# Morgan Lewis

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November 30, 2018

### **VIA ELECTRONIC FILING**

Patricia Van Gerpen, Executive Director South Dakota Public Utilities Commission Capital Building, 1st Floor 500 East Capital Avenue Pierre, South Dakota 57501-5070

Re: Informational Filing & Docket No. TC18-057

Notice of Proposed Pro Forma Consolidation Affecting Crown Castle NG Central LLC and Crown Castle Fiber LLC

Dear Ms. Van Gerpen:

Crown Castle Fiber LLC ("Crown Castle Fiber") and Crown Castle NG Central LLC ("CCNG-Central") (together, the "Parties"), by undersigned counsel, notify the Commission of a proposed Pro Forma Consolidation (as defined below) that will result in (a) the pro forma consolidation of CCNG-Central into Crown Castle Fiber and (b) pro forma changes in the ownership chain of Crown Castle Fiber. Subject to receipt of applicable regulatory approvals, the Pro Forma Consolidation will be completed no later than December 31, 2018.

Pursuant to S.D. Codified Laws § 49-31-20, Commission action is not required for the *Pro Forma* Consolidation.<sup>1</sup> Accordingly, the Parties submit this letter for informational purposes.

United States

Since Crown Castle Fiber is seeking a Certificate of Authority ("Certificate") to provide intrastate telecommunications services in South Dakota (see Docket No. TC18-057), the Certificate of CCNG-Central will not be transferred to Crown Castle Fiber pursuant to S.D. Codified Laws § 49-31-3.

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### **Description of the Parties**

Crown Castle Fiber is a New York limited liability company, CCNG-Central is a Delaware limited liability company. The Parties are indirect wholly owned subsidiaries of Crown Castle International Corp. ("CCIC"), a publicly traded (NYSE: CCI) Delaware corporation. The Parties' corporate headquarters is located at 1220 Augusta Drive, Suite 600, Houston, TX 77057.

Collectively, the Parties and their affiliates are authorized to provide telecommunications services in the District of Columbia and all states except Alaska, Montana and Wyoming. In South Dakota, CCNG-Central is authorized to provide non-switched local transport services pursuant to a Certificate granted in Docket No. TC14-081 on June 2, 2015. Crown Castle Fiber filed an application to provide local exchange and interexchange telecommunications services in Docket No. TC18-057. Crown Castle Fiber is currently authorized to provide intrastate telecommunications service in Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Vermont, and Virginia, as well as by the Federal Communications Commission to provide interstate and international telecommunications service. Upon completion of the Pro Forma Consolidation, Crown Castle Fiber will be authorized to provide telecommunications services in the same jurisdictions as its affiliates, including South Dakota.

Additional information concerning the legal, technical, managerial and financial qualifications of Crown Castle Fiber has been submitted to the Commission with various prior filings with respect to its Application for a Certificate in Docket No. TC18-057 and is therefore already a matter of public record. The Parties request that the Commission take official notice of these existing descriptions of Crown Castle Fiber's qualifications and incorporate them by reference herein. In support of the financial qualifications of Crown Castle Fiber, the financial statements from CCIC's most recent SEC Forms 10-K and 10-Q are available at

http://investor.crowncastle.com/phoenix.zhtml?c=107530&p=irol-sec.

### **Contacts**

Inquiries or copies of any correspondence, orders, or other materials pertaining to this filing should be directed to:

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With copies to:

Fernanda Biehl

Manager, Regulatory Affairs – Fiber

Crown Castle Fiber 2000 Corporate Drive Canonsburg, PA 15317 703-434-8533 Tel:

703-434-8510 Fax:

PUC.Correspondence@crowncastle.com

### **Description of the** *Pro Forma* **Consolidation**

The "Pro Forma Consolidation" will involve a series of planned intra-company transactions whereby certain of Crown Castle Fiber's operating company affiliates, including CCNG-Central, will be consolidated into Crown Castle Fiber and certain of Crown Castle Fiber's parent companies also will Patricia Van Gerpen, Executive Director November 30, 2018 Page 3

be consolidated. The *Pro Forma* Consolidation is being undertaken, in part, to streamline the corporate structure and operations of over 20 operating entities of CCIC that provide fiber-based services into a single unified and rebranded operating entity:<sup>2</sup> Crown Castle Fiber LLC.

The *Pro Forma* Consolidation also will result in a change in the intermediate corporate holding company structure between CCIC and Crown Castle Fiber. Upon completion of the *Pro Forma* Consolidation, Crown Castle Fiber will be a direct, wholly owned subsidiary of Crown Castle Fiber Holdings Corp., a Delaware corporation, which is currently a Delaware limited liability company named LTS Group Holdings, LLC<sup>3</sup> and a direct, wholly owned subsidiary of Crown Castle Operating Company ("CCOC"). CCOC is a Delaware corporation and a direct, wholly owned subsidiary of CCIC.

Charts depicting the current and post-*Pro Forma* Consolidation ownership structure of the Parties are attached as Exhibit A.

Upon completion of the *Pro Forma* Consolidation, CCNG-Central will cease to exist and Crown Castle Fiber will continue providing fiber-based services to CCNG-Central's existing wholesale and enterprise customers pursuant to the same contracts and other service arrangements as those customers currently have with CCNG-Central. The *Pro Forma* Consolidation will be seamless to customers and will not result in any change to their services, including to the rates, terms and conditions of those services. All customers have been notified of the *Pro Forma* Consolidation pursuant to their contracts with CCNG-Central consistent with the sample notice provided in Exhibit B.

As noted above, upon completion of the proposed *Pro Forma* Consolidation, CCNG-Central will no longer individually provide any telecommunications services in South Dakota since CCNG-Central will be consolidated into Crown Castle Fiber and Crown Castle Fiber will be the service provider of record for their customers. Following completion of the *Pro Forma* Consolidation, Crown Castle Fiber also will surrender the Certificate of CCNG-Central.

### **Public Interest Considerations**

The *Pro Forma* Consolidation is entirely internal. The *Pro Forma* Consolidation will simplify CCIC's existing corporate structure and reduce its reporting and accounting burdens and provide other operational efficiencies. The *Pro Forma* Consolidation will also allow CCIC's business units to take advantage of their core focus and strengths to the benefit of their customers. As a result of the efficiencies and focus, CCIC and its subsidiaries will become stronger competitors to the ultimate benefit of consumers.

Following completion of the *Pro Forma* Consolidation, Crown Castle Fiber will continue to provide high-quality communications services to the customers of CCNG-Central without interruption. The *Pro Forma* Consolidation will be seamless to customers and will not result in any change to their services. The rates, terms and conditions of their services will not change as a result of these

<sup>&</sup>lt;sup>2</sup> Certain other operating entities that do not operate in South Dakota may be retained for other reasons.

As part of the *Pro Forma* Consolidation, LTS Group Holdings, LLC will convert from a Delaware limited liability company into a Delaware corporation and be renamed Crown Castle Fiber Holdings Corp. Upon completion of the *Pro Forma* Consolidation, Crown Castle Fiber Holdings Corp. will be a direct, wholly owned subsidiary of CCOC.

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purely intra-company changes. The only change for customers will be that invoices following consummation of the *Pro Forma* Consolidation will be sent using Crown Castle Fiber LLC.

The proposed simplification of CCIC's corporate structure will provide the company with greater flexibility for future equity and debt transactions, which will increase its access to capital and benefit the Parties' customers. In sum, these corporate structure changes will increase the overall company's efficiency and make it more attractive to potential investors, which should improve its access to debt and equity capital. This, in turn, will enable both the holding company and its operating subsidiaries to keep their cost of capital low.

\* \* \* \*

Please acknowledge receipt and acceptance of this electronic filing, which is being filed as both an informational filing with respect to the Parties and in Docket TC18-057 with respect to Crown Castle Fiber. Should you have any questions concerning this filing, please do not hesitate to contact us.

Respectfully submitted,

Tamar E. Finn Brett P. Ferenchak Patricia Cave

Counsel for the Parties

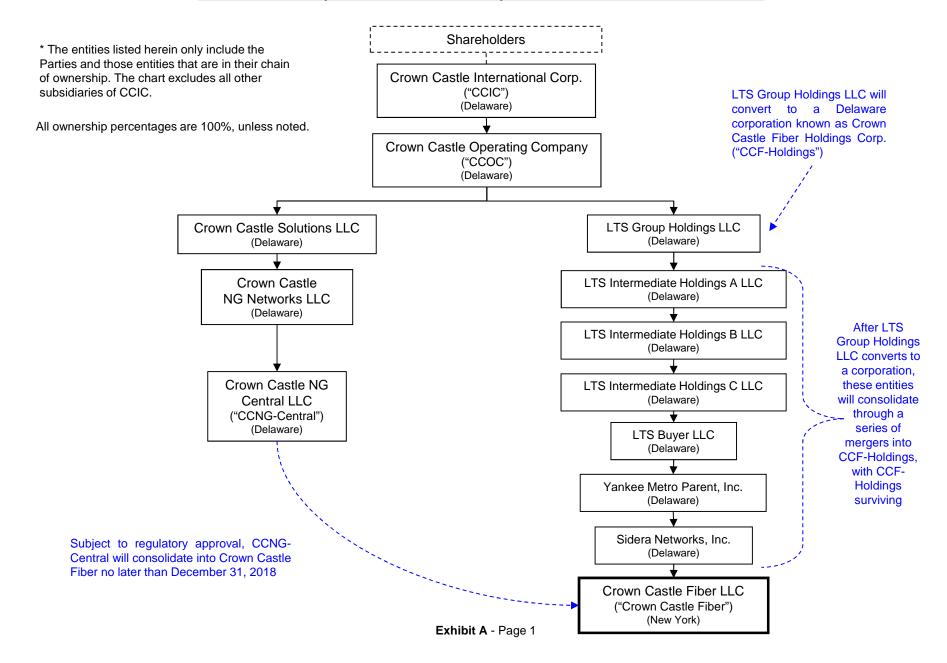
Enclosure

cc: Service List for Docket No. TC18-057

### **EXHIBIT A**

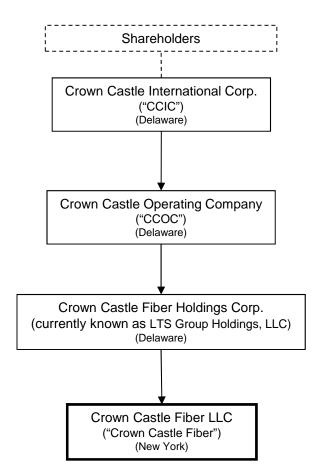
Current and Post-*Pro Forma* Consolidation Ownership Structure Charts

## Current Corporate Ownership Structure of the Parties\*



## Post-Pro Forma Consolidation Corporate Ownership Structure of Crown Castle Fiber\*

\* The entities listed herein only include Crown Castle Fiber and those entities that are in its chain of ownership. The chart excludes all other subsidiaries of CCIC.



## **EXHIBIT B**

Sample Customer Notice



October 24, 2018

#### Dear Valued Customer:

Effective January 1, 2019, as a result of an internal consolidation of our legal entities, Crown Castle Fiber LLC will provide you with the solutions currently provided to you by our affiliates listed below. This consolidation makes it easier for you to do business with us by reducing the number of affiliates.

Your existing service contract(s) remain unchanged, the consolidation will have no impact on your services or your rates, and all rights and obligations under the agreements between you and your current provider will continue unaffected. If necessary, we will notify you of any changes to your billing or payment address.

If you have any questions, please contact Legal-CustomerTeam1@crowncastle.com.

Sincerely,

### Crown Castle Fiber LLC

On behalf of its affiliates below:

24/7 Mid-Atlantic Network of Virginia, LLC

24/7 Mid-Atlantic Network, LLC Access Fiber Group Holdings, LLC

Access Fiber Group, Inc.

CA - CLEC LLC dba Crown Castle CA-CLEC LLC

Chesapeake Fiber, LLC Cross Connect Solutions, Inc. Crown Castle NG Atlantic LLC

Crown Castle NG Central LLC Crown Castle NG East LLC1 Crown Castle NG West LLC

Crown Castle Solutions LLC1

Fiber Technologies Networks, L.L.C.

Fiber Technologies New York Networks, Inc.

Fibernet Direct Florida LLC Fibernet Direct TEL LLC Fibernet Direct Texas LLC Fibertech Networks, LLC

Freedom Telecommunications, LLC

InSITE Fiber of Virginia, LLC

InSITE Solutions LLC

IX2 Center, L.L.C. IX2 Wilshire, LLC

Light Tower Fiber New York, Inc. Light Tower Metro Fiber LLC

Lightower Fiber Infrastructure Corp.

Lightower Fiber Networks I, LLC

NEON Transcom, Inc. NewPath Networks, LLC

NY-CLEC LLC

PA-CLEC LLC d/b/a Pennsylvania CLEC LLC

Sidera Networks, Inc.

Sunesys of Massachusetts, LLC

Sunesys of Virginia, Inc.

Sunesys, LLC WA-CLEC LLC

Wilcon Operations LLC Wilcon Services, LLC Wilshire Connection, LLC

This entity expected to consolidate after January 1, 2019. Additional information will be provided in subsequent correspondence.

## **VERIFICATION**

### **VERIFICATION**

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I, Neil Dickson, state that I am the Vice President – Corporate and Commercial Transactions of Crown Castle Fiber LLC and Crown Castle NG Central LLC (together, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the facts above set forth with respect to the Company are true and correct to the best of my knowledge, information and belief.

Neil Dickson

Vice President – Corporate and Commercial Transactions Crown Castle Fiber LLC Crown Castle NG Central LLC

02020

Sworn and subscribed before me this \_\_\_\_\_\_ day of November, 2018.

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Notary Public

My commission expires May 11, 2020



Commonwealth of Pennsylvania - Notary Seal Rosa M. Morrison, Notary Public Washington County My commission expires May 11, 2020 Commission number 1207279

Member, Pennsylvania Association of Notaries