

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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November 10, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Joint Application of The United Telephone
Company of Pennsylvania LLC d/b/a
CenturyLink; CenturyTel Broadband Services,
LLC; Connect Holding LLC; and Lumen
Technologies, Inc. for All Approvals of a
General Rule Transfer of Control and
Registration of Securities
Docket Nos. A-2021-3028668
A-2021-3028669

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceedings.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Barrett C. Sheridan
Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138
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Enclosures:

cc: The Honorable Marta Guhl (**email only**)
Certificate of Service

*319814

CERTIFICATE OF SERVICE

Re: Joint Application of The United Telephone :
Company of Pennsylvania LLC d/b/a :
CenturyLink; CenturyTel Broadband Services, : Docket Nos. A-2021-3028668
LLC; Connect Holding LLC; and Lumen : A-2021-3028669
Technologies, Inc. for All Approvals of a :
General Rule Transfer of Control and Registration :
of Securities :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 10th day of November 2021.

SERVICE BY E-MAIL ONLY

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Dated: November 10, 2021
*319813

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of The United Telephone :
Company of Pennsylvania LLC, CenturyTel :
Broadband Services, LLC, Connect Holding : Docket Nos. A-2021-3028668,
LLC, and Lumen Technologies, Inc. for All : A-2021-3028669
Approvals of a General Rule Transfer of Control :
and Registration of Securities :

**PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE**

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. §333, and Section 5.222(d)(1), 52 Pa. Code § 5.222(d)(1), the Pennsylvania Office of Consumer Advocate (OCA) hereby submits this Prehearing Memorandum:

I. PROCEDURAL HISTORY

On September 22, 2021, The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink (United Telephone); CenturyTel Broadband Services, LLC (CTBS) (collectively the “Acquired Companies”); Connect Holding LLC (Connect Holding), an affiliate of Apollo Global Management, Inc. and its subsidiaries (Apollo); and Lumen Technologies, Inc. (Lumen) (all collectively “Joint Applicants”) filed a Joint Application. The Joint Applicants request that the Commission grant authority, approvals, and any necessary certificates of public convenience pursuant to Sections 1102 and 1103 of the Public Utility Code and related Commission regulations and statement of policy to allow the Joint Applicants to undertake the proposed

transfer of control of the telecommunications public utilities. Additionally, the Joint Petitioners request Commission registration of securities to the extent as may be necessary, pursuant to Section 1102(a)(3) of the Public Utility Code. The Joint Application is styled as a “General Rule Transfer,” subject to the Commission’s regulation at 52 Pa. Code § 63.324.

The Commission published notice of the proposed change of control transaction in the Pennsylvania Bulletin on October 9, 2021. 51 Pa. B. 6501.

The Office of Consumer Advocate (OCA) filed a Protest and Public Statement on October 25, 2021.

The Office of Small Advocate filed a Protest, Public Statement, and Notice of Appearance on October 25, 2021.

The Office of Administrative Law Judge issued the Prehearing Conference Notice on November 1, 2021.

II. ISSUES

The OCA is reviewing the Joint Application and the recently served, pre-filed testimony of the Joint Applicants. The OCA is also tracking the related proceeding which concerns Lumen’s proposal to make CTBS the assigned recipient of Lumen’s winning bid for Rural Digital Opportunity Fund (RDOF) support in certain Pennsylvania census blocks. See, OCA Protest, fn. 2. As noted in the OCA Protest, CBTS is a newly certificated public utility, throughout the Commonwealth.

The following list of issues is preliminary:

- Will Apollo invest in improving the quality and reliability of United’s telephone service network, for the benefit of existing and prospective residential consumers?
- Will Apollo invest in improving United’s network so more consumers have the ability to obtain voice and broadband services over United’s network, as opposed to relying upon a third party to obtain broadband pursuant to United’s Chapter 30 obligation?

- How will customer service, billing, and similar functions be provided, after the spin-off of United's operations from Lumen? Will the quality of these services be improved?
- What quality of service standards, such as time for installation, noise on the line, time for restoration of service, will be targeted for improvement, for the benefit of United consumers? What will be the time line for performance of these improvements?
- Post-transaction, how will United provide services at prices which meet the needs of residential consumers for reasonable and affordable service?
- How will Apollo allocate funding and management resources between United (the ILEC) and CBTS (the new, competitive public utility)?
- Will Apollo and United, post-transaction, enhance the availability of voice and broadband service to meet consumer needs, beyond the commitments tied to receipt of the RDOF funding?
- Will Apollo and United, post-transaction, enhance the availability of voice and broadband service to meet the needs of today's consumer, beyond the commitments tied to receipt of the RDOF funding?
- Will Apollo and CBTS, post-transaction, make available quality voice and broadband service to meet the needs of today's consumer, beyond the commitments tied to receipt of the RDOF funding? How and where will Apollo and CBTS target these efforts initially?
- How will United's operations and financial stability be insulated from risks attendant to Apollo's tiered investment fund operations?
- How will CBTS's operations and financial stability be insulated from risks attendant to Apollo's tiered investment fund operations?

The OCA reserves the right to develop additional issues. The OCA reserves the right to address or respond to issues and positions raised by other parties in this proceeding.

III. WITNESSES

The OCA expects to present an expert witness in this proceeding. The OCA has not completed the process of engaging the expert witness. As soon as possible, the OCA will notify the ALJ and parties of record with the name and contact information for the OCA expert witness.

IV. PROPOSED SCHEDULE

The OCA is in discussion with the Joint Applicants and the Office of Small Business Advocate regarding a procedural schedule to allow for development of a full evidentiary record for this proceeding.

V. MISCELLANEOUS

The OCA will be represented in this case by Assistant Consumer Advocate Barrett C. Sheridan. The OCA requests one copy of all documents be served on the OCA as follows:

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VI. SETTLEMENT

The OCA is amenable to settlement discussions and will participate in such settlement discussions as may be scheduled or convened by the parties.

Respectfully Submitted,

/s/ Barrett C. Sheridan

Barrett C. Sheridan

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Counsel for:

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