

**GEORGIA PUBLIC SERVICE COMMISSION
TELECOMMUNICATIONS UNIT
FINANCING AUTHORITY REQUIREMENTS AND PROCEDURES**

Transactions Requiring Commission Approval:

Any transaction involving an issuance of stocks, bonds, notes, or other evidences of debt payable more than 12 months after the date of issuance must be approved by the Commission, unless it is exempt under O.C.G.A. § 46-2-28(g), which states:

(g) Notwithstanding any other provision of this Code section or any other provision of law, **local exchange companies** as defined in paragraph (10) of Code Section 46-5-162 under the commission's jurisdiction **shall be exempt from the provisions of this Code section if the stocks, bonds, notes, or other evidences of debt are issued as part of a debt transaction that is an interstate transaction, as evidenced by the following:**

- (1) The local exchange company is a wholly owned subsidiary of a parent company headquartered or domiciled outside of this state;
- (2) The debt transaction is by and between the parent company, the primary obligor, and a national bank or other lending or financial institution licensed or authorized to enter into such debt transaction by any state or federal agency; and
- (3) The local exchange company is issuing stocks, bonds, notes, or other evidences of debt for the purpose of providing collateral or other security to the lending or financial institution in order to accommodate the debt transaction of a parent company or other entity.

(emphasis added)

If the transaction meets the above criteria for exemption, please file a letter with the Commission describing the transaction and how the criteria for exemption have been met.

Transactions Requiring Notice:

The following transactions do not require formal approval by the Commission under O.C.G.A. § 46-2-28:

- Mergers, acquisitions, or transfers of control that do not involve the issuance of stocks, bonds, notes, or other evidences of debt payable more than 12 months after the date of issuance.
- Corporate reorganizations and restructuring that do not involve the issuance of stocks, bonds, notes, or other evidences of debt payable more than 12 months after the date of issuance.

- Transfers of customer base between entities holding certificates of authority issued by the Georgia Public Service Commission that do not involve the issuance of stocks, bonds, notes, or other evidences of debt payable more than 12 months after the date of issuance.

If the transaction is one of the above requiring notice, please file a letter with the Commission at least 60 days prior to consummation describing the transaction and which of the above criteria it meets. If the transaction involves a transfer of customer base, please also include the number of customers being transferred, indicate whether service will continue to be offered under the same rates, terms and conditions as currently provided, and provide a copy of the notice provided to customers.

Timeline for Commission Approval of Financing Authority Applications:

Commission Rule 515-4-1-.01(2) states:

For applications not requiring a hearing, all discovery, responses, analysis and recommendations must be completed such that the application can be acted upon by this Commission in Administrative Session within 60 days of the original filing.

Prerequisites for Approval of Financing Authority Applications:

Applicant must be in compliance with the following Commission reporting requirements:

- Commission Rule 515-3-1-.04(1): Annual Reports
- Commission Rule 515-12-1-.34: Customer Service Contact and Escalation List
- Telecommunications Relay Service (“TRS”) Monthly Contributions
- Universal Access Fund (“UAF”) Quarterly Contributions
- Docket No. 19553: Family Violence Shelter Confidentiality Act

Additionally, the Applicant must be in compliance with any other terms set forth in its Certificate Order issued by this Commission and must be operating in good standing (i.e., minimal complaints and a record of timely resolution of complaints).

Minimum Filing Requirements for Financing Authority Applications:

1. Identify the name(s) of the Applicant(s) and all Georgia certificate of authority number(s) (e.g., L-123, X-456, etc.) currently held by the Applicant(s).
2. Identify the type of transaction along with pertinent details including, but not limited to, the purpose of the transaction, use of expected proceeds, terms, expected interest rate, statement as to whether assets of the regulated company will be

pledged, expected date of closure of the transaction, a list of all parties involved the transaction, organizational charts, etc.

3. Include supporting material (e.g., purchase agreement, merger agreement, etc.).
4. State whether the proposed transaction will adversely affect the operation of the Georgia certificated carrier(s).
5. Identify the name, telephone number, email address and mailing address of the contact person to whom questions and correspondence may be addressed.
6. Provide audited financials for most recent fiscal year. If audited financials are unavailable, provide unaudited income statement, balance sheet and statement of cash flows for most recent fiscal year.
7. If the transaction involves a merger, acquisition, or any reorganization of entities, please provide a diagram showing the corporate hierarchy, both before and after the transaction.
8. State whether the transaction involves a proposed discontinuance of service or transfer/sale of customer base. If yes, see section A under “Additional Requirements” below.
9. State whether the transaction involves a proposed name change and/or certificate cancelation request. If yes, see section B under “Additional Requirements” below.

Additional Requirements:

A. Transactions involving a proposed discontinuance of service or transfer/sale of customer base:

1. Identify the number and type of customers affected.
2. Provide a statement as to whether or not the seller will retain any customers and, if so, why.
3. State whether the seller wishes to maintain its existing certificate(s) in Georgia.
4. Describe other anticipated operational changes, if any.
5. Provide a customer notification letter that will be given to affected customers at least 30 days in advance of the proposed discontinuance/transfer of service. **The Commission Staff must approve the customer notice prior to its distribution to customers.**

- a. The letter must include language allowing affected customers six (6) months to choose an alternative provider at no charge.
- b. The letter must inform the affected customers that their service will continue to be offered under the same rates, terms and conditions as currently provided for 12 months after an acquisition/transfer of customers.
- c. The letter must provide appropriate contact information should the affected customers have any questions.

B. Transactions involving a proposed name change and/or certificate cancelation request:

Upon consummation of a financing transaction and filing of a complete report on the final disposition as required by Order of the Commission, Applicant must make a separate request for name change and/or to seek cancelation of its certificate(s). The following information must be provided in the subsequent filing:

1. Submit a copy of the amended certificate of authority to transact business issued by the Georgia Secretary of State, reflecting the new name of the company.
2. If the Applicant intends to use a trade name (d/b/a), provide evidence that the trade name the Applicant intends to use has been registered with the clerk of the superior court of the county where the business is principally located, pursuant to O.C.G.A. § 10-1-490.
3. Identify all Georgia certificate of authority number(s) (e.g., L-123, X-456, etc.) to which the name change should apply.
4. State whether a request is also being made for a certificate cancelation and tariff withdrawal. If company has multiple certificates, identify the exact certificate(s) to be canceled.

Questions?:

Please direct all questions regarding these procedures to the Staff of the Commission's Telecommunications Unit via email at telecomstaff@psc.ga.gov or telephone at (404) 651-9402.