

MAY 20 2019

PUBLIC SERVICE
COMMISSION

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May 17, 2019

VIA OVERNIGHT DELIVERY

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

Re: Notification Regarding a Proposed *Pro Forma* Change in the Ownership and Control Structure of CSL Kentucky System, LLC and Southern Light, LLC

Dear Mr. Derouen:

By this letter, CSL Kentucky System, LLC ("CSL-KY") and Southern Light, LLC ("Southern Light") (together, the "Licensees") advise the Commission of a planned *pro forma* change in the ownership and control structure of Licensees with no change to their ultimate owner (the "*Pro Forma* Change").¹ Licensees emphasize that their customers will not be impacted by these changes. Since Commission approval is not required for the *Pro Forma* Change,² Licensees submit this letter for informational purposes.

In support of this filing, Licensees provide the following information:

Description of the Licensees

CSL-KY is a Delaware limited liability company and Southern Light is an Alabama limited liability company. CSL-KY is a direct subsidiary of CSL National, LP, a Delaware limited partnership. Southern Light is a wholly owned, direct subsidiary of Uniti Fiber Holdings Inc. ("Fiber Holdings"), a Delaware corporation. Fiber Holdings and Licensees are indirect subsidiaries of Uniti Group Inc. ("Parent" and together with its subsidiaries, "Uniti"), a publicly traded Maryland

¹ On May 8, 2018, Licensees notified the Commission of a different proposed *pro forma* change in indirect ownership of Licensees (the "*2018 Notice*"). However, the proposed *pro forma* change described in the *2018 Notice* has not been completed and the proposed *Pro Forma* Change described in this Notification is expected to replace it. Upon completion of the proposed *Pro Forma* Change described in this Notification, Licensees will notify the Commission that *pro forma* change described in the *2018 Notice* will not be completed.

² Pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 and Admin. Case No. 370 on January 8, 1998 and 807 KAR 5:011, Section 11, prior action by the Commission is not required for the *Pro Forma* Change.

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corporation (NASDAQ: UNIT). Licensees' principal offices are located at 107 St. Francis Street, Suite 1800, Mobile, AL 36602.

Licensees are principally carrier's carriers and provide telecommunications services to providers of wireless telecommunications as well as other carriers. In Kentucky, Licensees hold the following authorizations:

1. CSL Kentucky System, LLC is registered as a competitive local exchange carrier (Utility ID 5057240).
2. Southern Light is registered as a competitive local exchange carrier (Utility ID No. 5053410).

Designated Contacts

Inquiries or copies of any correspondence, orders, or other materials pertaining to this filing should be directed to:

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With a copy to:

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Description of the *Pro Forma* Change

The proposed *Pro Forma* Change will involve the removal of intermediate companies (*i.e.*, Uniti Holdings LP³ and Uniti Holdings GP LLC⁴) from the ownership and control chain between Uniti Group LP and Fiber Holdings and the insertion of four intermediate companies (*i.e.*, CSL Capital, LLC,⁵ CSL National GP, LLC,⁶ CSL National, LP⁷ and a new entity, Uniti Group Finance Holdco Inc. ("NewCo"),⁸ which is wholly owned by Uniti Group LP, and was formed for the purposes of completing the *Pro Forma* Change). NewCo will be inserted between CSL-KY and

³ Uniti Holdings LP is a Delaware limited partnership.

⁴ Uniti Holdings GP LLC is a Delaware limited liability company.

⁵ CSL Capital, LLC is a Delaware limited liability company.

⁶ CSL National GP, LLC is a Delaware limited liability company.

⁷ CSL National, LP is a Delaware limited partnership.

⁸ NewCo is a Delaware corporation.

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CSL National, LP, thereby becoming the direct owner of CSL-KY. Upon completion of the *Pro Forma* Change, except for a limited number of individuals that will hold a de minimis amount of preferred shares in NewCo (necessary to meet certain real estate investment trust tax requirements), Uniti Group LP will directly and indirectly, through CSL Capital, LLC, CSL National GP, LLC, CSL National, LP and NewCo, own CSL-KY and Fiber Holdings and thus Southern Light. Since Licensees will remain nearly wholly owned, indirect subsidiaries of Parent, the *Pro Forma* Change is *pro forma* in nature. Appended hereto as **Exhibit A** is a chart illustrating the current and post-*Pro Forma* Change entity ownership structure of Licensees.

Thus, aside from the *de minimis* number of preferred shares issued by NewCo as noted above, the *Pro Forma* Change will not result in any changes to the ultimate ownership of Licensees, which will remain with Parent and its shareholders. Rather, Licensees will have different entities between them and Parent. After the *Pro Forma Change* is undertaken, Licensees will continue to conduct all of their operations as they are currently conducted and will remain well-qualified to provide service to its customers as their operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

Public Interest Considerations

The proposed changes in Uniti's entity ownership and control structure will provide Uniti additional financial flexibility with respect to its status as a real estate investment trust ("REIT"). Given that the *Pro Forma* Change only involves the reorganization of entities from Uniti's corporate structure, it is purely *pro forma* in nature, it will not result in any new owners of Licensees other than those in existence immediately before the *Pro Forma* Change takes place (aside from the *de minimis* number of preferred share owners of NewCo), and it will not directly involve Licensees or their operations.

The net effect of the *Pro Forma* Change will be simply to change entities in the ownership and control chain of Licensees. There will be no change in actual working control of Licensees. Licensees will remain well-qualified to provide service to customers, and their operations will continue to be overseen by their existing management teams. The telecommunications services provided by Licensees and the rates, terms and conditions of those services will not change as a result of the *Pro Forma* Change, and Licensees' Kentucky customers will not be affected in any way by the *Pro Forma* Change.

In sum, the *Pro Forma* Change will provide Uniti additional flexibility under its REIT status. Licensees will continue to have the same requisite managerial, technical and financial capabilities to provide quality communications services. Licensees' Kentucky customers will receive the same full range of products and services that they received prior to the *Pro Forma* Change at the same prices and under the same terms and conditions. All of the above facts demonstrate that the *Pro Forma* Change is in the public interest.

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Conclusion

An original and four (4) copies of this notification letter are enclosed. Please date-stamp and return the extra copy in the envelope provided. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,



Ronald W. Del Sesto, Jr.
Brett P. Ferenchak

Counsel to Licensees

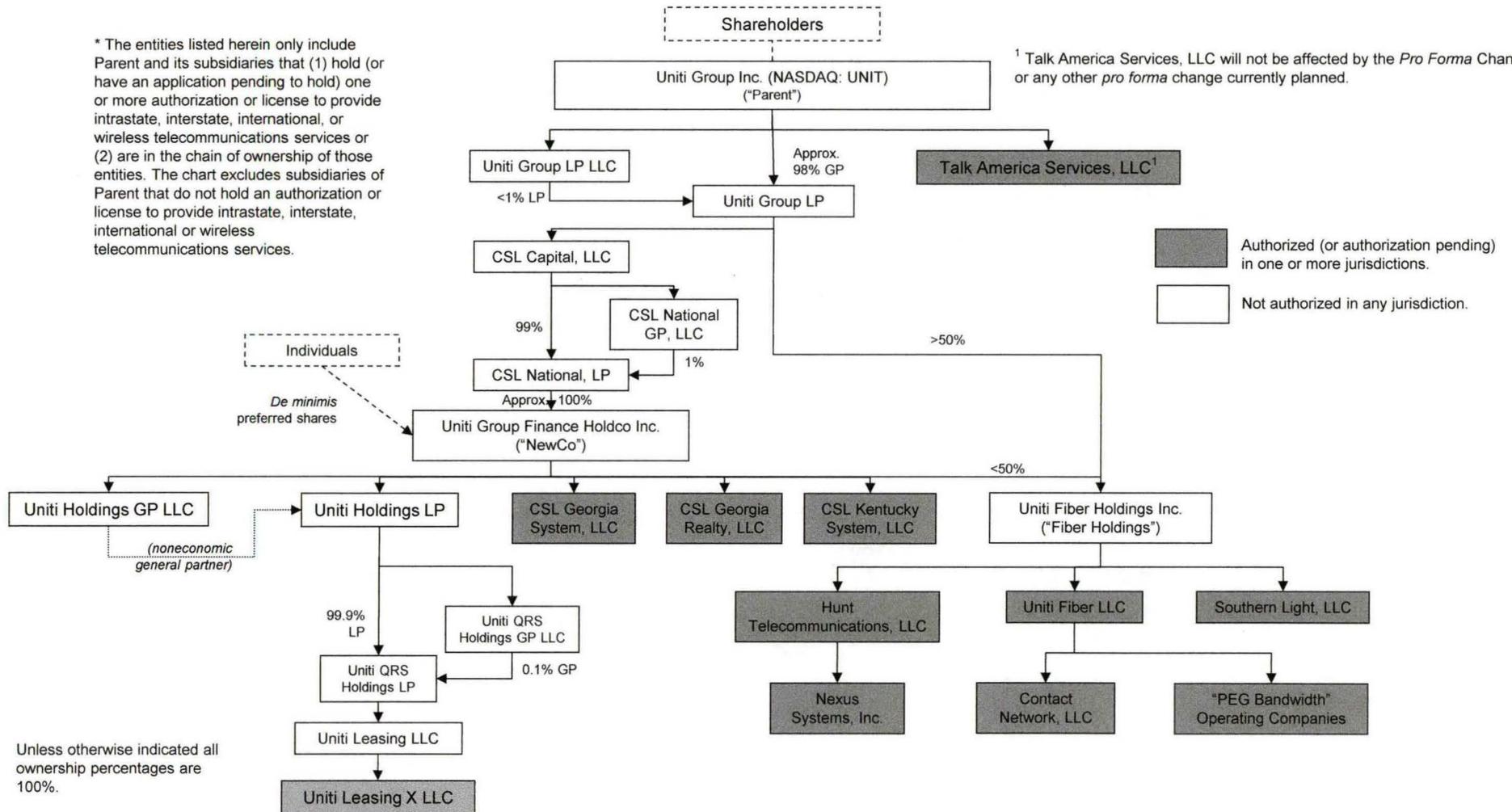
EXHIBIT A

Current and Post-*Pro Forma* Change Entity Ownership Charts

Post-Pro Forma Change Uniti Corporate Structure*

* The entities listed herein only include Parent and its subsidiaries that (1) hold (or have an application pending to hold) one or more authorization or license to provide intrastate, interstate, international, or wireless telecommunications services or (2) are in the chain of ownership of those entities. The chart excludes subsidiaries of Parent that do not hold an authorization or license to provide intrastate, interstate, international or wireless telecommunications services.

¹ Talk America Services, LLC will not be affected by the Pro Forma Change or any other pro forma change currently planned.



Verification

STATE OF MARYLAND
COUNTY OF MONTGOMERY

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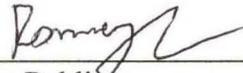
VERIFICATION

I, Jeffrey R. Strenkowski, state that I am the Vice President and Deputy General Counsel of Governmental Affairs of Uniti Group Inc. (“Uniti”); that I am authorized to make this Verification on behalf of Uniti and its subsidiaries (collectively, the “Company”); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.



Jeffrey R. Strenkowski
Vice President, Deputy General Counsel of
Governmental Affairs
Uniti Group Inc.

Sworn and subscribed before me this 19 day of April, 2019.



Notary Public

My commission expires 03/05/2022

