

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KINETIC ABS)	
KY LLC, WINDSTREAM KENTUCKY EAST, LLC)	CASE NO.
AND WINDSTREAM KENTUCKY WEST, LLC TO)	2025-00319
COMPLETE CERTAIN PRO FORMA TRANSFER)	

ORDER

On September 26, 2025, Kinetic ABS KY LLC (Kinetic ABS) with its Kentucky incumbent local exchange carrier (ILEC) affiliates, Windstream Kentucky East, LLC and Windstream Kentucky West, LLC (collectively, ILEC Asset Transferors), (together with Kinetic ABS, Joint Applicants), submitted a joint application pursuant to KRS 278.020(6), requesting Commission approval for the Joint Applicants to complete a pro forma transfer of telecommunications assets and certain associated residential customers from the ILEC Asset Transferors to Kinetic ABS.

In addition, Joint Applicants stated the pro forma transfer would occur concurrently with a financing arrangement, which is exempt from the KRS 278.300 pre-approval requirement, and will provide funding for the pro forma transfer.¹

¹ Application (filed Sep. 26, 2025) at 1, footnote 2. (The Financing Arrangement is exempt from the KRS 278.300 pre-approval requirement pursuant to Administrative Case Nos. 359 and 370. Admin. Case No. 370, *Exemptions for Providers of Local Exchange Service Other than Incumbent Local Exchange Carriers*, Admin. Case No. 359 (Ky. PSC June 21, 1996); *Exemptions for Providers of Local Exchange Service Other Than Incumbent Local Exchange Carriers* (Ky. PSC Jan. 8, 1998)).

DESCRIPTION OF THE PARTIES

Kinetic ABS is a Delaware limited liability company and is a wholly owned direct subsidiary of Kinetic ABS Issuer LLC (Kinetic ABS Issuer), a Delaware limited liability company formed for purposes of the proposed transactions.²

ILEC Asset Transferor Windstream Kentucky East, LLC is a Delaware limited liability company organized on October 31, 2007, and authorized to provide local exchange services as an ILEC pursuant to Utility ID 5022700; ILEC Asset Transferor Windstream Kentucky West, LLC, is a Kentucky limited liability company organized on October 31, 2007, and authorized to provide local exchange services as an ILEC pursuant to Utility ID 11000.³

Kinetic ABS will also receive assets and associated customers from its Kentucky affiliates CSL Kentucky System, LLC and Windstream Communications, LLC (collectively, Non-ILEC Asset Transferors). CSL Kentucky Systems, LLC is a competitive local exchange carrier (CLEC) authorized to provide local exchange services in Kentucky pursuant to Utility ID 5057240.⁴ Windstream Communications, LLC is an interexchange carrier (IXC) authorized to provide interexchange services in Kentucky pursuant to Utility ID 5118400.⁵

² Application at 2.

³ Application at 2.

⁴ Application at 3.

⁵ Application at 3.

DESCRIPTION OF THE TRANSACTIONS

Joint Applicants argued the transactions are an essential part of the new financing initiative to support continued deployment of fiber across rural and other regions of Kentucky.⁶

Under the pro forma transfer, the ILEC Asset Transferors and Non-ILEC Asset Transferors (collectively, Asset Transferors) will assign all network facilities and electronics in the exchanges listed in the table below, as well as residential customer accounts associated with the transferred assets, to Kinetic ABS.⁷

Augusta	Albany	Ashland	Berea
Brooksville	Bradfordville	Bryantsville	Cumberland
Catlettsburg	Dover	Eubank	East Bernstadt
Evarts	Ewing	Monticello	Flemingsburg
Fernleaf	Germantown	Greenup	Grayson
Hillsboro	Hustonville	Hazard	Irvine
Johnsville	Lebanon	Liberty	Lancaster
Leatherwood	Lewisburg	Meads	Manchester
Morehead	Mt. Washington	Nicholasville	Olive Hill
Oneida	Owingsville	Paint Lick	Russell
Sharpsburg	Shepherdsville	Salt Lick	Tollesboro
Vicco	Vanceburg	Washington	Wilmore
Zoneton			

The Asset Transferors will retain their existing telecommunications authorizations issued by the Commission, and the ILEC Asset Transferors will continue providing all existing services to non-transferred customers, including customers served via copper technology, Lifeline customers, and non-residential customers receiving fiber-based services.⁸ Kinetic ABS and the ILEC Asset Transferors will enter into intercompany

⁶ Application at 4.

⁷ Application at 5.

⁸ Application at 5.

agreements to allow the ILEC Asset Transferors to use the relevant portions of the transferred assets needed to continue providing these services, and to transport network traffic for Kinetic ABS outside of the Asset Transfer Exchanges.⁹

Joint Applicants asserted that the pro forma transfer would have no impact on ownership or otherwise constitute a transfer of control of any of the Joint Applicants, and also stated that the pro forma transfer would be seamless to the transferred customers, who will continue to receive the same services under the same rates and terms after the transfer.¹⁰ In addition, Joint Applicants maintain that the pro forma transfer will strengthen their financial position by creating operations efficiencies synergies, enabling greater investment in network infrastructure improvements and expansion.¹¹

Joint Applicants also stated that notice will be provide to the transferred customers at least 30 days prior to the pro forma transfer consistent with the Federal Communications Commission's requirements.¹²

LEGAL STANDARD

Joint Applicants filed their application pursuant to KRS 278.020(6), which states that "[n]o person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by sale of assets, transfer of stock, or otherwise, or abandon the same, without prior approval by the commission. The

⁹ Application at 5–6.

¹⁰ Application at 6.

¹¹ Application at 7.

¹² Application at 6.

commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.”

To satisfy the provisions of KRS 278.020(6), the Applicants must demonstrate that under the proposed restricting, they will maintain the “financial, technical, and managerial abilities to provide reasonable service.”

DISCUSSION

Joint Applicants seek approval of the proposed reorganization under KRS 278.020(6). Following the pro forma transfer, Joint Applicants will be managed by the same experienced management team and continue to provide the same services to customers, with the same rates and terms and through the same customer service, technical, and operational personnel.¹³ In addition, Joint Applicant maintain the pro forma transfer will allow Joint Applicants to leverage shared infrastructure for more efficient service delivery through an expanded fiber network that will support enhanced broadband services and improved service reliability for customers across the entire footprint.¹⁴

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that the proposed pro forma transfer meets the standard set forth in KRS 278.020(6). There is no change to the operation or management. There will not be any effect on rates or services of the organization. Given the experience and expertise of the current management and employees, the Commission finds that Joint Applicants have the financial, technical, and managerial abilities to continue to provide reasonable service.

¹³ Application at 7.

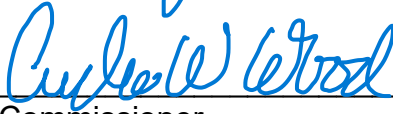
¹⁴ Application at 7.


IT IS THEREFORE ORDERED that:

1. The proposed pro forma transfer requested by the Joint Applicants is approved.
2. The Joint Applicants shall notify the Commission, in writing, within seven days of the reorganization being completed. If the internal reorganization has not been completed within six months of the date of this Order, the Joint Applicants shall provide a written status report to the Commission every 30 days thereafter. The information provided pursuant to this paragraph shall be filed in post case correspondence using this case number as a reference.
3. Any material revision to the proposed internal reorganization shall require approval by the Commission in order for the amendment to be effective.
4. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



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