

January 4, 2019

VIA EMAIL: PSC@UTAH.GOV

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Re: *Notice of Transfer of Indirect Control of SummitIG Utah, LLC, Docket
No. 19-2591-01*

Dear Commissioners:

Summit Infrastructure Group, Inc. (“SummitIG”) and SDC Summit Holdings, LLC (“SDC Holdings” or “Transferee,” and collectively with SummitIG, the “Parties”), through their undersigned counsel, hereby notify the Utah Public Service Commission (“Commission”) that the Parties have entered into and intend to consummate a transaction whereby Transferee will acquire ultimate control of SummitIG and its wholly-owned subsidiary SummitIG Utah, LLC (“SummitIG Utah”) (the “Transaction”). The Parties understand that prior Commission approval is not required to complete the proposed Transaction.

The proposed Transaction will serve the public interest by providing additional managerial expertise and access to financial resources to SummitIG Utah, which will in turn enhance its ability to offer services and to compete in the telecommunications marketplace in Utah. Because the proposed Transaction will occur at the parent level and will only result in a change in the indirect ownership of SummitIG Utah, no transfer of assets, authority to operate, or customers will occur as a result of the proposed Transaction. The proposed Transaction also will not result in any change in the rates, or terms and conditions under which SummitIG Utah provides service to its existing customers. Accordingly, for all practical purposes, this Transaction will be imperceptible to customers.

A Notice of the Transaction, instead of an application for approval of the Transaction, is appropriate in this case because the Transaction is not the type of transaction for which Title 54 requires Commission approval. Utah Code Ann. § 54-4-28 provides:

No public utility shall combine, merge nor consolidate with another public utility engaged in the same general line of business in this state, without the consent and approval of the Public Service Commission, which shall be granted only after investigation and hearing and finding that such proposed merger, consolidation or combination is in the public interest.

Utah Code Ann. § 54-4-28 (emphasis added).¹ Although the statute applies directly to “public utilities,” the Utah Commission has, from time to time, reviewed applications submitted for the approval of transactions in which a transfer of control of one or more Utah competitive local exchange carriers (“CLEC”) occurs at the parent level.²

As described in more detail below, SummitIG is the parent company of SummitIG Utah, a CLEC authorized as a putative “public utility” in Utah. As a result of the Transaction, Transferee will acquire control of SummitIG. SummitIG Utah will remain a wholly owned subsidiary of SummitIG.

Neither Transferee, nor any other entity or individual under the Transferee’s control, presently owns or controls any CLEC, IXC or other “telecommunications corporation” operating as a “public utility” in the state of Utah. Thus, the Transaction does not involve either the merger of *two* public utilities engaged in the same general line of business in the state, or the merger of *two* companies that own or control public utilities engaged in the same general line of business in the state. Section 54-4-28 therefore is not applicable to the Transaction and Commission approval is not required for the Parties to consummate the Transaction.

The Parties provide the following information regarding the Transaction:

¹ Similar statutes require Commission approval when one public utility proposes to acquire the voting stock of another, or one acquires the “properties” of another. See Utah Code Ann. §§ 54-4-29, 54-4-30.

² The Commission has regularly reviewed transactions where the parent or holding company of a telecommunications utility doing business in Utah merges with or acquires the stock or assets of the parent or holding company of another telecommunications utility doing business in Utah. See e.g., *In the Matter of the Joint Application of Broadview Networks Holdings, Inc., and Broadview Networks, Inc. and Windstream Holdings, Inc. for Approval to Transfer Indirect Control of Broadview Networks, Inc.*, Docket No. 17-2514-01 (requesting Commission approval of the merger of two holding companies of Utah CLECs).

I. DESCRIPTION OF THE PARTIES

A. SummitIG Utah

SummitIG Utah is a wholly-owned direct subsidiary of SummitIG. SummitIG Utah is a Delaware LLC having an address at 22375 Broderick Drive, Suite 165, Dulles, VA 20166. SummitIG Utah is a provider of fiber services to business subscribers in Utah. It was authorized to provide facilities-based and resold local exchange, access, and interexchange telecommunications service in Utah on November 30, 2016, pursuant to a Certificate granted by the Commission in Docket No. 16-2591-01.

B. SummitIG

SummitIG is a private corporation incorporated under the laws of Delaware, headquartered at 22375 Broderick Drive, Suite 165, Dulles, VA 20166. SummitIG, through its subsidiaries, offer dark fiber connectivity services to support and extend data centers' connectivity; connectivity solutions for data center operations, and long-haul carrier POPs; and custom network solutions to extend connectivity to newly constructed buildings.

C. Transferee

Transferee is a private limited liability company organized in Delaware on December 14, 2018 with a principal address at c/o SDC Capital Partners, LLC, 3 East 28th Street, 3rd Floor, New York, NY 10016. Transferee was organized as a holding company for equity interests in Summit Infrastructure Group, Inc. Neither Transferee nor its parents currently provide telecommunications services.

Transferee is well-qualified managerially, technically, and financially to own and control SummitIG and, indirectly, SummitIG Utah. Transferee and its management team are experienced investors in entities providing IT infrastructure, data center, and other communications-related services. Transferee and its affiliates are managed by top professionals with decades of expertise in the financial, technology, research, and communications sectors. Transferee's management team has devoted their careers to building, operating, and investing in IT and communications infrastructure businesses. The company's leaders have extensive experience developing private data center platforms, advising telecom and technology companies globally on strategic and operational issues, advising leading public and private companies and financial sponsors in the data infrastructure and technology services sectors. Biographical summaries of Transferee's management personnel are attached as **Exhibit A**.

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II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Notice should be directed to:

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III. DESCRIPTION OF THE TRANSACTION

On December 24, 2018, SummitIG, the stockholders of SummitIG (“Sellers”) and Transferee entered into a Stock Purchase Agreement, pursuant to which Sellers will sell, and Transferee will purchase a majority of the issued and outstanding shares of capital stock of SummitIG. As a result of the Transaction, Transferee will acquire control of SummitIG and SummitIG Utah. SummitIG Utah will remain a direct subsidiary of SummitIG and will

become an indirect subsidiary of Transferee. The completion of the Transaction is conditioned on obtaining required regulatory approvals, among other things. For the Commission's reference, organization charts illustrating the current and post-closing corporate structure of SummitIG Utah as described herein are provided as **Confidential Exhibit B**.

IV. THE TRANSACTION IS IN THE PUBLIC INTEREST

The proposed Transaction will serve the public interest. The change in ultimate control of SummitIG Utah will occur as a change of control of the parent only and will not involve the assignment of operating authority, assets, or customers of SummitIG Utah. The Transaction does not involve the merger or consolidation of SummitIG Utah with any public utility, or the transfer of any ownership interest in SummitIG Utah. After consummation of the Transaction, SummitIG and SummitIG Utah will be able to draw upon the managerial and experience of Transferee's management team, but the operational and customer service personnel of SummitIG Utah will continue to manage the day-to-day operations and business of SummitIG Utah. SummitIG Utah thus will continue to be operated by highly experienced, well-qualified personnel. At the same time, SummitIG and SummitIG Utah will benefit from improved access to capital, enhancing their competitive position in the market for communications services.

Following the Transaction, SummitIG Utah will continue to provide the same competitive, innovative services to existing customers at the same rates, terms, and conditions, and in the same geographic areas of Utah. Any future changes in the rates, terms, or conditions of service will be undertaken in response to market conditions and consistent with any applicable federal and state requirements. The Transaction will be transparent to customers and is not expected to result in the discontinuance, reduction, loss, or impairment of service to any customer.

The proposed Transaction also will not harm competition. Transferee and SummitIG Utah do not currently compete in the provision of any telecommunications offerings. The Transaction thus will not reduce the number of service providers in any market.

CONCLUSION

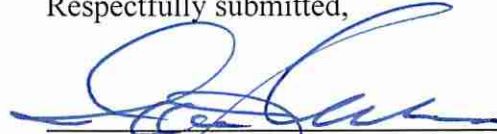
The Transaction will enhance competition in Utah by strengthening SummitIG Utah, the certificated entity, and its parent company. The Parties are seeking to complete the Transaction as soon as possible to ensure that customers and the Parties promptly realize the benefits of a change of control of SummitIG.

If the Commission agrees that this Notice is sufficient for the Parties to consummate the Transaction, the Parties hereby request that the Commission acknowledge its

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sufficiency, as soon as practicable, in whatever manner the Commission deems appropriate.³

Respectfully submitted,



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Cc w/attachments:

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Justin Jetter
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Robert Moore

³ In the alternative, if the Commission determines that it must approve the Transaction, then the Parties request that the Commission treat this filing as an Application subject to Rule R746-349-7, and adjudicate it informally, without the need for a hearing.