

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of
Northwest Fiber Holdco, LLC, and BCE
Holding Corporation for an Order
Approving the Transfer of Control of Zipl
Fiber Northwest, LLC to BCE Holding
Corporation.

Applicant.

DOCKET UT-240951

ORDER 03

APPROVING SETTLEMENT

BACKGROUND

- 1 On December 12, 2024, Northwest Fiber Holdco, LLC (Northwest Fiber or NWF) and BCE Holding Corporation (Bell Canada or BCE) filed with the Washington Utilities and Transportation Commission (Commission) a Joint Application for an Order Approving the Transfer of Control of Zipl Fiber Northwest, LLC (Zipl or ZFN) from Northwest Fiber to Bell Canada.
- 2 On January 22, 2025, Northwest Fiber and Bell Canada (collectively, the Joint Applicants) filed a motion requesting that the Commission issue an amended version of its standard protective order in this matter. The Joint Applicants stated in their motion that they will be disclosing highly confidential information that includes proprietary and/or sensitive competitive information that requires “heightened protection” pursuant to Washington Administrative Code (WAC) 480-07-160(2)(d) and is protected under WAC 480-07-160, generally.
- 3 On April 23, 2025, the Commission convened a virtual prehearing conference before Administrative Law Judges (ALJs) Bijan Hughes and Jessica Kruszewski.
- 4 On May 13, 2025, the Commission issued Order 02 Prehearing Conference Order and Notice of Hybrid Evidentiary Hearing (Order 02) that set an evidentiary hearing for September 19, 2025.

- 5 On June 11, 2025, Staff informed the presiding officers that a settlement in principle had been reached among the parties and requested an expedited hearing on the settlement.¹ The parties further agreed to the hearing being presided over by Administrative Law Judges, sitting without the Commissioners who would issue an initial order after the hearing on settlement.²
- 6 On June 12, 2025, Northwest Fiber issued notice to its customers of the proposed transaction pursuant to WAC 480-143-210.³
- 7 On June 13, 2025, the Commission issued a Notice Amending Procedural Schedule, Requiring Filing of Settlement Documents, Setting Hearing and Notice of Virtual Public Comment Hearing that set a settlement hearing for July 14, 2025, and a Public Comment hearing for July 16, 2025.
- 8 On June 27, 2025, the Joint Applicants filed their Settlement Agreement and Joint Applicant Testimony in Support of Settlement which contained the joint testimony of Jessica Epley and Mark Graham.
- 9 On July 7, 2025, Staff filed Exh. RB-1HCT, Testimony of Rebecca Beaton in support of the Settlement Agreement in this matter. The testimony exhibit contains 33 pages. Staff filed eight exhibits in support of its position, including data request responses from the Joint Applicants.
- 10 On July 10, 2025, the Joint Applicants filed an exhibit list in support of the settlement agreement listing seven exhibits, including a description of the four highly confidential exhibits filed by the Joint Applicants February 3, 2025. The exhibit list contained direct

¹ WAC 480-07-740(2)(c) (“Parties should inform the presiding administrative law judge as soon as they reach a settlement in principle and request that the commission suspend the procedural schedule or make other arrangements for filing and review of the parties’ settlement agreement after the parties have executed it.”).

² WAC 480-07-330(2)(“When serving alone as the presiding officer, the administrative law judge will enter one or more initial orders, unless the parties and the commission agree to waive an initial order, or applicable law prohibits entry of an initial order.”).

³ We note that this filing was received prior to the close of the record but was inadvertently not added to the docket until July 25, 2025 – we consider it in reaching our decision. *In the Matter of an Order Approving the Transfer of Control to Ziply Fiber*, Docket UT-240951, Ziply Customer Notice June 12, 2025 (Jul 25, 2025).

testimony exhibits from both Jessica Epley and Mark Graham. The exhibit list included duplicative numbering for exhibits.⁴

- 11 On July 14, 2025, the Commission convened a hearing on the settlement agreement presided over by ALJs Bijan Hughes and Jessica Kruszewski. The Joint Applicants and Staff provided summary arguments in support of the Commission approving the settlement agreement. Public Counsel provided an explanation of its agnostic position on the settlement, suggesting that the settlement “probably meets the standard for no harm to customers”⁵ but also noting consternation as to the future of customers who rely on copper wire infrastructure.⁶ The presiding ALJs requested that the Joint Applicants refile their exhibits and exhibit list to comply with WAC 480-07-395 and WAC 480-07-460 to clarify the record. ALJ Bijan Hughes asked the parties at the hearing: “Do all the parties stipulate that the filed documents labeled correctly, presuming they are substantively the same, should be admitted per stipulation?”⁷ The Joint Applicants and Staff agreed to stipulate that the Joint Applicant’s corrected filing should be admitted into the record.⁸ Public Counsel did not object.
- 12 On July 14, 2025, the Joint Applicants filed a corrected exhibit list and exhibits. We accept the filing and note their admission into the record as stipulated to in the hearing.
- 13 On July 16, 2025, the Commission convened a virtual Public Comment hearing where two customers provided comment. None of the comments at the hearing opposed the merger, but one commenter, a former employee of Ziply, suggested the Commission condition the settlement on the requirement that call centers be returned to Washington state and that the Joint Applicants be required to retain current employees for 18 months.⁹

⁴ For a complete record we note that on January 27, 2025, the Joint Applicants filed Direct Testimony of Mark Graham, which contained a press release exhibit labeled as “Exhibit 3” attached to the testimony. On February 3, 2025, BCE filed an exhibit labeled in the docket as BCE-EX1-2 containing two highly confidential exhibits combined into one document. Similarly, within the same filing, Northwest Fiber filed two highly confidential documents combined into one document. These issues have since been resolved by the Joint Applicants on July 14, 2025 through corrected submissions.

⁵ O’Neill, TR 12:16-17.

⁶ O’Neill, TR 12:17-19 (“We are kind of maintaining a watchful eye on the maintenance of the copper wire that is in place now”)

⁷ Hughes, TR 7:16-19.

⁸ Trinchero, TR 7:20; Roberson TR 7:21.

⁹ BR-1, Attachment A at 14.

- 14 Public Counsel received 29 public comments on the transfer of Ziply Fiber to BCE with 24 comments opposing the transfer and five comments supporting the transfer. Customers of Ziply Fiber raised concerns about billing increases and about ownership transferring to a Canadian company. The commenters in support of the transfer expressed hope that Ziply will not increase their rates.

DISCUSSION

- 15 Pursuant to RCW 80.12.020 and Washington Administrative Code (WAC) 480-143-170, public service company's may not sell or otherwise dispose of any part of, or the whole, of its franchise without Commission order, and that a transaction of this sort must "at least demonstrate no harm to the public interest." The Commission also looks to the new Company's financial and managerial fitness to run the operations.
- 16 RCW 80.12.040 stipulates "No public service company shall, directly or indirectly, purchase, acquire, or become the owner of any of the franchises, properties, facilities, capital stocks or bonds of any other public service company unless authorized so to do by the commission."
- 17 In transfers of ownership, the Commission considers parent companies of public service companies as public service companies for the purposes of transferring ownership.¹⁰ As such, the Companies must seek Commission approval of the transfer of ownership. The Joint Applicants and Staff have stipulated to a set of conditions that they propose will ensure that the Proposed Transaction will further the public interest.

I. The Proposed Settlement

- 18 In considering settlement agreements, the Commission "may approve the settlement, with or without conditions, or may reject it."¹¹ The Commission must "determine whether they comply with applicable legal requirements and whether approval of the agreements is consistent with the public interest."¹² The Commission may approve a settlement "if it is lawful, supported by an appropriate record, and consistent with the public interest in light of all the information available to the commission."¹³

¹⁰ RCW 80.12.020.

¹¹ WAC 480-07-750(2).

¹² WAC 480-07-740.

¹³ WAC 480-07-750(2).

- 19 Colloquially, this Order is about the merger of Bell Canada and Ziply Fiber;¹⁴ a more precise description would note that this transfer of property is but one part of a complex combination of transactions (“Proposed Transfer”):

The Proposed Transfer involves the acquisition of Northwest Fiber by BCE Holding, which through a series of transaction steps will become the sole owner of Northwest Fiber. NWF Holding, through a series of restructuring steps at the holding company level, will have Northwest Fiber merge with and into a new entity that will then subsequently be named Northwest Fiber Ultimate Holdings, LLC (Northwest Ultimate). Once the proposed transfer is complete, ZFN will be a wholly owned indirect subsidiary of Northwest Ultimate that will be a direct subsidiary of BCE Holding.¹⁵

- 20 Staff has thoroughly investigated and evaluated the Proposed Transfer, “including review of historical and future-looking data; a close examination of service quality data reported for ZFN and its affiliates”¹⁶ Staff notes that the Settlement includes commitments from the Joint Applicants which ensure that the transfer of control of ZFN is consistent with the public interest, by among other things: advancing universal service through capital expenditures and implementing an automatic credit mechanism to encourage timely resolution of service interruptions.¹⁷ Staff testified that the effect of the Proposed Transfer on the operations of ZFN’s operations in Washington would be “[n]one.”¹⁸
- 21 Joint Applicants’ witnesses, Mark Graham and Jessica Epley, testify that the Proposed “Settlement overwhelmingly ensures that the Commission’s ‘no harm’ standard is satisfied and provides for additional commitments for investment in broadband infrastructure in the State.”¹⁹
- 22 The Companies proffer five bases for this conclusion.

¹⁴ Graham/Epley, MG/JE-1T at 5:13-15 (“BCE Holding has no plans to rebrand ZFN or its service offerings post-Closing—they will continue to operate under the ‘Ziply Fiber’ brand.”).

¹⁵ Beaton, RB-1HCT 6-7. Graham/Epley, MG/JE-1T at 4:19-22 – 5:1-9.

¹⁶ Beaton, RB-1HCT 2:14-16.

¹⁷ Beaton, RB-1HCT 3:1-5.

¹⁸ Beaton, RB-1HCT 7:6-11.

¹⁹ Graham/Epley, MG/JE-1T at 3:9-11.

First,

the Settlement contains robust reporting requirements, encompassing financials, network investment, and service quality. *Second*, the Settlement commits the Joint Applicants to improve fiber based broadband infrastructure within ZFN's incumbent local exchange carrier ("ILEC") territory in Washington, specifically by ensuring that Ziply Fiber will invest \$80 million in capital expenditures by December 31, 2030, and that fiber based broadband infrastructure capable of providing one gigabit symmetrical service will be available to 70% of locations within the ILEC territory within the same time period. *Third*, the Settlement ensures continuity, committing ZFN to continue offering wholesale services, to negotiate in good faith for interconnection agreements, and to continue honoring existing interconnection agreements according to their terms. *Fourth*, the Settlement requires ZFN to provide regular, detailed reporting on service quality metrics, and obligates the company to provide customer credits *above* any required under applicable tariffs in the event customer outages are not addressed within 48 hours. [*Fifth*], the Settlement provides that Ziply Fiber Northwest will not initiate for a period of one year after the close of the Transaction any price increases for service level element changes for its General and Local Exchange and Facilities and Intrastate Access tariffs in Washington.²⁰

23 Further, Joint Applicants reiterate:

as explained in the Joint Application, even without any conditions, the Transaction clearly meets the "no harm" standard. In particular: (1) the ultimate parent of the acquiring company here is publicly-traded (i.e., there are no funds or individual investors that are able to assert control over the acquiring company), meaning that all financial matters are transparent; (2) the current management and operations will remain the same; (3) the operating subsidiaries will remain the same; (4) no authorizations (franchises, etc.) will need to change; (5) there will be no need for detailed back office system transitions; (6) there will be no new debt incurred; (7) there will be no carve-outs of continued operating companies (unlike some prior transactions the Commission has reviewed); (8) there will be no name change required by the transaction, thereby removing the possibility for customer confusion; and (9) the ultimate parent of the acquiring company is a well-known public company with a long record of serving the public, including in rural and hard-to-serve areas.²¹

24 Notwithstanding, "[t]o resolve any concerns and as a tangible sign of the Joint Applicants' intent to be a cooperative partner to the Commission, the Joint Applicants

²⁰ Graham/Epley, MG/JE-1T at 3:11-- 4:8.

²¹ Graham/Epley, MG/JE-1T at 5:19-- 6:9.

negotiated and agreed to make binding commitments as part of the Settlement Agreement.”²²

25 The Settling Parties “agreed on nine conditions,” that are incorporated in the Settlement as Attachment A (A^A).²³

26 A^A contains the nine conditions agreed to by the Settling Parties, which are: (1) General Conditions; (2) Financial Reporting; (3) Capital Expenditures, Additional Broadband Investment Commitments; (4) Major Outage Reporting; (5) Interconnection Agreement and Wholesale Transparency; (6) Number Resources; (7) Service Quality; (8) Most Favored Nation Clause; and (9) Transaction Benefit Condition.²⁴

27 The testimony of the Settling Parties regarding each condition will be discussed in turn.

1. General Conditions

28 The first Condition:

requires the Ziplly Entities . . . to retain their books and records and to provide access to them to the Commission . . . [; to] notif[y] of any transaction terms or conditions that might change while a Commission order is pending, or before the Proposed Transaction closes but after the Commission issues any order approving it . . . [; to] submit a supplemental application and seek to amend any Commission order approving the Proposed Transfer if conditions and terms change . . . [; and to] provide a timely response to all requests and inquiries from the Commission and Staff.²⁵

29 We agree with Staff that these requirements “will ensure that the Commission has the information necessary to determine whether the obligations imposed . . . are met.”²⁶ Because this condition protects the Commission’s access to information, ensures the Commission is notified of any material changes in the terms of the transfer, and promotes transparency and accountability, Condition one allows for enhanced situational awareness

²² Graham/Epley, MG/JE-1T at 6:20 – 7:2.

²³ We note that the Settlement itself is Attachment A to this Order. To avoid confusion, we shall refer to the Attachment A of Attachment A as A^A.

²⁴ Beaton, RB-1HCT 11:5-6. Graham/Epley, MG/JE-1T at 7:21 – 8:12.

²⁵ Beaton, RB-1HCT 11:12-21. Graham/Epley, MG/JE-1T at 8:21 – 9:6.

²⁶ Beaton, RB-1HCT 12:5-7. Graham/Epley, MG/JE-1T at 9:8-11.

of the Commission throughout the transaction, and therefore meets the threshold for the “no harm” standard and is in the public interest.

2. Financial Reporting

- 30 The second condition of the proposed Settlement features a series of five Financial Reporting requirements.
- 31 Term A of this condition “requires Northwest Fiber, LLC (ZFN’s parent company) to file, for a period of three years following the close of the Proposed Transaction, an annual report with the Commission providing its financial statements.”²⁷
- 32 Term B of this condition
- requires that ZFN must file for a period of five years following the closure of the Proposed Transaction, an annual compliance report providing the deployment locations for fiber and copper on a Washington state basis, its total capital investments to improve and expand broadband in the state of Washington, and the semi-annual Broadband Data Collection (BDC) filings ZFN provides to the FCC.²⁸
- 33 Term C of this condition “requires that ZFN must file, for a period of three years after the close of the Proposed Transaction, an annual report with the number of personnel supporting Washington state services.”²⁹
- 34 Term D of this condition “requires that ZFN to refrain, for one year from the close of the Proposed 19 Transaction, from initiating any increase in the price or any change in tariffed 20 service-level elements for ZFN Tariffs WN U-101 and U-16.”³⁰
- 35 Term E of this condition “requires that the Ziply Entities notify the Commission of any purchase of a facilities-based telecommunication company by Bell Canada in the United States within 60 days of the purchase and explain why resources that support Washington

²⁷ Beaton, RB-1HCT 13:2-4. Graham/Epley, MG/JE-1T at 9:14-18.

²⁸ Beaton, RB-1HCT 13:7-11. Graham/Epley, MG/JE-1T at 10:4-7.

²⁹ Beaton, RB-1HCT 13:14-15. Graham/Epley, MG/JE-1T at 10:11-13.

³⁰ Beaton, RB-1HCT 13:19-21. Graham/Epley, MG/JE-1T at 10:20- 11:4.

services will not be reallocated to provide services outside the state due to the purchase.”³¹

36 In total, the terms of this “Condition permits the Commission to monitor aspects of the financial stability of ZFN and its corporate affiliates, ZFN’s investment in Washington state, the number of personnel the Zply Entities employ, and the potential diversion of resources owing to corporate acquisitions.”³²

37 Specifically, we note and agree with Staff’s observation that staffing levels “can serve as a good proxy for service quality.”³³ This reporting regime appropriately addresses the concerns raised in the public comment hearing in which a customer provided a public comment suggesting the imposition of a Condition that would limit BCE’s ability to reduce force without cause for eighteen months.³⁴ The reporting requirements address the concern without inappropriately directing business decisions by “ensuring staffing levels remain sufficient”³⁵ and requiring Zply to “file a quarterly report listing the number of personnel of all Zply Fiber entities employed in the roles of installation technician, service technician or central office technician reporting from a Washington State office.”³⁶

38 Because this condition allows the Commission to monitor the financial stability of Zply and will monitor whether Zply complies with its commitments to customers in expanding fiber and maintaining copper networks, Condition 2 ensures customers will not be impacted by the transaction with price increases or service element changes. For these reasons, we find that the Condition 2 meets the threshold of “no harm” and is in the public interest.

³¹ Beaton, RB-1HCT 14:2-6. Graham/Epley, MG/JE-1T at 10:13-19.

³² Beaton, RB-1HCT 14:10-13. Graham/Epley, MG/JE-1T at 9:6-12.

³³ Beaton, RB-1HCT 15:2-6.

³⁴ BR-1, Attachment A at 14.

³⁵ Beaton, RB-1HCT 14:13-15.

³⁶ Graham/Epley, MG/JE-1T at 10:8-11.

3. Capital Expenditures, Additional Broadband Investment Commitments

- 39 The third condition of the proposed Settlement is a series of seven terms related to capital
expenditure and broadband investment.³⁷
- 40 Term A of this condition “provides that no entity will encumber assets servicing the ZFN
ILEC service area unless doing so benefits Washington.”³⁸
- 41 Term B of this condition “mandates the Ziply Entities” ongoing participation in the Rural
Digital Opportunity Fund (RDOF) and Connect America Fund II (CAF II) to deploy
broadband service in compliance with those programs.”³⁹
- 42 Term C of this condition “consists of Bell Canada’s pledge to not impede the Ziply
Entities’ ability to maintain and enhance both voice and broadband in ZFN ILEC territory
in Washington.”⁴⁰
- 43 Term D of this condition “consists of ZFN’s pledge to maintain its network. Specifically,
it requires ZFN to make adequate investments to maintain both its fiber and copper
networks in Washington.”⁴¹
- 44 Term E of this condition “ensures that funds received under grants and subsidies for
Washington are used within the state.”⁴²
- 45 Term F of this condition “requires that the Joint Applicants spend a minimum of \$80
million by the end of 2030 improving and expanding fiber in ZFN’s ILEC territory. \$50
million of that amount must be spent by the end of 2027 in Washington state.”⁴³

³⁷ Graham/Epley, MG/JE-1T at 12:5-14:3.

³⁸ Beaton, RB-1HCT at 15:15-16.

³⁹ Beaton, RB-1HCT at 15:19-21.

⁴⁰ Beaton, RB-1HCT at 16:2-4.

⁴¹ Beaton, RB-1HCT at 16:7-9.

⁴² Beaton, RB-1HCT at 16:12-13.

⁴³ Beaton, RB-1HCT at 16:17-19.

- 46 Term G of this condition, with some exceptions, “requires ZFN to deploy broadband capable of one gigabit symmetrical service to 66% of the units in its ILEC territory by the end of 2027 and to 70% of the units in its ILEC territory by the end of 2030.”⁴⁴
- 47 We agree with staff that “[o]verall, this Condition will help target broadband deployment to unserved and underserved areas within the ZFN footprint.”⁴⁵ “The Condition ensures that post-transaction ZFN continues to invest in modern infrastructure expansion at a high annualized average rate.”⁴⁶
- 48 These terms create public benefits without creating harm.⁴⁷
- 49 We are cognizant that Public Counsel “remains concerned about the transition from copper line service to alternative communication technologies, particularly in rural areas of Washington.”⁴⁸ The public interest will certainly be impacted by the transition. However, we are satisfied that the commitments contained in Condition 3 will benefit the public. Further, we agree with Public Counsel that overall “that the settlement satisfies the no-harm standard the Commission applies to evaluating transfers of property such as this one.”⁴⁹

4. Major Outage Reporting

- 50 The fourth condition of the proposed Settlement requires “any Zply Entity offering voice services” to “provide the Commission with the Network Outage Reporting System it is required to file with the FCC for reportable Washington outages simultaneously with its FCC filing.”⁵⁰
- 51 Because this condition ensures that the Commission is notified of major outages, it ensures that service quality problems can be identified.⁵¹ For these reasons, believe Condition 4 meets the threshold for the “no harm” standard and is in the public interest.

⁴⁴ Beaton, RB-1HCT at 17:2-4.

⁴⁵ Beaton, RB-1HCT at 18:12-14.

⁴⁶ Beaton, RB-1HCT at 19:2-5.

⁴⁷ Beaton, RB-1HCT at 17:16-18; Graham/Epley, MG/JE-1T at 14:6-18.

⁴⁸ *In the Matter of an Order Approving the Transfer of Control to Zply Fiber*, Docket UT-240951 Letter from Public Counsel at 1 (Jul 7, 2025).

⁴⁹ *Id.*

⁵⁰ Beaton, RB-1HCT at 20-21; Graham/Epley, MG/JE-1T at 14:21 – 15:2.

⁵¹ Graham/Epley, MG/JE-1T at 15:5-8.

5. Interconnection Agreement and Wholesale Transparency

- 52 The fifth condition of the proposed Settlement “requires ZFN to continue to offer wholesale services, negotiate good faith for Interconnection Agreements, and honor existing Agreements.”⁵²
- 53 This Condition “preserves the status quo regarding ZFN’s wholesale services.”⁵³ We find this compelling in finding that consumers would not be harmed by approval of this Settlement.

6. Number Resources

- 54 The sixth condition “addresses numbering resources in Washington. The Zply Entities commit to engaging with Staff on conservation of the North American Number Plan (NANP) resources in Washington and only requesting those resources for services within the state.” These continued commitment to the conservation of a “valuable” and “limited public supply” will ensure the transaction does not cause harm to customers.⁵⁴
- 55 Because Zply will continue to be responsible stewards of NANP telephone numbers, the responsible use of numbering resources will continue.⁵⁵ For these reasons, we believe that Condition 6 meets the threshold of “no harm” and is in the public interest.

7. Service Quality

- 56 The seventh condition is related to service quality and has four terms⁵⁶.
- 57 Term A of this condition “requires ZFN to provide a report including certain metrics [related to answer performance and response times] to Staff for three years after the close of the Proposed Transaction.”⁵⁷

⁵² Beaton, RB-1HCT at 21:14-16. Graham/Epley, MG/JE-1T at 15:11-13.

⁵³ Beaton, RB-1HCT at 21:19-21. Graham/Epley, MG/JE-1T at 15:15-18.

⁵⁴ Beaton, RB-1HCT at 22:10-21. Graham/Epley, MG/JE-1T at 15:21-16:4.

⁵⁵ Graham/Epley, MG/JE-1T at 16:6-10.

⁵⁶ Graham/Epley, MG/JE-1T at 16:13-17:2.

⁵⁷ Beaton, RB-1HCT at 23:7-9.

- 58 Term B of this Condition requires “reporting on network trouble metrics, repeat troubles, and out-of-service troubles.”⁵⁸
- 59 Term C of this Condition “requires ZFN to provide automatic daily credits of between \$2.00 to \$20.00 per day for specified outages. The credit amount for a given day is based on the length of time between the beginning of the outage and the day at issue.”⁵⁹
- 60 Term D of this Condition “requires ZFN to report, on a monthly basis, information about the provision of the automatic credits (such as the number of customers receiving credits and the total amounts of credit provided for given outage durations).”⁶⁰
- 61 Because this condition ensures that the Commission will monitor whether Ziply provides quality service and is intended to prevent universal service deficiencies from happening during the transfer, we believe that Condition 7 exceeds the “no harm” threshold and is in the public interest. ⁶¹

8. Most Favored Nation Clause

- 62 The eight condition of the proposed settlement “permits the Commission to consider and adopt any condition concerning the Proposed Transaction to which the Applicants have stipulated or agreed in proceedings before another tribunal that is or will be more favorable than those agreed to in the Settlement.”⁶²
- 63 This clause enables this Commission, and sister regulating entities, to approve of the Proposed Transaction without fear of hold-outs gaining a disproportionate advantage – which could harm customers.⁶³

9. Transaction Benefit Condition

⁵⁸ Beaton, RB-1HCT at 23:12-14.

⁵⁹ Beaton, RB-1HCT at 23:17-19.

⁶⁰ Beaton, RB-1HCT at 24:2-4.

⁶¹ Beaton, RB-1HCT at 24:7-26:13. Graham/Epley, MG/JE-1T at 17:4-9.

⁶² Beaton, RB-1HCT at 26:16-21. *See* Graham/Epley, MG/JE-1T at 4:10. Graham/Epley, MG/JE-1T at 17:15-18.

⁶³ Beaton, RB-1HCT at 27:2-6. Graham/Epley, MG/JE-1T at 17:12-18:8.

- 64 The ninth condition “requires the Ziply Entities, for a period of three years after closing, to demonstrate benefits of the Proposed Transaction to customers in Washington state in a yearly filing.”⁶⁴
- 65 This Condition helps prove the public interest is being furthered by quantifying benefits; the reporting requirements will ensure the Commission is able to monitor fulfillment of the commitments made by the Joint Applicants.⁶⁵

II. The Public Interest – No harm standard

- 66 “In our view, Applicants’ initial burden is satisfied if they at least demonstrate no harm to the public interest. Neither RCW 80.12.020 nor WAC 480-143-050 establishes specific review criteria for determining consistency with the public interest.”⁶⁶ We note the revision to RCW 80.12.020, which added a requirement that the Commission find a “net benefit to customers” for electric and gas company property transfers. The legislature did not appear to include telecommunication companies with that change, and so this Order will proceed using the ‘no harm’ standard articulated by past Commission cases.
- 67 In considering whether ‘no harm’ will be caused by this transaction, we look to the status quo. The record reflects that, “the Transaction include that no new debt is acquired, there will be no transition of back-office systems as this eliminates the possibility of administrative or system changeover affecting provision of services and customers support capabilities.”⁶⁷ These safeguards, among others, to the operational status quo supports a finding that customers will not be harmed by the proposed transfer of property.
- 68 Staff and company proffer that the nine conditions in the Proposed Settlement, will ensure approval of the Proposed Transaction is consistent with the public interest.⁶⁸ As discussed above, we agree that the Proposed Agreement’s conditions thoughtfully

⁶⁴ Beaton, RB-1HCT at 27:9-11. Graham/Epley, MG/JE-1T at 18:11-13.

⁶⁵ Beaton, RB-1HCT at 27:14-15. Graham/Epley, MG/JE-1T at 18:15-18.

⁶⁶ *In the Matter of the Application of PacifiCorp and ScottishPower PLC for an Order (1) Disclaiming Jurisdiction or, in the Alternative, Authorizing the Acquisition of Control of PacifiCorp by ScottishPower and (2) Affirming Compliance with RCW 80.08.040 for PacifiCorp's Issuance of Stock in Connection with the Transaction*, Docket No. UE-981627, Third Supp. Order at 2-3 (April 2, 1999) (unequivocally rejecting argument that a finding of positive benefits was necessary to approve transfer of property).

⁶⁷ Beaton, RB-1HCT at 29:5-10

⁶⁸ Beaton, RB-1HCT at 27:20-29:19. Graham/Epley, MG/JE-1T at 18:21-21:8.

address the transfer of property and its potential consequences to ratepayers; while the transaction is complex, the Proposed Agreement demonstrates a mindfulness of the public interest, and the various ways that the public could be impacted.⁶⁹

- 69 The Commission did receive public comments expressing concerns about the impact of contemporary U.S.-Canadian relations.⁷⁰ The Commission has considered the potential of Canadian government interference as dispositive in a past transfer of property case.⁷¹ However, we note that such concerns are not well founded here. Indeed, in *Hydro One* the Commission was uncertain of Ontarian parliamentary restraint; whereas here, it would appear the inverse, where there is value added to ratepayers by acquiring a parent company based in a more stable regulatory and legal setting. Further, we agree with the parties that the Settlement ending the current adjudication is in the public interest and will result in reduced costs for customers, the parties, and result in regulatory efficiency.
- 70 Based on our review, it appears the transaction meets or exceeds the “no harm” standard and will be in the public interest, because in our judgment the net effect of the Proposed Agreement’s nine conditions is that (1) ZFN will continue to be operated in a substantially similar manner, (2) BCE has committed to further infrastructure investment, and (3) there are sufficient reporting requirements to reasonably cover eventualities. The limitations on changes in operations, services, or rates demonstrate that the customers are not being harmed by the transfer of ownership. The record supports a finding that the transfer of property is in the public interest.
- 71 We agree with Staff’s recommendation to accept the Proposed Settlement without further conditions and approve the Application to transfer ownership of Ziplly Fiber Northwest, LLC. from Northwest Fiber Holdco, LLC, Inc. to Bell Canada Corporation.

⁶⁹ Roberson, TR 9:11-16 (“Staff had to look at this transaction with the lens of . . . if something does change, what conditions can be put on the transaction in order to ensure that there are no harms to rate payers. And the parties agreed on a lengthy set of conditions that Staff submits, do exactly that.”)

⁷⁰ BR-1 Attachment A at 2, 4, 11, 12.

⁷¹ *In the Matter of the Joint Application of HYDRO ONE LIMITED (acting through its indirect subsidiary, Olympus Equity LLC) and AVISTA CORPORATION For an Order Authorizing Proposed Transaction*

Docket U-170970, Order 07 at *51. (“We find no particular need to discuss the individual Settlement commitments because the evidence in this proceeding undermines our ability to trust that the provincial government in Ontario will not interfere in the business of Hydro One in ways that undercut these commitments....”).

- 72 We note that this Order approves only the transfer of ownership, and neither approves nor disapproves the reasonableness of the purchase price or any fees, charges, rates, or accounting allocations related to the transaction. The Commission reserves the right to review those fees, rates, or accounting allocations in future proceedings.
- 73 The Commission agrees that the Settlement would further the public interest. Specifically, we agree with the parties to the Settlement that no customers will be harmed by provisions of the Settlement and that the Settlement will provide additional benefits. The Commission is encouraged by the Joint Applicants stipulations.
- 74 The Commission finds that early resolution of the parties' dispute conserves valuable party and Commission resources that would otherwise be devoted to litigation expenses.⁷²

FINDINGS AND CONCLUSIONS

- 75 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including telecommunication companies.
- 76 (2) Northwest Fiber Holdco, LLC is engaged in the business of furnishing telecommunications services within Washington State as a public service company. As a public service company, Northwest Fiber Holdco, LLC, and its subsidiary, Ziply Fiber Northwest, are subject to Commission jurisdiction.
- 77 (3) Bell Canada Corporation, a wholly-owned subsidiary of Bell Canada, is purchasing ZFN, a public service telecommunications company which is subject to Commission jurisdiction.
- 78 (4) We have reviewed the Conditions in the proposed Settlement Agreement, and adopt the reasoning discussed above in paragraphs 28 through 65, as evidencing both a lack of harm and the presence of benefits.

⁷² WAC 480-07-700 ("The commission supports parties' informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest.").

- 79 (5) Northwest Fiber, LLC dba Ziply Fiber notified its customers of the sale and transfer of assets in a mailing on June 12, 2025. We find this satisfies the notice requirement of WAC 480-143-210.
- 80 (6) The parties made summary arguments in support of the settlement agreement. They were heard by the presiding administrative law judges on July 14, 2025.
- 81 (7) The Commission held a public comment hearing on July 16, 2025, where the public and customers were provided the opportunity to comment on the settlement agreement proposed by the Joint Applicants.
- 82 (8) We find the fact that no party opposes the Settlement Agreement to indicate that it is consistent with the public interest
- 83 (9) We find the risk of potential Canadian government interference to not be adequately established on this record.
- 84 (10) We find that the record does not establish that any term of the Settlement Agreement would harm customers, and indeed the conditions all appear to benefit customers, and we consider that in finding the public interest being served here.
- 85 (11) The record supports a finding that the public interest would be served by approving this Settlement Agreement – which is attached as Appendix A. The Commission agrees with the positions proffered by the Settling Parties’ Supporting Brief, and find that the Settlement Agreement is lawful, supported by an appropriate record, and consistent with the public interest in light of all the information available
- 86 (12) We find that the Settlement Agreement complies with WAC 480-07-750.
- 87 (13) We find that the application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. WAC 480-143.
- 88 (14) After reviewing the Application filed in Docket UT-240951 on December 12, 2024, and giving due consideration, the Commission finds that the Application of the Transfer of Ownership of Ziply Fiber Northwest, LLC from Northwest Fiber Holdco, LLC to BCE Holding Corporation is consistent with, and demonstrates no harm to, the public interest and should be approved, subject to the conditions in the Settlement Agreement.

ORDER

THE COMMISSION ORDERS

- 89 (1) The Settlement Agreement filed by the parties on June 27, 2025, which is
attached as Appendix A to this Order, is approved and adopted in full resolution
of the issues in this proceeding, approving the transfer of property.
- 90 (2) The Commission authorizes the Transfer of the ownership of Ziply Fiber
Northwest, LLC., to BCE Holding Corporation is consistent with the Notice filed
on June 12, 2025, and the Application filed December 12, 2024, and consistent
with RCW 80.12.020, subject to the conditions contained in the Settlement
Agreement. No material change, revision, or amendment to the joint application
and agreement shall become effective without the Commission's prior written
approval.
- 91 (3) This Order shall not affect the Commission's authority over rates, services,
accounts, valuations, estimates, or determination of costs, on any matters that may
come before it. Nor shall this Order be construed as an agreement to any estimate
or determination of costs, or any valuation of property claimed or asserted.
- 92 (4) The Commission Secretary is authorized to accept filings that comply with the
requirements of this Order.

DATED at Lacey, Washington, July 28, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Bijan Hughes
BIJAN HUGHES
Administrative Law Judge

NOTICE TO PARTIES

This is an initial order. The action proposed in this initial order is not yet effective. If you disagree with this initial order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this initial order, and you would like the order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2)(a) provides that any party to this proceeding has 20 days after the entry of this initial order to file a petition for administrative review (Petition). Section (2)(b) of the rule identifies what you must include in any Petition as well as other requirements for a Petition. WAC 480-07-825(2)(c) states that any party may file an answer (Answer) to a Petition within 10 days after service of the petition.

WAC 480-07-830 provides that before the Commission enters a final order any party may file a petition to reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. The Commission will not accept answers to a petition to reopen unless the Commission requests answers by written notice.

RCW 80.01.060(3) provides that an initial order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5).