

Ronald W. Del Sesto, Jr.
Brett P. Ferenczak
Stephany Fan
brett.ferenczak@morganlewis.com
ronald.delsesto@morganlewis.com
stephany.fan@morganlewis.com

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PUBLIC SERVICE
COMMISSION

February 28, 2020

VIA OVERNIGHT DELIVERY

Gwen R. Pinson, 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

Dear Ms. Pinson:

By this letter, CSL Kentucky System, LLC ("CSL-KY" or "Licensee") advises the Commission of a planned *pro forma* change in the ownership and control structure of CSL-KY with no change to its ultimate owner (the "*2020 Pro Forma Change*"). CSL-KY emphasizes that its customers will not be impacted by these changes. Since Commission approval is not required for the *2020 Pro Forma Change*,¹ CSL-KY submits this letter for informational purposes.

CSL-KY previously notified the Commission of another proposed *pro forma* change in ownership of CSL-KY in a Notification filed on May 16, 2019 (the "*May 2019 Notification*"). The proposed *pro forma* change described in the *May 2019 Letter* (the "*2019 Pro Forma Change*") was completed effective December 31, 2019. The *2020 Pro Forma Change* described in this Notification does not replace, but is in addition to the *2019 Pro Forma Change*.

In support of this filing, CSL-KY provides the following information:

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*.

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue, NW
Washington, DC 20004
United States

T +1.202.373.6000
F +1.202.373.6001

Description of CSL-KY

CSL-KY, a Delaware limited liability company, is a direct subsidiary of Uniti Group Finance Holdco Inc. ("NewCo"), a Delaware corporation and nearly wholly owned direct subsidiary of CSL National, LP, a Delaware limited partnership. CSL National, LP is wholly owned by Uniti Group, LP, a Delaware limited partnership that is nearly wholly owned by Uniti Group Inc. ("Parent" and together with its subsidiaries, "Uniti"), a publicly traded Maryland corporation (NASDAQ: UNIT). CSL-KY' principal offices are located at 107 St. Francis Street, Suite 1800, Mobile, AL 36602.

CSL-KY is principally a carrier's carrier and provides telecommunications services to providers of wireless telecommunications as well as other carriers. In Kentucky, CSL Kentucky System, LLC is registered as a competitive local exchange carrier (Utility ID 5057240).

Designated Contacts

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

Ronald W. Del Sesto, Jr.
Brett P. Ferenchak
Stephany Fan
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, DC 20004-2541
202-739-3000 (Tel)
202-739-3001 (Fax)
ronald.delsesto@morganlewis.com
brett.ferenchak@morganlewis.com
stephany.fan@morganlewis.com

With a copy to:

Jeffrey R. Strenkowski
Vice President, Deputy General Counsel
of Governmental Affairs
Uniti Group Inc.
10802 Executive Center Drive, Suite 300
Little Rock, AR 72211
301-774-0461 (Tel)
jeffrey.strenkowski@uniti.com

Description of the 2020 Pro Forma Change

Through a series of intracorporate transactions, the proposed *2020 Pro Forma Change* will involve moving two companies (*i.e.*, CSL National, LP² and CSL National GP, LLC³) in CSL-KY's ownership and control chain. Specifically, CSL National, LP will be inserted between CSL-KY and NewCo and CSL National GP, LLC's 1% general partnership interest in CSL National, LP will become a non-economic general partnership interest. CSL National GP, LLC will remain directly, wholly owned by CSL Capital, LLC but will be managed by NewCo. Upon completion of the *2020 Pro Forma Change*, therefore, CSL National, LP will be the direct owner of CSL-KY rather than an indirect owner, and NewCo will be an indirect owner of CSL-KY rather than the

² CSL National, LP is a Delaware limited partnership.

³ CSL National GP, LLC is a Delaware limited liability company.

Gwen R. Pinson, Executive Director
February 28, 2020
Page 3

direct owner. Since CSL Capital, LLC will remain a direct, wholly owned subsidiary of Uniti Group LP, whose ownership will not change, CSL-KY will remain a nearly wholly owned, indirect subsidiary of Parent and the *2020 Pro Forma Change* is *pro forma* in nature. Appended hereto as **Exhibit A** is a chart illustrating the current and post-*2020 Pro Forma Change* corporate ownership structure of CSL-KY.

Thus, the *2020 Pro Forma Change* will not result in any changes to the ultimate ownership of CSL-KY. Rather, certain companies in CSL-KY's ownership and control chain will move within that chain. After the *2020 Pro Forma Change* is undertaken, CSL-KY will continue to conduct all of its operations as they are currently conducted.

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 *2020 Pro Forma Change* only involves the reorganization of entities within Uniti's corporate structure, it is purely *pro forma* in nature, it will not result in any new owners of CSL-KY other than those in existence immediately before the *2020 Pro Forma Change* takes place, and it will not directly involve CSL-KY or its operations.

The net effect of the *2020 Pro Forma Change* will be simply to change entities in CSL-KY's intermediate ownership and control chain. There will be no change in actual working control of CSL-KY. CSL-KY will remain well-qualified to provide service to customers, and its operations will continue to be overseen by existing management teams. The telecommunications services provided by CSL-KY and the rates, terms and conditions of those services will not change as a result of the *2020 Pro Forma Change*, and CSL-KY's Kentucky customers will not be affected in any way by the *2020 Pro Forma Change*.

In sum, the *2020 Pro Forma Change* will provide Uniti additional flexibility under its REIT status. CSL-KY will continue to have the same requisite managerial, technical and financial capabilities to provide quality communications services. CSL-KY's Kentucky customers will receive the same full range of products and services that they received prior to the

Gwen R. Pinson, Executive Director
February 28, 2020
Page 4

2020 Pro Forma Change at the same prices and under the same terms and conditions. All of the above facts demonstrate that the *2020 Pro Forma Change* is in the public interest.

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
Stephany Fan

Counsel to CSL Kentucky System, LLC

EXHIBIT A


Current and Post-2020 *Pro Forma Change* Entity Ownership Structure Charts

Verification

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.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 21st day of November, 2019.



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