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State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: January 28, 2019

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

RECOMMENDATION (Allow):

The Division of Public Utilities (“Division”) has reviewed the Notice of Transfer of Indirect Control between Control of SummitIG Utah, LLC and SDC Summit Holdings, LLC. The public interest will be promoted by recommending that the Public Service Commission (“Commission”) allowing this Transfer of Indirect Control. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division expects that, based on history that a filing of this type and with the information submitted by the company, there will be no objections or opposition to this recommendation. Therefore, the Division requests that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about January 04, 2019, Control of SummitIG Utah, LLC and SDC Summit Holdings, LLC notified the Commission of a transaction, which will result in a transfer of indirect control of Control of SummitIG Utah, LLC to SDC Summit Holdings, LLC.

SummitIG Utah, LLC is a Delaware limited liability corporation headquartered at 22375 Broderick Drive, Suite 165, Dulles, VA 20166. SummitIG Utah, LLC is authorized to provide public telecommunications services in the State of Utah by the Commission on November 30, 2016, Docket No. 16-2591-01. SummitIG Utah, LLC is a provider of fiber services to business subscribers in Utah. It is a wholly-owned subsidiary of Summit Infrastructure Group, Inc.

Summit Infrastructure Group, Inc. is a private corporation incorporated under the laws of Delaware. It is headquartered at 22375 Broderick Drive, Suite 165, Dulles, VA 20166. Summit Infrastructure Group, Inc. through its subsidiaries, offer dark fiber connectivity services to support and extend data centers.

SDC Summit Holdings, LLC is a private limited liability company incorporated under the laws of Delaware. It is headquartered at 3 East 28th Street, 3rd Floor, New York, NY 10016. It was organized as a holding company for equity interests in Summit Infrastructure Group, Inc.

On December 24, 2018, Summit Infrastructure Group, Inc., the stockholders of Summit Infrastructure Group, Inc. and SDC Summit Holdings, LLC entered into a stock purchase agreement whereby, SDC Summit Holdings, LLC will purchase a majority of the issued and outstanding shares of capital stock of Summit Infrastructure Group, Inc. As a result of the Transaction, SDC Summit Holdings, LLC will acquire control of Summit Infrastructure Group, Inc. and SummitIG Utah, LLC. SummitIG Utah, LLC will remain a direct subsidiary of Summit Infrastructure Group, Inc. and will become an indirect subsidiary of SDC Summit Holdings, LLC.

The Applicants submit that the transaction described herein will serve the public interest. The change in ultimate control of SummitIG Utah, LLC 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, LLC. The transaction does not involve the merger or consolidation of SummitIG Utah, LLC with any public utility, or the transfer of any ownership interest in SummitIG Utah, LLC. After consummation of the transaction, Summit Infrastructure Group, Inc. and SummitIG Utah, LLC will be able to draw upon the managerial and experience of SDC Summit Holdings, LLC management team, but the operational and customer service personnel of SummitIG Utah, LLC will continue to manage the day-to-day operations and business of SummitIG Utah, LLC.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

Cc. William J. Evans, Counsel for Summit Infrastructure Group, Inc.
Lee Grant, Vice President and General Counsel, SummitIG Utah, LLC
David M. Didion, SDC Summit Holdings, LLC
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah