

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF KINETIC)	
ABS KY LLC AND WINDSTREAM KENTUCKY)	CASE NO.
EAST, LLC TO COMPLETE CERTAIN PRO)	2026-00069
FORMA TRANSFER)	

ORDER

On March 20, 2026, Kinetic ABS KY LLC (Kinetic ABS), jointly with its Kentucky incumbent local exchange carrier (ILEC) affiliate, Windstream Kentucky East, LLC (ILEC Asset Transferor), (collectively, Joint Applicants), submitted an 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 Transferor 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 Mar. 20, 2026) 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)). This filing therefore serves as a notice of the Financing Arrangement.

DESCRIPTION OF THE PARTIES

Kinetic ABS is a Delaware limited liability company registered and in good standing with the Kentucky Secretary of State's Office, and authorized to provide competitive local exchange and interexchange services in Kentucky.²

Kinetic ABS 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 transaction, and is not a telecommunications provider and does not hold any telecommunications authorizations from the Commission.³

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 5022700.⁴

Kinetic ABS Issuer 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 5057240.⁵ Windstream Communications, LLC is an interexchange carrier (IXC) authorized to provide interexchange services in Kentucky pursuant to Utility ID 5118400.⁶

² Application at 2.

³ Application at 2.

⁴ Application at 3.

⁵ Application at 3.

⁶ Application at 3.

DESCRIPTION OF THE TRANSACTION

Joint Applicants argued the transaction is an essential part of the new financing initiative to support continued deployment of fiber across rural and other regions of Kentucky.⁷

Under the *pro forma* transfer, the ILEC Asset Transferor 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.⁸

Barbourville	Hodgenville
Brodhead	Leitchfield
Burnside	Livingston
Campbellsville	Loretto
Clarkson	Mays Lick
Columbia	Mount Olivet
Faubush	Mount Vernon
Flat Lick	Nancy
Greensburg	South Hardin

The Asset Transferors will retain their existing telecommunications authorizations issued by the Commission, and the ILEC Asset Transferor will continue providing all existing services to non-transferred customers⁹, including customers served via copper technology, Lifeline customers, and non-residential customers receiving fiber-based services.¹⁰ Kinetic ABS and the ILEC Asset Transferor will enter into intercompany agreements to allow the ILEC Asset Transferor to use the relevant portions of the

⁷ Application at 4.

⁸ Application at 5.

⁹ Application at 5, footnote 7.

¹⁰ Application at 5.

transferred assets needed to continue providing these services, and to transport network traffic for Kinetic ABS outside of the Asset Transfer Exchanges.¹¹

Additionally, Joint Applicants stated that:

[A]lthough the ILEC Asset Transferor, Windstream Kentucky East, LLC, currently receives federal high-cost support pursuant to the Federal Communications Commission's ("FCC") Rural Digital Opportunity Fund ("RDOF") in certain counties. The funding and eligible telecommunications carrier ("ETC") obligations will remain with the affiliated ILEC, Windstream Kentucky East, LLC. The Pro Forma Transfer thus will have no impact on the federal high-cost universal service support.¹²

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 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.¹³ In addition, Joint Applicants maintain that the *pro forma* transfer will strengthen their financial position by creating operational efficiencies synergies, enabling greater investment in network infrastructure improvements and expansion.¹⁴

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 FCC's requirements.¹⁵

¹¹ Application at 5-6.

¹² Application at 6.

¹³ Application at 6.

¹⁴ Application at 8.

¹⁵ Application at 6.

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 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 represent that they will continue to provide the same services to customers, with the same rates and terms and through the same customer service, technical, and operational personnel.¹⁶ In addition, Joint Applicants 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.¹⁷

¹⁶ Application at 7.

¹⁷ Application at 8.

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). The evidence of record indicates that the *pro forma* transfer will not change current operation or management and 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.

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.

Entered on this 5th day of May, 2026.

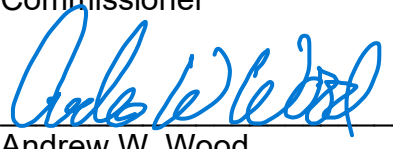
PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

Service List for 2026-00069

- * Allison M. Tjemsland
Jenner & Block LLP
1099 New York Avenue, NW
Suite 900
Washington, DC 20001
- * Kinetic ABS KY LLC
4005 N Rodney Parham Road
Little Rock, AR 72212
- * Windstream Kentucky East, LLC
4005 N Rodney Parham Road
Little Rock, AR 72212
- * Kinetic ABS KY LLC
4005 N Rodney Parham Road
Little Rock, AR 72202
- * James W Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KY 40507
- * Nicole Winters
Windstream Communications, LLC
4005 N Rodney Parham Road
Little Rock, AR 72212
- * Rebekah P. Goodheart
Jenner & Block LLP
1099 New York Avenue, NW
Suite 900
Washington, DC 20001
- * Rebecca C. Price
Sturgill, Turner, Barker & Moloney
155 East Main Street
Lexington, KY 40507
- * M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KY 40507

* Denotes served by Email

* Dagny Lu
Jenner & Block LLP
1099 New York Avenue, NW
Suite 900
Washington, DC 20001