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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AT&amp;T CORP. AND</b>	)	
<b>AT&amp;T ENTERPRISES, INC.’S JOINT</b>	)	<b>CASE NO. ATT-T-24-01</b>
<b>APPLICATION FOR THE ISSUANCE OF A</b>	)	
<b>NEW CERTIFICATE OF PUBLIC</b>	)	
<b>CONVENIENCE AND NECESSITY TO AT&amp;T</b>	)	<b>COMMENTS OF THE</b>
<b>ENTERPRISES, LLC. AND CANCELLATION</b>	)	<b>COMMISSION STAFF</b>
<b>OF THE EXISTING CERTIFICATE OF</b>	)	
<b>PUBLIC CONVENIENCE AND NECESSITY</b>	)	
<b>HELD BY AT&amp;T CORP.</b>	)	
_____	)	

**COMMISSION STAFF (“STAFF”)** OF the Idaho Public Utilities Commission, by and through its Attorney of record, Michael Duval, Deputy Attorney General, submits the following comments.

**BACKGROUND**

On February 23, 2024, AT&T Corp. (“CORP”) and AT&T Enterprises, Inc. (“INC”) (collectively the “Applicants”) jointly applied to the Idaho Public Utilities Commission (“Commission”) requesting the issuance of a Certificate of Public Convenience and Necessity (“CPCN”) to AT&T Enterprises, LLC. (“Enterprises LLC”) that authorizes it to offer local telecommunication exchange services in Idaho pursuant to IDAPA 31.01.01.114 (“Application”). Following an internal restructuring, INC will “undergo a nearly simultaneous name change to AT&T Enterprises, LLC.” Application at 1. The Applicants thus asked that

Enterprises LLC’s name be reflected on the proposed CPCN.<sup>1</sup> Enterprises LLC requested that the CPCN cover the same service territory as CPCN No. 295—which is currently held by CORP. The Applicants accordingly requested that CORP’s CPCN No. 295 be canceled. The Commission issued a Notice of Application and Notice of Modified Procedure setting deadlines for interested persons to comment on the Application, and for the Applicants to reply.<sup>2</sup>

## APPLICATION

The Applicants stated that their parent company is AT&T Inc. (“Parent Company”). The Applicants further stated that their Parent Company is currently undergoing an internal restructuring by converting several subsidiaries, including CORP and INC, into LLCs to streamline its corporate structure, resulting in greater operational efficiencies. *Id* at 2-3.

The Applicants confirmed that INC is wholly owned by the Parent Company. INC is a Delaware corporation and is registered with the Idaho Secretary of State<sup>3</sup> as a foreign business corporation, with principal address at 208 S. Akard St. Dallas, TX 75202. *Id* at 4.

The Applicants asserted that CORP is also wholly owned by the Parent Company. CORP is a New York corporation and is registered with the Idaho Secretary of State<sup>4</sup> as a foreign business corporation, with principal address at One AT&T Way, Bedminster, NJ 07921. It is also certificated by the Commission as a Competitive Local Exchange Carrier and Interexchange Carrier to provide telecommunications services in Idaho, including basic exchange services, under the existing Commission-issued CPCN Certificate No. 295.<sup>5</sup> *Id*.

The Applicants further stated that CORP intends to merge with and into INC on May 1, 2024—after which CORP will cease to exist as a stand-alone legal entity. On May 2, 2024, INC plans to convert to a Delaware Limited Liability Company and change its name to Enterprises, LLC. *Id* at 3. In Exhibit 001, the Applicants provided a visual depiction outlining the corporate structure before and after the merger. The Applicants represented that on or about May 2, 2024,

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<sup>1</sup> The Applicants’ primary request was that Enterprises LLC be granted a CPCN. However, should the Commission deem otherwise, the Applicants alternatively requested “that the Commission grant a new Certificate to AT&T Enterprises, Inc. ... with conditional approval of an amendment to the Certificate for a name change to AT&T Enterprises, LLC upon adequate documentation of the name change being provided to the Commission.” Application at 8.

<sup>2</sup> See Order No. 36126.

<sup>3</sup> As verified by Staff.

<sup>4</sup> As verified by Staff.

<sup>5</sup> Dated October 11, 2012, IPUC Case No. ATT-T-12-01.

INC will update its Foreign Registration Statement with the Idaho Secretary of State to reflect the conversion to Enterprises, LLC. The Idaho Secretary of State's qualification for CORP will then be withdrawn at that time. AT&T will supplement this filing with a copy of the updated Foreign Registration Statement promptly after its availability. *Id* at 4.

The Applicants stated that customer rates and service would not change and “[t]he only change customers will see is the service provider’s name on their AT&T bill.” *Id.* at 4. The Applicants do not expect the proposed transaction to affect Enterprises LLC’s capital structure.

The Application provided contact information for the Applicants and a point of contact for complaints. The Applicants further stated that all interconnection agreements will continue to be honored by Enterprises LLC. Finally, the Applicant stated that INC has reviewed the Commission’s rules, and that Enterprises LLC will comply with those rules.

The Applicants provided information related to the conservation of telephone numbers and stated that Enterprises LLC would fulfill its obligations in this regard. *Id* at 7-8. The Applicants asserted that the approval requested by this Application is in the public interest. Furthermore, because Applicants will complete the internal restructuring by May 2, 2024, Applicants requested that the Commission grant the relief requested in this Application on an expedited basis. Finally, the Applicants requested that this Application be processed by modified procedure. *Id* at 2.

## **STAFF ANALYSIS**

Staff conducted a review of this Application and concluded that the CPCN Certificate No. 295 that was granted to CORP should be canceled and INC should be issued a new CPCN certificate of its own. Once INC converts into an LLC, changes its name to Enterprises LLC, and accordingly updates this information with the Idaho Secretary of State, then INC can submit a compliance filing in this case to the Commission requesting that the name on INC’s CPCN be updated to Enterprises LLC.

The rationale behind the Staff’s conclusion is as follows. The joint Application submitted by the Applicants proposes an internal corporate restructuring of the Parent Company which affects its subsidiaries such as CORP and Enterprises LLC. Thus, as a result of these internal changes:

- CORP will be merged into INC and cease to exist as a legal entity, after the internal restructuring is completed, with INC as the surviving entity. The effective date of the completion of the merger is May 1, 2024. On May 2, 2024, the Idaho Secretary of State qualification of CORP will be withdrawn. Currently, CORP is the holder of the CPCN Certificate No. 295, issued by Commission Order No. 32661 in Case No. ATT-T-21-01. Since CORP will no longer exist, Staff believes that this CPCN certificate should be canceled, and Commission records be updated accordingly;
- Once CORP is merged into INC and the process is completed, INC becomes the surviving entity. Staff believes that INC should be granted its own CPCN certificate now as it acquires CORP and becomes a new, separate legal entity. In this Application, the Applicants provided INC's information in support of its application for a new CPCN certificate. This has demonstrated that INC meets all the statutory requirements pursuant to IDAPA 31.01.01.114 and Commission Order No. 26665 for it to be granted a CPCN certificate of its own; and
- Enterprises LLC. Currently, this company is not registered with the Idaho Secretary of State or with the Commission. This is because the company does not yet exist as it is being created as part of the internal corporate restructuring of the Parent Company. Therefore, Staff believes that a CPCN certificate should not be issued to a Company that does not exist. Staff understands that following the completion of the merger, INC will convert from a Delaware corporation to a Delaware limited liability company. The expected effective date of the conversion is May 2, 2024. This is also the date that INC will update its Foreign Registration Statement with the Idaho Secretary of State to reflect the conversion to Enterprises, LLC. Staff considers that this should also be the time that INC should submit a compliance filing requesting that INC's CPCN should be changed to reflect Enterprise LLC's name as the holder of that CPCN. Staff believes that this compliance filing should be submitted within 60 days of the publication of the final order in this case and be accompanied by all the proper documentation necessary to support INC's request.

## STAFF RECOMMENDATION


Staff has reviewed the Application submitted to the Commission by the Applicants and believes the Company understands the Commission's rules and requirements related to the provision of telecommunication services in Idaho. Based on this review, the Applicant's filing fulfills the requirements of procedural Rule 114 and Order No. 26665. Staff also believes the Applicants possess the requisite financial, managerial, and technical qualifications necessary to operate as a provider of telecommunications services in the entire state of Idaho.

Therefore, Staff recommends the following:

1. The existing CPCN certificate No. 295 of CORP should be canceled to reflect the internal corporate restructuring by the Parent Company. CORP will no longer exist;
2. INC should be issued its own CPCN certificate subject to the conditions outlined below. Additionally, INC should submit a compliance filing requesting a name change within 60 days of the publication of the final order in this case. In this compliance filing INC would provide proper documentation and request that the name on its CPCN be changed to to illustrate Enterprises LLC's requested ownership of that CPCN;
3. The conditions for the issuance of a CPCN certificate to INC should be as follows:
  - a. INC complies with the number pooling and reporting requirements of the North American Numbering Plan Administrator, as set forth in Commission Order No. 30425;
  - b. INC should provide necessary reports and contributions appropriate to the Idaho Universal Service Fund, Idaho Telecommunications Relay Services, and Idaho Telecommunications Service Assistance Program, and comply with all future reporting requirements deemed appropriate by the Commission for competitive telecommunications providers;
  - c. Prior to issuance of the CPCN, INC files a final price list outlining all its rates, terms, and conditions with the Commission;
  - d. INC should provide three reports to the Commission indicating the number of basic local exchange customers it has and the services being offered. These reports will be due as follows:

- i. August 16, 2024;
  - ii. December 16, 2024;
  - iii. April 16, 2025; and
- e. If INC is not providing basic local exchange service by the time the third report is due, the Commission by its order will revoke the Company's CPCN.

Respectfully submitted this 16<sup>th</sup> day of April 2024.



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Michael Duval  
Deputy Attorney General

Technical Staff: Johan E Kalala-Kasanda

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 16<sup>th</sup> DAY OF APRIL 2024, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. ATT-T-24-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

RONALD L WILLIAMS BRANDON HELGESON HAWLEY TROXELL ENNIS PO BOX 1617 BOISE ID 83701-1617 E-MAIL: <a href="mailto:rwilliams@hawleytroxell.com">rwilliams@hawleytroxell.com</a> <a href="mailto:bhelgeson@hawleytroxell.com">bhelgeson@hawleytroxell.com</a>	RICHARD T HOWELL REG RELATIONS MANAGER AT&T SERVICES INC 208 S AKARD ST DALLAS TX 75202-4206 E-MAIL: <a href="mailto:rh2514@att.com">rh2514@att.com</a>
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PATRICIA JORDAN, SECRETARY