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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager
Brenda Salter, Utility Technical Consultant Supervisor
Ron Slusher, Utility Technical Consultant

Date: July 20, 2022

Re: **Docket No. 22-2600-01;** In the Matter of the Joint Notice of Fusion Connect, Inc., Fusion Cloud Services, LLC, and the North Haven Entities of a Change in Control of Fusion Cloud Services, LLC.

Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed the notification of the transfer of control of Fusion Connect, Inc. (“Fusion Connect”), Fusion Cloud Services, LLC (“Fusion Cloud”), and the North Haven Entities (“North Haven”) (together the “Applicants”). The public interest will be promoted by the Public Service Commission (“Commission”) acknowledging this Transfer of Control. As a result of the transfer, 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.

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

Discussion

On or about July 01, 2022, Fusion Connect, Fusion Cloud, and North Haven notified the Commission of a transaction, which will result in a transfer of control of Fusion Cloud to North Haven.

Fusion Cloud is a Georgia limited liability company headquartered at 210 Interstate North Parkway, Suite 200, Atlanta, GA 30339. Fusion Cloud received authorization to provide public telecommunications services in the State of Utah by the Commission on January 23, 2018, Docket No. 17-2600-01. Fusion Cloud is a subsidiary of Fusion Connect.

North Haven is a Delaware limited partnership, headquartered at 1585 Broadway, 39th Floor, New York, NY 10036. North Haven consists of North Haven Credit Partners II L.P., North Haven Senior Loan Fund L.P., and NH Credit Partners III Holdings L.P. Each of the North Haven Entities has a principal business of investment activities and as interest holders in Fusion Connect, will act as institutional investors.

The Applicants have entered into an agreement whereby North Haven will acquire approximately 77 percent direct or indirect interest in Fusion Connect. The parent company of Fusion Cloud. This agreement is suspected to take place by the fourth quarter of 2022.

The Applicants submit that the transaction described will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent to its customers. Following consummation of the proposed Transaction, Fusion Cloud will continue to provide a comprehensive suite of advanced and quality services to existing and future customers, without any interruption or diminished service quality. Existing customers in Utah will continue to receive the same services as they did

previously, pursuant to the same rates, terms, and conditions. Consequently, the proposed Transaction will not reduce the range or quality of service options available to Utah business customers.

Conclusion

The Division has reviewed the notice filed by the Applicants for the transfer of control and concludes that the Applicants are in compliance with Commission Rule R746-349-7, and have provided reasonable documentation of the following:

1. The CLEC shall submit an application which includes but is not limited to:
 - a. Identification that it is not an ILEC,
 - b. Identification that it seeks approval of the application pursuant to this rule,
 - c. A reasonably detailed description of the transaction for which approval is sought,
 - d. A copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and,
 - e. Copies of any notices, correspondence, or orders from any federal agency or any other state utility regulatory agency reviewing the transaction, which is the subject of the application.

The Division recommends the Commission acknowledge this notice.

Cc. Winifred Brantl, Counsel for Fusion Connect and Fusion Cloud
James P. Prenetta, Jr. Executive VP and General Counsel, Fusion Connect, Inc.
Debra Abramovitz, Executive Director, North Haven Entities
Patricia Schmid, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah