

**STATE OF NEW HAMPSHIRE**  
**Before the**  
**PUBLIC UTILITIES COMMISSION**  
**Docket No. DT 23-103**

**CONSOLIDATED COMMUNICATIONS HOLDINGS, INC.**

**and**

**CONDOR HOLDINGS LLC**

**Petition for Findings in Furtherance of an Indirect Transfer of Control of Consolidated's  
Operating Subsidiaries as part of Parent Transaction**

**PREFILED REBUTTAL TESTIMONY OF MICHAEL SHULTZ**

**On behalf of Consolidated Communications of Maine Company, Consolidated  
Communications of Northern New England Company, LLC, and Consolidated  
Communications Holdings, Inc.**

**June 10, 2024**

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**I. INTRODUCTION.**

**Q1. Please state your full name and business address.**

A1. My name is Michael Shultz, and my business address is 4008 Gibsonia Road, Gibsonia, PA 15044.

**Q2. By whom and in what capacity are you employed?**

A2. I am employed by Consolidated Communications. My current position is Senior Vice President, Regulatory & Public Policy.

**Q3. Have you provided direct testimony in this case?**

A3. Yes. My direct testimony was filed in the docket on December 27, 2023.

**Q4. On whose behalf are you offering this rebuttal testimony?**

A4. I am offering this rebuttal testimony on behalf of Consolidated Communications Holdings, Inc. (“CCHI”) and its two New Hampshire operating company subsidiaries that provide public utility services as incumbent local exchange carriers (“ILECs”, and each an “ILEC”) in New Hampshire, Consolidated Communications of Northern New England Company, LLC, and Consolidated Communications of Maine Company. For ease of reference, I will abbreviate these company names as “CCNE” and “CCM” and refer to them collectively as the “Licensees”, as they were referenced in my direct testimony.

**Q5. Please provide a brief background and the purpose of your testimony?**

A5. On December 27, 2023, CCHI and Condor Holdings LLC (“Condor”, and together with CCHI, the “Petitioners”) submitted a Joint Petition for Findings in Furtherance of an Indirect Transfer of Control of CCHI’s Operating Subsidiaries as part of Parent Transaction (the “Joint Petition”, with the transaction described therein being the “Transaction” pursuant to which Condor will acquire all the issued and outstanding common stock of CCHI). The Joint Petition requested that this Commission find, pursuant to RSA 374:30, II, that the Petitioners (and affiliates) are technically, managerially and financially capable of causing CCNE and CCM to maintain the obligations of an ILEC set forth in RSA 362:8 and RSA 374:22-p. Since filing of

1 the Joint Petition, several parties in this Docket prefiled direct testimony on April 26, 2024 in  
2 response to the Joint Petition. My direct testimony, the prefiled direct testimony filed by Mr.  
3 Andrew Frey (on behalf of Condor), and the discovery undertaken through the date of the  
4 intervenors' testimony was also filed. The purpose of my rebuttal testimony is to respond to  
5 several of the claims made by the intervenors' witnesses and to respond to the requests that the  
6 Commission impose conditions on the Petitioners if the Joint Petition is granted.

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8 **II. SUMMARY OF TESTIMONY.**

9 **Q6. Please summarize your rebuttal testimony.**

10 A6. In summary, on behalf of CCHI, I agree with the conclusions set forth in the  
11 prefiled direct testimony of Ms. Amanda Noonan, the Director of Consumer Services for the  
12 New Hampshire Department of Energy (the "DOE"). Ms. Noonan concludes, on page 3 of her  
13 direct testimony, that "the proposed transfer meets the standard of review and could potentially  
14 bring the benefits of a fiber network, and the accompanying access to services such a network  
15 allows, to New Hampshire communities sooner than might occur absent the transaction."  
16 Intervenors, such as the International Brotherhood of Electrical Workers (the "IBEW") and  
17 Charter Fiberlink NH-CCO, LLC and Time Warner Cable Information Services (New  
18 Hampshire), LLC (collectively, "Charter Communications"), express concerns and/or request  
19 that the Commission impose conditions in any approval order. CCHI opposes any conditions  
20 proffered by other parties as wholly inapplicable to the holding company-level transaction  
21 described in the Joint Petition being reviewed in the instant proceeding.

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23 **III. POSITION OF THE DOE.**

24 **Q7. Please describe in more detail why CCHI agrees with the conclusions**  
25 **expressed in Ms. Noonan's direct testimony.**

26 A7. During the discovery period in this Docket, CCHI and Condor addressed many

1 questions and concerns related to: (i) the post-closing organization of the Licensees, (ii) current  
2 and planned post-closing broadband expansion initiatives, (iii) various operational issues,  
3 including contemplated changes, if any, related to the closing of the Transaction, (iv) CCHI's  
4 access to capital, and (v) other ongoing business-related issues. In response, the Petitioners  
5 responded with data and assurances that closing of the Transaction contemplated in the Joint  
6 Petition will benefit residents and businesses in New Hampshire because it will facilitate  
7 infrastructure investment, technological development, and economic expansion. CCHI has  
8 expanded the number of locations to which it offers fiber service and plans to further expand its  
9 network by leveraging consumer fiber buildouts, including in New Hampshire. Network  
10 expansion will allow CCHI to further close the digital divide by continuing to bring broadband  
11 services to underserved and unserved communities across rural portions of its New Hampshire  
12 markets. CCHI's network expansion will also improve the overall reliability of the network,  
13 providing further benefits to consumers.

14 **Q8. Can you explain how CCHI has expanded the network?**

15 A8. Yes, Searchlight III CVL's original investment in CCHI, made in 2020, has  
16 already enabled the Licensees to make significant investments in bringing fiber-based broadband  
17 to their customers. In New Hampshire alone, the Licensees have passed more than 294,000  
18 additional homes with fiber through mid-April 2024. In addition to the amounts that have  
19 already been invested in CCHI through Searchlight III CVL, the Petitioners anticipate that  
20 hundreds of millions of dollars in additional equity capital will likely be invested in CCHI as a  
21 result of the Transaction, though the precise amounts have not yet been determined. CCHI's  
22 access to this additional capital will facilitate the execution of the company's network build plan,  
23 which includes the upgrade of approximately 1.6 million passings to fiber that will enable multi-  
24 Gigabit-capable services to over 70% of CCHI's passings across the company's footprint.  
25 However, if the Commission does not approve the proposed Transaction, the Petitioners multi-  
26 year fiber expansion strategy would be significantly delayed, including any expansion in New

1 Hampshire.

2 **Q9. What about some of the other issues raised during discovery?**

3 A9. The Petitioners reiterated that the Transaction at issue relates only to the transfer  
4 of indirect ownership and control of CCHI’s subsidiaries, CCNE and CCM. We assured the  
5 parties to this Docket that there are no contemplated operational changes of a material nature  
6 such that wholesale customers, commercial customers or residential customers would be  
7 negatively impacted. The high-level organization of the New Hampshire-based employees will  
8 not change as a result of the Transaction. Importantly, the Transaction at issue in this Docket is  
9 materially different from the transaction reviewed by the Commission in DT 16-872, *Joint*  
10 *Petition for Findings in Furtherance of the Acquisition of FairPoint Communications, Inc. and*  
11 *its New Hampshire Operating Subsidiaries by Consolidated Communications Holdings, Inc.*  
12 That docket entailed not only the acquisition of FairPoint Communications, Inc. (“FairPoint”),  
13 and its operating subsidiaries, but also the complete replacement of FairPoint’s senior  
14 management and the reorganization of the merged companies. Consequently, while Ms.  
15 Noonan’s testimony speaks for itself, I believe all of the data provided in response to discovery  
16 supports the conclusions offered by Ms. Noonan in her direct testimony filed on behalf of the  
17 DOE.

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19 **IV. POSITIONS OF OTHER INTERVENORS AND REQUESTS FOR CONDITIONS.**

20 **Q10. As you know, other parties filed direct testimony in this Docket expressing**  
21 **various concerns and requesting conditions be imposed in any approval order. Do you**  
22 **have a response to their positions?**

23 A10. Yes. I will start by briefly addressing issues raised by the New Hampshire  
24 Electric Cooperative (“NHEC”). NHEC raised various issues in its Petition to Intervene (March  
25 8, 2024), its Motion to Compel (April 17, 2024) and the prefiled direct testimony of Mr. Michael  
26 Jennings (April 26, 2024). However, I am pleased to report that NHEC and CCNE resolved their

1 disputes in the New Hampshire Superior Court and those filed in this Docket. The terms of the  
2 settlement are confidential by agreement. This led NHEC to file, on May 20, 2024, its Notice of  
3 Withdrawal with Prejudice, along with the withdrawal of Mr. Jennings's direct testimony and the  
4 withdrawal of NHEC's motion to compel. NHEC and CCNE also filed a Stipulation for Docket  
5 Markings with the New Hampshire Superior Court voluntarily dismissing the action with  
6 prejudice. I, therefore, believe the issues raised by NHEC have been resolved and no longer  
7 pertain to this Docket.

8 **Q11. Please address the issues raised by Mr. James Golden, of the IBEW, in his**  
9 **prefiled direct testimony dated April 26, 2024.**

10 A11. As I understand Mr. Golden's testimony, the IBEW does not oppose the relief  
11 sought by the Petitioners in the Joint Petition. However, he raised secondary issues related to the  
12 need for a stable workforce, equipped with tools necessary to perform the work, and a  
13 commitment to ensuring the health and safety of the workforce. Unfortunately, Mr. Golden's  
14 testimony is short on specifics and does not address the ongoing dialogue between the IBEW and  
15 Consolidated's senior management covering all of the secondary issues he identified in his pre-  
16 filed direct testimony.

17 **Q12. Has the company addressed the issues raised in Mr. Golden's testimony?**

18 A12. Yes. CCNE and the IBEW's collective bargaining agreement addresses the topics  
19 raised by Mr. Golden. That agreement requires, among other things, the parties to engage in a  
20 common interest forum. This is a formal process by which the parties meet to share concerns  
21 and for the parties to present potential solutions or proposals to address such concerns. The  
22 common interest forum meetings are held quarterly and have been ongoing since the collective  
23 bargaining agreement went into effect in 2021. In addition, outside of this common interest  
24 forum, the parties' representatives routinely meet on an informal basis to address issues raised by  
25 employees and issues raised by management that arise on a routine basis.

26 **Q13. Can you provide specific examples?**

1           A13. During this calendar year, the IBEW and Consolidated's management met to  
2 discuss safety issues, including issues related to lead-based facilities. The company also re-  
3 launched its lead cable safety training to refresh the safety training that IBEW technicians have  
4 been through in the past. We also provided a copy of the company's safety policies and  
5 requested IBEW input on these policies if IBEW believes deficiencies exist. In addition, also in  
6 this calendar year, the company and IBEW met to discuss expanding the job duties and skills of  
7 an existing job classification within the bargaining unit. This change was proposed by the  
8 company to ensure employees are able to adapt to a rapidly changing fiber environment. These  
9 issues will continue to be discussed between the parties and we hope to achieve mutually  
10 satisfactory resolutions to these issues. I, therefore, believe the IBEW's concerns are being  
11 addressed in accordance with the terms of the collective bargaining agreement, as well as through  
12 ongoing informal discussions, and there is no need for the Commission to impose any conditions  
13 to address Mr. Golden's concerns in this Docket.

14           **Q14. Please address the conditions proposed by Charter Communications'**  
15 **witness, Mr. Michael Scanlon?**

16           A14. Charter Communications states, on page 3 of Mr. Scanlon's testimony, that the  
17 Transaction at issue in this Docket should not "directly or indirectly harm existing wholesale  
18 intercarrier relationships." Mr. Scanlon states (on the same page) that while the Petitioners make  
19 various statements in the Joint Petition about maintaining the status quo following the  
20 Transaction, the "statements or assurances are ultimately meaningless unless there is a specific  
21 minimum period of time that ensures the continuity of existing wholesale intercarrier  
22 relationships." Charter Communications contends, on page 4, that the conditions would be  
23 "consistent with the interests of the wholesale customers of Consolidated." Mr. Scanlon's  
24 testimony includes a list of conditions that Charter Communications requests the Commission  
25 impose on the Joint Petitioners without providing evidence supporting the need for the  
26 conditions.

1 Charter Communications' conditions, according to Mr. Scanlon, are "very similar" to the  
2 conditions Consolidated and FairPoint agreed to in Docket DT 16-872 in May 2017 (page 7).  
3 But, as noted above, that transaction was materially different than the present Transaction. With  
4 the FairPoint-Consolidated merger proceeding in 2017, extensive changes were made to the  
5 business. Extensive changes were made to FairPoint's management, both within and outside of  
6 northern New England, and the transaction required integrating the various operations and  
7 systems used by the separate companies. The merger led to extensive synergies as described in  
8 detail in various witnesses' prefiled testimony, testimony presented during the evidentiary  
9 hearing and in a post-closing synergy plan summary filed in Docket DT 16-872 during  
10 September 2017.

11 Here, by contrast, the Transaction is a straightforward, indirect holding company-level  
12 stock transaction where Condor is acquiring all of the issued and outstanding common stock of  
13 CCHI. There is no change to the operations or management of Licensees and the legal identities  
14 of the Licensees will not change. The Transaction does not require the assignment of customers;  
15 all retail customers and wholesale customers will continue receiving services under the same  
16 arrangements currently in place from the same Consolidated operating companies that currently  
17 provide such services. Existing tariffs and service catalogue offerings will not be affected. The  
18 Transaction will be seamless to the Licensees' customers, including wholesale customers.

19 **Q15. Are Charter Communications' proposed interconnection conditions related**  
20 **to the Transaction?**

21 A15. No. Charter Communications first proposes requiring that the Joint Petitioners not  
22 cancel, terminate, or request amendment (except as a result of change of law) to any existing  
23 interconnection agreement ("ICA") with a competitive local exchange carrier ("CLEC") for 36  
24 months after closing and that the Licensees use each CLEC's ICA as the starting draft for any  
25 replacement ICAs. These proposals are arbitrary and unnecessary and not required by New

1 Hampshire law. As the Joint Petitioners have stated on several occasions, because the  
2 Transaction involves an indirect transfer of control, the Transaction does not involve any  
3 assignment or other changes to the interconnection arrangements that the Licensees currently  
4 have in place – including agreements with Charter Communications in New Hampshire. The  
5 Licensees’ active ICAs in New Hampshire have been duly approved by the Commission pursuant  
6 to Sections 251 and 252 of the Telecommunications Act of 1996 (the “Act”), and the Companies  
7 intend to continue complying with their interconnection obligations under the Act.

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10 **Q16. Are Charter Communications’ proposed local number portability (“LNP”)**  
11 **conditions related to the Transaction?**

12 A16. No. Charter Communications asks for the condition that, for at least 36 months,  
13 Consolidated will process and complete ports post-merger so as to meet or exceed Commission  
14 and FCC porting requirements with at least the same level of quality and intervals as the  
15 Consolidated did pre-Transaction. Nothing in the nature of this parent-level private stock  
16 transaction gives rise to a suggestion that the Licensees would become incapable of, or cease,  
17 meeting their legal requirements with respect to LNP post-closing. And Charter  
18 Communications offered no evidence or other support for why such a condition is necessary in  
19 this context.

20 **Q17. Are Charter Communications’ proposed Operations and Billing Support**  
21 **Systems (“OSS/BSS”) conditions related to the Transaction?**

22 A17. No. As with the ICA and LNP conditions, this OSS/BSS condition is  
23 unnecessary. Again, Charter Communications offers no explanation for how the Transaction  
24 could result in changes to how Licensees operate and maintain their systems. Any changes to  
25 OSS/BSS that may come about post-closing will be related to the needs of the business and  
26 undertaken in accordance with the change management process in place between Consolidated

1 and its wholesale customers.

2 **Q18. Are Charter Communications' proposed other wholesale protections**  
3 **conditions related to the Transaction?**

4 A18. No. Charter Communications requests that the Commission impose requirements  
5 that the Joint Petitioners maintain certain contact information and support center staffing, and not  
6 pass through transaction costs to wholesale service rates. The day-to-day operations of the  
7 Licensees will not change as a result of the Transaction. Charter Communications does not  
8 provide a factual basis for imposing such conditions. The nature of the Transaction does not give  
9 rise to changes that Charter Communications expressed would concern it. Therefore, I believe  
10 adopting Charter Communications' proposed wholesale conditions here would be unnecessary  
11 and beyond the scope of the relief sought in Joint Petition now before the Commission.

12 **Q19. Does this conclude your testimony?**

13 A19. Yes.

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