

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**

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June 25, 2024

Agenda ID #22705
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 22-01-012:

This is the proposed decision of Administrative Law Judge Margery L. Melvin. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 1, 2024 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ ZITA KLINE for
Michelle Cooke
Chief Administrative Law Judge

MLC:jnf
Attachment

Decision PROPOSED DECISION OF ALJ MELVIN (mailed 6/25/2024)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application for Approval of the
Transfer to Generate-Ubiquity Holdings,
LLC of Indirect Control of Netly Fiber
Holdings, LLC (U7378C) Pursuant to
Public Utilities Code Section 854.

Application 22-01-012

**DECISION APPROVING THE INDIRECT TRANSFER OF
CONTROL OF NETLY FIBER HOLDINGS, LLC (U7378C)
TO GENERATE-UBIQUITY HOLDINGS, LLC**

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Attachment A - Organizational Charts

**DECISION APPROVING THE INDIRECT TRANSFER OF
CONTROL OF NETLY FIBER HOLDINGS, LLC (U7378C)
TO GENERATE-UBIQUITY HOLDINGS, LLC**

Summary

Pursuant to Public Utilities Code Section 854(a), this decision approves the unopposed joint application for transfer of indirect control of Netly Fiber Holdings, LLC (U7378C) to Generate-Ubiquity Holdings, LLC, subject to the terms and conditions set forth in the Ordering Paragraphs.

Application 22-01-012 is closed.

1. Background

Generate-Ubiquity Holdings, LLC (Generate-Ubiquity) and Netly Fiber Holdings, LLC (NFH) (U7378C) (collectively referred to as Joint Applicants) filed Application (A.) 22-01-012 on January 24, 2022 (Application). On April 21, 2023, in response to the Administrative Law Judge's (ALJ) April 11, 2023, Ruling, Joint Applicants clarified aspects of their January 24, 2022, Application.¹ The Application was noticed on the California Public Utilities Commission's (Commission) Daily Calendar on February 7, 2022. In the Application, Joint Applicants requested a transfer of indirect control of NFH to Generate-Ubiquity pursuant to Public Utilities (Pub. Util.) Code Section 854(a). On February 4, 2022, Joint Applicants filed a motion for confidential treatment of their accompanying

¹ Exhibits 1-3 of Joint Applicants' April 21, 2023, Response to Administrative Law Judge's April 11, 2023, Ruling. *See* Exhibit 1 - Pre-Closing, Pre-Netly Divestiture Ownership Chart; *See* Exhibit 2 Pre-Closing, Post-Netly, Ownership Chart (Current Structure) which reflects the ownership structure of NFH after Netly divested its interest in NFH in May 2022.; and *See also* Exhibit 3 - Amended Post-Conversion Structure Chart.

Exhibit H (*Transaction Documentation*) and Exhibit I (*Financial Information*).² There were no protests or responses to the Application.

Currently, Generate-Ubiquity owns 49 percent, a minority interest, in Ubiquity SoCal, LLP (Ubiquity SoCal) while Ubiquity Partners, LP owns 51 percent interest in SoCal, LLP. Ubiquity SoCal, in turn, currently owns 100 percent of NFH, as shown in the chart titled “Pre-Closing, Post Netly Ownership Chart (Current Structure) in Attachment A. Should the Commission approve the Application, Generate-Ubiquity will complete its proposed transaction and purchase the remaining 51 percent ownership interest in Ubiquity SoCal and, therefore, gain indirect control of NFH as shown in the chart titled “Amended Post-Conversion Structure Chart” in Attachment A.

A prehearing conference (PHC) was held on March 21, 2022, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. On April 28, 2022, the assigned ALJ issued a ruling requesting information to which the Joint Applicants responded on May 9, 2022. On June 24, 2022, the assigned Commissioner issued the Initial Scoping Memo to determine whether the indirect control of NFH to Generate-Ubiquity complied with Pub. Util. Code Section 854 and all other Commission requirements.

On August 2, 2022, the assigned ALJ issued a ruling setting a remote status conference for August 18, 2022. On August 18, 2022, the status conference was conducted. Following the status conference, the assigned ALJ issued a ruling requesting information on August 18, 2022, to which Joint Applicants responded

² See Motion of Netly Fiber Holdings, LLC and Generate-Ubiquity Holdings, LLC’s Motion Dated February 4, 2022, For Leave To File Confidential Exhibit H (*Transaction Documentation*) and Exhibit I (*Financial Information*) Under Seal (February 4, 2022 Motion To Seal).

on August 24, 2022. On January 30, 2023, the proceeding was reassigned from Commissioner Clifford Rechtschaffen to Commissioner Genevieve Shiroma. On March 15, 2024, the proceeding was reassigned to Commissioner Matthew Baker.

On November 7, 2023, the assigned Commissioner issued an Amended Scoping Memo, adding the issue of whether Netly LLC's (Netly) transfer of control of its interest in NFH to Ubiquity SoCal complied on July 26, 2022, complied with Pub. Util. Code Section 854, and if Netly should be assessed a penalty in the event Netly was out of compliance.

On November 8, 2023, and December 1, 2023, the assigned ALJ issued rulings setting a second remote status conference for December 11, 2023. The status conference was held as scheduled and Joint Applicants addressed issues of law and fact. On November 17, 2023, prior to the status conference, and on December 29, 2023, afterwards, Joint Applicants filed motions requesting that the assigned Commissioner rescind its Amended Scoping Memo.³

The ALJ subsequently issued numerous rulings seeking additional information on February 23, 2023, February 27, 2023, March 9, 2023, April 11, 2023, July 31, 2023, August 3, 2023, and April 8, 2024. The Joint Applicants filed timely responses on March 2, 2023, February 28, 2023, March 20, 2023, April 21, 2023 (and on May 22, 2023, with a supplemental response), two responses on August 7, 2023, respectively, and a response on April 18, 2024.

On July 13, 2023, the Commission issued an order extending the statutory deadline for the proceeding from July 24, 2023, to January 24, 2024. On April 18,

³ See Motion of Netly Fiber Holdings, LLC and Generate-Ubiquity Holdings, LLC's Motion Dated April 18, 2024, For Leave to File Confidential Pages 6, 11, 12 and 13 to April 18, 2024 ALJ Ruling Under Seal (April 18, 2024, Motion to Seal).

2024, the Commission issued its final extension order, extending the statutory deadline to November 31, 2024.

All assigned Commissioner and ALJ Rulings are affirmed herein.

2. Submission Date

This matter was submitted on April 18, 2024, upon Joint Applicants' April 18, 2024, compliance filing and its accompanying motion to file under seal regarding ALJ Melvin's April 8, 2024 ruling ordering supplemental information.⁴

3. Jurisdiction

Pub. Util. Code Section 854 *et seq.* provides broad Commission authority to approve transfers of control which involve public utilities operating within California, as is requested in this proceeding. Pub. Util. Code Section 854(a), which is applicable here,⁵ states:

A person or corporation, whether or not organized under the laws of this state, shall not directly or indirectly merge, acquire, or control, including pursuant to change in control as described in subparagraphs (D) or (E) of paragraph (1) of subdivision (b) of Section 842.2, any public utility organized and doing business in this state without first securing authorization to do so from the commission. The commission may establish, by order or rule, the definitions of what constitutes a merger, acquisition, or control activity that is subject to this section of the statute.

NFH is a telecommunications company licensed to operate in California and is therefore a public utility subject to the Commission's jurisdiction.

⁴ Compliance Filing of Generate-Ubiquity Holdings, LLC and Netly Fiber Holdings, LLC (U7378C) Pursuant to ALJ Ruling Dated April 18, 2024 (April 18, 2024); *See also* April 18, 2024 Motion to Seal.

⁵ Pub. Util. Code §§ 854 (b) and (c) are not applicable to this proceeding because none of the Joint Applicants have gross annual California revenues in excess of \$500 million. *See* confidential Exhibit I (NFH Balance Sheet and Profit Loss Statement), to Application; *See also* confidential Exhibit H (December 20, 2021, Equity Purchase Agreement between Ubiquity SoCal and Generate-Ubiquity) to Application.

Accordingly, the Commission has jurisdiction to review proposed or actual transfers of NFH stock for applicability and compliance with Pub. Util. Code Section 854.

4. Indirect Transfer of Control from Netly Fiber Holdings, LLC (NFH) to Generate-Ubiquity

4.1. Parties to Transaction

Licensee NFH (U7378C) is a Delaware limited liability company authorized to do business in California with a principal place of business at 740 Lomas Santa Fe Drive, Suite 100, Solana Beach, California 92075.⁶ On March 22, 2021, the Commission issued Decision (D.) 21-03-030, which granted NFH a Certificate of Public Convenience and Necessity (CPCN) to provide full facilities-based and resold competitive local exchange telecommunications services and interexchange services in California since March 2021.⁷

Generate-Ubiquity Holdings, LLC (Generate-Ubiquity) is a limited liability company organized under the laws of Delaware, with its principal place of business located at 560 Davis Street, Suite 250, San Francisco, California 94111.⁸ Generate-Ubiquity was formed for the purpose of carrying out the proposed transaction. Generate-Ubiquity will own 100 percent of the common and preferred stock of Ubiquity SoCal.⁹ Ubiquity SoCal owns 100 percent direct

⁶ *Ibid.*

⁷ See D.21-03-030 in A.20-05-011.

⁸ Application at 3.

⁹ *Ibid.*

controlling interest in NFH.¹⁰ Generate-Ubiquity is controlled through various subsidiaries, by Generate Capital.^{11,12}

4.2. Proposed Transaction

The Joint Applicants have agreed to the indirect transfer proposed in A.22-01-012 where Generate-Ubiquity will acquire indirect control of NFH. To effectuate the indirect transfer requested herein, Generate-Ubiquity will acquire 100 percent of the common and preferred stock of Ubiquity SoCal which owns direct controlling interests in NFH.¹³ Generate-Ubiquity's owners see the proposed transaction as a significant investment opportunity.¹⁴ NFH is entering into the transaction because it will enable it to have access to additional capital, and financial and managerial expertise, which NFH believes will substantially enhance its ability to finance and construct high quality, advanced communications infrastructure designed to meet the needs of customers.¹⁵

4.3. Standard of Review

Joint Applicants seek approval of the transaction pursuant to Pub Util. Section 854(a) which requires Commission authorization before a public utility may "merge, acquire, or control either directly or indirectly any public utility organized and doing business in this state." The purpose of this and related code

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² Generate Capital is a leading sustainable infrastructure company building, owning, operating, and financing solutions for digital infrastructure, clean energy, water, waste, and transportation. *Id.* at 3. Generate-Ubiquity is a majority-owned subsidiary of Generate-Ubiquity Smart Cities I, LLC (Smart Cities), which, in turn, is subject to 100 percent controlling interests held by Generate Capital, PBC (Generate Capital) through its subsidiaries, GC Portfolio Holdings I LLC, Generate Fiber HoldCo, LLC and GU Smart Cities, LLC.

¹³ Application at 1.

¹⁴ *Ibid.*

¹⁵ *Ibid.*

sections is to enable the Commission, before any transfer of public utility authority is consummated, to review the proposal and to take such action, as a condition of the transfer, as the public interest may require.¹⁶ Absent prior Commission-approval, Pub Util. Section 854(a) provides that the transaction is “void and of no effect.”

After the Commission approves the Joint Application, Generate-Ubiquity will have indirect control of NFH and, thus, the CPCN will indirectly transfer to Generate-Ubiquity. As Generate-Ubiquity has indirect control over NFH, NFH will continue to operate the CPCN and, along with Generate-Ubiquity, be subject to the Commission’s authority for the operation of NFH.

4.4. Certificate of Public Convenience and Necessity (CPCN) Criteria

The Commission has broad discretion under Pub Util. Section 854 to approve or reject a proposed transaction. If necessary and appropriate, the Commission may attach conditions to approval of a transaction to protect and promote the public interest.¹⁷ The primary question in a transfer of control proceeding under Pub Util. Section 854(a) is whether a transaction will be adverse to the public interest.

When a company that does not possess a CPCN desires to acquire control of a company or companies that do possess a CPCN, the Commission will apply the same requirements to the acquiring company as would be applied to an initial applicant seeking the type of CPCN held by the company being acquired. An applicant who desires to operate as a provider of full facilities-based and resold competitive local exchange services must demonstrate that it has a

¹⁶ See *San Jose Water Co.* (1916) 10 CRC 56.

¹⁷ *Ibid.*

minimum of \$100,000 in cash or cash equivalent for operations of the company, plus the costs of deposits to be paid to other carriers. In addition, the applicant is required to make a reasonable showing of technical expertise in telecommunications or a related business.

4.4.1. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide full facilities-based and resold competitive local exchange telecommunications services and interexchange services must demonstrate that it has minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses. An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers (LECs) and/or interexchange carriers (IECs) in order to provide the proposed service. Acceptable forms of financial documentation include an audited balance sheet and income statements demonstrating sufficient cash flow or, in the alternative, one of several other cash equivalent financial instruments.¹⁸ The January 4, 2022 irrevocable letter of credit satisfies this requirement with Exhibit E (*Barclays Irrevocable Standby Letter of Credit*) and proposed confidential Exhibit I (*Financial Information*) to the January 24, 2022, Joint Application.

4.4.2. Technical Qualifications

An acquiring entity must also make a reasonable showing of technical expertise in telecommunications or a related business. The indirect transfer of control of NFH to Generate-Ubiquity will result in a change in the ultimate ownership of NFH to Generate-Ubiquity.

¹⁸ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.13-05-035 and D.95-12-056, Appendix C. The financial requirement for Non Dominant Interexchange Carriers (NDIEC) is contained in D.14-11-004.

Generate-Ubiquity must make a reasonable showing of managerial and technical expertise in telecommunications or a related business. Generate-Ubiquity's management team consists of Bryan Quisenberry, Emir Fazlic, Ajay Ghanekar, Gregory S. Dial, Patrick O'Leary, Jamie Earp, Sean Tokic, and Andrew Marino.¹⁹ Generate-Ubiquity's management overlaps with that of NFH. Joint Applicants contend that Generate-Ubiquity's management have the necessary expertise, experience, and skill set to ensure that, following the change of control, NFH will remain in a position to operate successfully and in a manner fully consistent with the public interest and its recently approved CPCN.²⁰ Generate-Ubiquity has demonstrated the requisite sufficient technical expertise and training to operate as a telecommunications provider.

As required, Generate-Ubiquity attested that no affiliate, officer, director, partner, agent or owner (directly or indirectly) of more than 10 percent of acquiring company, or any person acting in management capacity for that company, has:

- a. held one of these positions with a company that filed for bankruptcy;
- b. been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others;
- c. been convicted of a felony;
- d. been (to his/her knowledge) the subject of a criminal referral by judge or public agency;
- e. had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction;

¹⁹ *Ibid.*

²⁰ *Ibid.*

- f. personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000 et seq., §§ 17200 et seq., or §§ 17500 et seq. of the California Business and Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or is representations to consumers or others; or
- g. been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or
- h. entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general.

Also, to the best of its knowledge, neither Generate-Ubiquity nor any affiliate, officer, director, partner, or owner of more than 10 percent of Generate-Ubiquity, or any person acting in such capacity whether or not formally appointed, is being, or has been investigated by the FCC, or any law enforcement or regulatory agency for failure to comply with any law, rule, or order.²¹

Generate-Ubiquity has satisfied the Commission's technical expertise requirement.

4.4.3. California Environmental Quality Act (CEQA)

In circumstances where telecommunications providers seek to construct or install facilities, CEQA requires the Commission to act as the designated lead agency, and to assess the potential environmental impact of the project²² to

²¹ Application at 6 and Exhibits C and D to Application.

²² A project is defined as any "activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment." See California Public Resources Code, Section 21065.

ensure that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible.

The indirect transfer of control that is the subject of this application proposes no new construction and requests no authority for future construction; it is merely a “paper transaction,” with no potential to have any significant impact on the environment.²³ Accordingly, the application is exempt from review under CEQA. Joint Applicants must submit a new application should they propose construction of facilities other than those within the full facilities-based-authority granted to NFH as a ILEC under its utility identification number U-7378-C.²⁴

4.5. Discussion

As discussed above, Generate-Ubiquity meets the requirements for the Commission to grant CPCN authority to provide full facilities-based and resold competitive local exchange and interexchange services in California to Generate-Ubiquity.²⁵ We also find that the transfer of indirect control of NFH to Generate-Ubiquity will not be adverse to the public interest because Generate-Ubiquity will have access to additional capital, and financial and managerial expertise, which NFH believes will substantially enhance its ability to finance and construct high quality, advanced communications infrastructure designed to

²³ See Application at 7. See also Cal. Code Regs., Title 14 § 15061(b)(3) CEQA exemption provisions.

²⁴ An ILEC is a local telephone corporation that was the exclusive certificated local telephone service provider in a franchise territory established before the Telecommunications Reform Act of 1996 and are regulated under the Commissions Uniform Regulatory Framework (UFR). D.06-08-030.

²⁵ UFR and D.21-09-025.

meet the needs of customers. In addition, the transaction will not foreseeably affect NFH's ability to meet their public utility obligations.²⁶

Finally, the indirect transfer of control of NFH to Generate-Ubiquity will not have an adverse effect on competition in the markets for intrastate or interstate telecommunications services as the communications provided by NFH will remain the same without interruption of services. We therefore grant the application pursuant to Pub. Util. Code Section 854(a).

5. Netly's Divestment of Netly Fiber Holdings, LLC (NFH) Common Stock

Prior to the Joint Applicants' filing of this Application, Netly (U7344C)²⁷ owned 100 percent of NFH's common stock while Ubiquity SoCal owned 100 percent of the NFH's preferred stock. In May 2022, Netly divested its interest in 100 percent of NFH's common stock by selling it to Ubiquity SoCal.²⁸ Upon further inquiry into the sale, the Commission has determined that the NFH common stock owned by Netly did not have voting rights and did not otherwise represent a majority of the NFH's total stock shares. Therefore, the Commission finds that divestment of Netly's shares of NFH to Ubiquity SoCal was not a transfer of control within the meaning of Pub. Util. Code Section 854 and no penalty is warranted.

6. Motions for Confidential Treatment

On April 18, 2024, Joint Applicants filed a motion to file under seal and for confidential trade secret treatment Pages 6, 11, 12 and 13 to its April 18, 2024, Response to the assigned ALJ's April 11, 2024, Ruling.

²⁶ Application at 6.

²⁷ On September 13, 2018, the Commission granted Netly a CPCN in D.18-09-004.

On February 4, 2022, Joint Applicants filed a motion for leave to file Exhibit H (*Transaction Documentation*) and Exhibit I (*Financial Information*) to the January 24, 2022, Application under seal. Joint Applicants state that Exhibit H contains the purchase price and terms of payment for the proposed transaction in the form of the Equity Purchase Agreement and Exhibit I contains non-public financial information for Generate-Ubiquity and NFH, which if made public, could be used to obtain an unfair business advantage.

We have granted similar requests in the past and do so here, pursuant to the Ordering Paragraphs herein.

7. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. The Commission is satisfied that the Joint Applicants will meet the Commission's minimum safety goals and expectations of full facilities-based and resold competitive local exchange and interexchange providers because: (1) Joint Applicants have taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) NFH is a public utility that is required pursuant to Pub. Util. Code Section 451 to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

8. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online

Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. No public comments were submitted to the docket card in this proceeding.

9. Comments on Proposed Decision

This is a contested matter insofar as the Joint Applicants disagreed with the Commission's decision to issue an Amended Scoping Memo in this matter. The proposed decision of ALJ Melvin in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____.

10. Assignment of Proceeding

Matthew Baker is the assigned Commissioner and Margery L. Melvin is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. NFH is a Delaware corporation.
2. Generate-Ubiquity is a Delaware limited liability and holding company that does not provide telecommunications services on its own.
3. NFH has been authorized to provide full facilities-based and resold competitive local exchange telecommunications services and interexchange services in California since March 2021 under public utility identification number U7378C.
4. On January 24, 2022, when the Application was filed, 100 percent of NFH's preferred stock was owed by Ubiquity SoCal and 100 percent of NFH's common stock was owned by Netly.

5. Netly's ownership of 100 percent of NFH's common stock was a minority of NFH's total stock shares and the common stock had no voting rights.

6. Netly's ownership of 100 percent of NFH's common stock granted Netly neither ownership nor operating control of NFH.

7. On July 26, 2022, Netly transferred its interest of 100 percent of NFH's common stock to Ubiquity SoCal.

8. Generate-Ubiquity currently owns a minority interest in Ubiquity SoCal.

9. After the proposed transaction is approved, Generate-Ubiquity will own 100 percent of the common and preferred stock of Ubiquity SoCal.

10. Ubiquity SoCal currently owns a direct controlling interest in NFH.

11. The Joint Applicants request authorization to transfer indirect control of NFH to Generate-Ubiquity per Pub. Util. Code Section 854(a).

12. The Joint Applicants request that the Commission approve the transfer of indirect control of NFH to Generate-Ubiquity.

13. Upon consummation of the proposed transaction, Generate-Ubiquity will own 100 percent of the common and preferred stock of Ubiquity SoCal and, therefore, have indirect control of NFH.

14. Following the proposed transfer, NFH will continue to operate as a public utility providing telecommunications services pursuant to its CPCN.

15. The proposed transaction will transfer control of NFH's CPCN from Ubiquity SoCal to Generate-Ubiquity.

16. No protests to the Application were filed.

17. No party to the proposed transaction has gross annual California revenues in excess of \$500 million.

18. The proposed transaction will not result in any changes to the services provided by NFH; or to rates, terms, or conditions of service.

19. The proposed transaction will not have an adverse impact on competition in the marketplace.

20. The proposed transaction will provide NFH with access to additional capital, and financial and managerial expertise, which NFH believes will substantially enhance its ability to finance and construct high quality, advanced communications infrastructure designed to meet the needs of customers.

21. The proposed transaction is in the public interest.

22. The proposed transaction will have no significant effect on the environment.

23. The proposed transaction will not have an adverse impact on safety.

24. The Joint Applicants provided financial documentation demonstrating that Generate-Ubiquity meets the CPCN financial requirements.

25. Joint Applicants have demonstrated sufficient managerial and technical expertise to meet the requirements for a CPCN.

26. Pursuant to Rule 11.4, the Joint Applicants moved for leave to file Exhibit H (*Transaction Documentation*) and Exhibit I (*Financial Information*) to the Application and pertinent pages to its April 18, 2023, Response to the assigned ALJ's April 11, 2023, Ruling under seal as confidential materials.

27. Joint Applicants have met the requirements for a transfer of a CPCN pursuant to Pub. Util. Code Section 854(a).

Conclusions of Law

1. Pub. Util. Code Section 854(a) provides that no person or corporation shall merge, acquire, or directly or indirectly control a public utility organized and doing business in California without first securing authorization from the Commission.

2. The proposed transaction for Generate-Ubiquity to purchase controlling interest in Ubiquity SoCal constitutes an indirect change of control of NFH within the meaning of Pub. Util. Code Section 854(a).

3. Pub. Util. Code Sections 854(b) and (c) do not apply to this transaction.

4. The standard to determine if a transfer of control should be granted under Pub. Util. Code Section 854(a) is whether the transaction would be adverse to the public interest.

5. In a request for a transfer of control, the prospective owner must satisfy the same requirements as those imposed on the CPCN holder. The two major criteria are financial resources and managerial and technical expertise.

6. The Joint Applicants have met the Commission's requirements for approval of the transfer of control applicable to the proposed transaction.

7. NFH (U7378C) should continue to be bound by the terms and conditions imposed by its Certificate of Public Convenience and Necessity in D.21-03-030 (March 22, 2021).

8. This transfer of control does not require CEQA review because the proposed transaction is not a project as defined by CEQA, because it will not result in a physical change in the environment.

9. Netly's sale of 100 percent of NFH's common stock to Ubiquity SoCal on July 26, 2022, was not a transfer of control of NFH within the meaning of Pub. Util. Code Section 854(a).

10. The Joint Applicants' motions for leave to file Exhibit H (*Transaction Documentation*), Exhibit I (*Financial Information*), and pertinent Pages of its April 18, 2024, Response to the assigned ALJ's April 11, 2024 ruling as confidential materials under seal pursuant to Rule 11.4 should be granted for three years.

11. Evidentiary hearings are not necessary.
12. All assigned Commissioner and ALJ Rulings should be affirmed herein.
13. This decision should be effective immediately.
14. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The indirect transfer of control of Netly Fiber Holdings, LLC (U7378C) to Generate-Ubiquity Holdings, LLC pursuant to California Public Utilities Code Sections 854(a) and 1001, upon the terms and conditions set forth in Application 22-01-012, is approved.

2. Netly Fiber Holdings, LLC (U7378C) shall continue to be bound by the terms and conditions imposed by its Certificate of Public Convenience and Necessity in Decision 21-03-030 (March 21, 2021).

3. Netly Fiber Holdings, LLC's and Generate-Ubiquity, LLC's February 4, 2022 motion for leave to file Exhibit H (*Transaction Documentation*) and Exhibit I (*Financial Information*) to Application 22-01-012, and pertinent Pages of its April 18, 2024 Response to the assigned Administrative Law Judge's April 11, 2024 Ruling as confidential materials under seal, pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure, is granted for a period of three years after the date of this decision. During this three-year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling.

4. If Netly Fiber Holdings, LLC (NFH) and Generate-Ubiquity, LLC (Generate-Ubiquity) believe that it is necessary for the information to remain under seal for longer than three years, NFH and Generate-Ubiquity may file a

new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

5. All assigned Commissioner and Administrative Law Judge rulings in this proceeding are affirmed.

6. Application 22-01-012 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A
Organizational Charts