the Code of Virginia, Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On June 24, 2024, Windstream Holdings II, LLC ("Windstream Holdings"), on behalf of its subsidiary New Windstream, LLC ("New Windstream"), and its 13 subsidiaries active in Virginia¹ (collectively, the "Windstream Licensees") (with Windstream Holdings and New Windstream, collectively "Windstream") and certain funds and accounts managed, advised, or sub-advised by Pacific Investment Management Company LLC ("PIMCO") (such funds and accounts, collectively, the "PIMCO Funds") (together with Windstream, the "Petitioners"),² filed a Joint Petition ("Petition") with the Commission, pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code").³ The Petitioners request approval of a *pro forma* reorganization of

¹ See Appendix B to the State Corporation Commission's ("Commission") Staff's ("Staff") Action Brief filed contemporaneously with this order for a list of the Windstream Licensees with their respective certificates of public convenience and necessity ("Certificates") issued by the Commission and the case number in which they were issued. Staff updated the information provided in Attachment 2 to the Joint Petition to match the records on file with the Commission and its Division of Public Utility Regulation. The Windstream Licensees that currently hold Certificates are: Broadview Networks of Virginia, Inc., Business Telecom of Virginia, Inc., Cavalier Telephone, LLC, CTC Communications of Virginia, Inc., Intellifiber Networks, LLC, PAETEC Communications of Virginia, LLC, Talk America of Virginia, LLC, US LEC of Virginia, L.L.C., Windstream KDL-VA, LLC, and Windstream New Edge, LLC.

² The following are also considered Petitioners and have provided the statutorily required verifications: Windstream Services, LLC, Broadview Networks of Virginia, Inc., Business Telecom of Virginia, Inc., Cavalier Telephone, LLC, CTC Communications of Virginia, Inc., Intellifiber Networks, LLC, PAETEC Communications of Virginia, LLC, Talk America of Virginia, LLC, US LEC of Virginia, L.L.C., Windstream KDL-VA, LLC, Windstream New Edge, LLC, Nexus Aggregator L.P., Elliott Asset Management LLC, Braxton Associates, Inc., and Elliott Advisors GP LLC. See Exhibit C to the Joint Petition.

³ Code § 56-88 *et seq.*

Windstream Holdings' Virginia subsidiaries ("Reorganization").⁴ The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with Rule 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.⁵

The Petitioners represent that the Reorganization will be completed through certain intra-company and reorganization transactions at the parent holding company level. This will result in New Windstream becoming the ultimate parent of the Windstream Licensees and in certain intermediate holding company changes but will not cause any change in operations or customer service in Virginia.⁶

The Petitioners assert that the proposed Reorganization will not involve any change to the operations of the Windstream Licensees. The Petitioners further state that the Windstream Licensees will continue to provide services at the same rates, terms, and conditions as currently provided. Information provided with the Petition indicates that the Windstream Licensees will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the proposed Reorganization.⁷

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff through Staff's Action Brief, is of the opinion and finds that the above-

⁴ Concurrent with the instant Petition, Windstream Holdings, *et al.*, also filed a separate Joint Petition with the Commission in Case No. PUR-2024-00116, requesting approval of a transfer of indirect control of the Windstream Licensees, *et al.*, that is requested to occur after the proposed Reorganization.

⁵ 5 VAC 5-20-10 *et seq.*

⁶ Petition at 1. The Petitioners represent that the Reorganization will also result in the PIMCO Funds increasing their relative share of the ownership in Windstream, but that will not impact control of the Windstream Licensees due to Windstream's governance structure, and the PIMCO Funds' ownership interest of Windstream will remain below 50 percent. *Id.*

⁷ *See, e.g.*, Petition at 1-2, Attachment 1, Attachment 3, and Exhibit C.

described Reorganization should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, is moot.⁸

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners are granted approval of the Reorganization as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Reorganization, which shall note the date the Reorganization occurred.

(3) The Petitioners' Motion is moot; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

⁸ The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding.