

MAY 08 2018

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PUBLIC SERVICE
COMMISSION

May 7, 2018

VIA OVERNIGHT DELIVERY

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

Re: Notification Regarding the Proposed *Pro Forma* Change in Intermediate Ownership and Control 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 Intermediate ownership and control of Southern Light with no change to its ultimate owner (the "*Pro Forma* Change") and the planned corporate conversion of the parent company of CSL-KY. Licensees emphasize that their customers will not be impacted by these changes. Since Commission approval is not required for the *Pro Forma* Change,¹ Licensees submit this letter for Informational purposes.

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

Description of the Licensees

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

¹ 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. Further, no notice is required for CSL-KY, a non-incumbent competitive carrier, as the only change to its parent company, CSL National, LP, is a conversion to a limited liability company. However, out of an abundance of caution, the Licensees include CSL-KY in this notice.

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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 two intermediate companies (*i.e.*, Uniti Holdings LP and Uniti Holdings GP LLC) from the ownership and control chain between Uniti Group LP and Fiber Holdings. Upon completion of the *Pro Forma* Change, Fiber Holdings will be a direct subsidiary of Uniti Group LP and will no longer be a subsidiary of Uniti Holdings LP, which is controlled by its non-economic general partner, Uniti Holdings GP LLC. As a result of the *Pro Forma* Change, Uniti Holdings LP and Uniti Holdings GP LLC will no longer be in the ownership and control chain of Southern Light. Since Southern Light will remain a wholly owned, indirect subsidiary of Parent, the *Pro Forma* Change is *pro forma* in nature. In addition, CSL-KY's direct parent company is converting from a limited partnership to a limited liability company. This conversion is accomplished by filing a Certificate of Conversion with the Delaware Secretary of State and will not involve a merger or other transaction that would extinguish the existence of the company or otherwise alter the corporate structure. Appended hereto as **Exhibit A** is a chart illustrating the current and post-*Pro Forma* Change corporate ownership structure of Licensees.

Thus, 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, Southern Light will have fewer intermediary entities between it and Parent. After the *Pro Forma Change* is undertaken, Licensees will continue to conduct all of their operations as they are currently conducted and

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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 corporate 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, and it will not directly involve Licensees or their operations.

The net effect of the *Pro Forma* Change will be simply to remove entities from the ownership and control chain of Southern Light. 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,



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Counsel to Licensees

EXHIBIT A

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

Verification

CITY OF WASHINGTON
DISTRICT OF COLUMBIA

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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. (the "Company"); that I am authorized to make this Verification on behalf of the Company and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company and its subsidiaries are true and correct to the best of my knowledge, information, and belief.

Dated: April 23, 2018



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

Sworn and subscribed before me this 23rd day of April, 2018.



Notary Public

My commission expires My Commission Expires
October 14, 2019

