

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the Matter of the Application of Sunflower)
Telephone Company, Inc. for a Name Change) Docket No. 19-SFLT-197-CCN
to Consolidated Communications of Kansas)
Company.)

ORDER APPROVING NAME CHANGE

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

1. On November 13, 2018, Sunflower Telephone Company, Inc. (Sunflower) filed an Application requesting authority to change the name on its Certificate of Convenience and Authority from Sunflower to Consolidated Communications of Kansas Company (Consolidated Kansas). Sunflower previously received authority to conduct business in the State of Kansas as an incumbent local exchange company (ILEC). On January 17, 2017, Consolidated Communications Holding, Inc. (CCHI) sought approval to acquire the stock of FairPoint Communications, Inc. (FairPoint) in Docket No. 17-SFLT-283-ACQ and on July 3, 2017 completed the acquisition. With the completion of the FairPoint transaction, CCHI gained indirect control over Sunflower, Bluestem Telephone Company (Bluestem), FairPoint Communications Missouri and ST Long Distance, Inc. CCHI is the parent of Consolidated Communications, Inc. (Consolidated) and Consolidated has been operating FairPoint, Sunflower, and Bluestem under their existing names and Certificates. In Docket No. 19-SFLT-189-COC and 19-BSTT-172-CCS),

Bluestem was authorized to become part of Sunflower and to cancel its authority effective January 1, 2019. Consolidated is undergoing a corporate reorganization and desires to change the name of Sunflower to Consolidated Communications of Kansas Company as part of a business consolidation.

2. The Commission derives its authority to supervise telecommunications public utilities from K.S.A. 2017 Supp. 66-1,188. Regarding the request for a company name change, the Commission, in accordance with K.S.A. 2017 Supp. 66-131 and K.S.A. 2017 Supp. 66-136, must determine whether the proposed change will promote the public convenience.

3. On December 12, 2018, the Commission Staff (Staff) submitted a Report and Recommendation, recommending the Commission grant the Sunflower Application and approve the requested name change to Consolidated Kansas.

4. The Commission adopts Staff's analysis and recommendations of December 12, 2018, as stated in the Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that the Sunflower Application should be granted. The Commission further finds that the requested name change to Consolidated Kansas under the Sunflower Certificate of Convenience and Authority to provide ILEC service will promote the public convenience and should be approved. As part of the approval process, the Commission directs Consolidated Kansas to notify it regarding any change in address or contact telephone numbers, file timely annual reports, maintain current registration with the Kansas Secretary of State's office and pay all Commission and KUSF assessments in a timely manner. Consolidated Kansas is registered with the Kansas Secretary of State and is currently active and in good standing. Sunflower has requested that its name change become effective on January 1, 2019, and the Commission shall make the name change effective on that date.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Sunflower Telephone Company, Inc.'s Application filed in this matter on November 13, 2018, is hereby granted and the request for a name change to Consolidated Communications of Kansas Company, under its Certificate of Convenience and Authority is hereby granted effective January 1, 2019.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529 (a) (1).¹

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order, or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 12/20/2018



Lynn M. Retz
Secretary to the Commission

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¹ K.S.A. 66-118b; K.S.A. 77-503 (c) and K.S.A. 77-531(b).

STATE OF KANSAS



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REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Dwight D. Keen

FROM: Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: December 12, 2018

SUBJECT: 19-SFLT-197-CCN

In the Matter of the Application of Sunflower Telephone Company, Inc. For a Name Change to Consolidated Communications of Kansas Company.

EXECUTIVE SUMMARY:

On November 13, 2018, Sunflower Telephone Company, Inc. (Sunflower) filed an Application requesting to change its name to Consolidated Communications of Kansas Company, effective January 1, 2019. Staff recommends approval of the Application with an effective date of January 1, 2019.

BACKGROUND:

On January 17, 2017, in Docket No. 17-SFLT-283-ACQ (17-283), Consolidated Communications Holdings, Inc. (CCHI), the parent company of Consolidated Communications, Inc. (Consolidated), filed an Application for approval of its acquisition of FairPoint Communications, Inc.'s (FairPoint) common stock, giving CCHI indirect control of Bluestem Telephone Company (Bluestem); Sunflower; FairPoint Communications Missouri (FairPoint MO); and ST Long Distance, Inc. (STLD).

Sunflower, Bluestem, and FairPoint MO were each previously granted a Certificate to operate as an ILEC in the state of Kansas. STLD was previously granted a Certificate to operate as an interexchange carrier (IXC) in the state of Kansas.

In the 17-283 proceeding, CCHI demonstrated that it has the financial, technical, and managerial ability to operate the utilities it sought to acquire. Furthermore, CCHI pledged to maintain adequate staffing to maintain its eligible telecommunications carrier obligations and to meet the Commission's Quality of Service standards for ILECs. Staff recommended approval of the Joint Application and further recommended the Commission formalize CCHI's statement that recovery of the acquisition premium would not be from Kansas ratepayers.

In a letter dated May 3, 2017, Michael J. Shultz, Vice President of Regulatory and Public Policy for CCHI, confirmed that no portion of the acquisition premium incurred because of the acquisition would be recovered from Kansas ratepayers, through either rates or the Kansas Universal Service Fund (KUSF).¹ Therefore, The Commission approved the Application on June 6, 2017, conditioned upon CCHI not recovering any portion of the acquisition premium incurred because of the transaction from Kansas ratepayers, through either rates or the KUSF.²

Effective July 3, 2017, CCHI completed its acquisition of FairPoint. In a letter dated July 13, 2017, Michael J. Shultz stated that the consummation of the merger will not result in any changes in the terms or conditions of service or the manner in which any FairPoint company previously provided service to its customers.³

Following CCHI's acquisition of FairPoint, Consolidated has been operating both Sunflower and Bluestem under their existing names and Certificates. Consolidated is now preparing to make changes to its organizational structure, effective January 1, 2019. Pursuant to the proposed corporate restructuring, Bluestem would operate under the Sunflower name and Certificate and Bluestem's ILEC Certificate would be cancelled. The Companies filed this request in Docket Nos. 19-SFLT-189-COC and 19-BSTT-172-CCS. The Commission granted approval of this request in an Order dated November 27, 2018, to be effective January 1, 2019. The Commission further directed the Companies to file a revised tariff for Sunflower to incorporate Bluestem's tariff with no changes other than the change to the name no later than seven days prior to January 1, 2019.

Sunflower filed the request in this Docket on November 13, 2018, to change the name of Sunflower to Consolidated Communications of Kansas Company, effective January 1, 2019.

ANALYSIS:

The Commission derives its authority to supervise telecommunications public utilities from K.S.A. 66-1,188. The Commission derives its authority to certificate and de-certificate public utilities from K.S.A. 66-131. Pursuant to K.S.A. 66-131, the Commission must review all certification and de-certification applications to determine whether the "public convenience" will be promoted by granting the request.

In response to Data Request (DR) 2, Sunflower states that there will not be any changes in operations, personnel, or rates due to the restructuring.

¹ See Letter from Consolidated Communications to Commission Concerning Report and Recommendation, Docket No. 17-SFLT-283-ACQ, May 3, 2017.

² Order Approving Joint Application, Docket No. 17-SFLT-283-ACQ, June 6, 2017.

³ FairPoint Post-Close Letter, Docket No. 17-SFLT-283-ACQ, July 13, 2017.

Consolidated Communications of Kansas Company is registered with the Office of the Kansas Secretary of State and is currently “Active and in Good Standing”. Sunflower is current with Commission assessments, Annual Report filing requirements, and contributions to the Kansas Universal Service Fund.

Staff believes it is in the public interest to approve the restructuring request and allow Sunflower to change its name to Consolidated Communications of Kansas Company.

RECOMMENDATION:

Staff finds that the public convenience will be promoted by changing Sunflower’s name to Consolidated Communications of Kansas Company, effective January 1, 2019, as requested. The Commission should direct the Sunflower to file a revised tariff, including the former Bluestem tariff, with no changes to the tariffs other than the names no later than seven days prior to the requested effective date of January 1, 2019.

CERTIFICATE OF SERVICE

19-SFLT-197-CCN

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail and electronic service on 12/20/2018.

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