

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**Case 16-C-0532 – Petition of Nicholville Telephone Company, Inc., Atlas
Connectivity, Inc., Slic Network Solutions, Inc., Nicholville Cellular, Inc.,
Nicholville Network, Inc., and Nicholville Communications, Inc. for
Proposed Restructuring Plan and Related Transactions.**

Supplement to Petition with Request for Additional Authority

I. PRELIMINARY STATEMENT

On September 13, 2016, the Petitioners herein submitted a Verified Petition requesting authority to engage in a corporate restructuring and related activities (the Original Petition). As described therein, the end result would be to have Nicholville Telephone Company, a rural ILEC (Nicholville) and its wholly owned subsidiary, Slic Network Solutions, Inc. (Slic), a CLEC, become subsidiaries of the newly established holding company, Atlas Connectivity, Inc. (Atlas). Related transactions included split of Nicholville common stock; exchange of Nicholville stock for Atlas stock; creation of an Employees' Beneficial Trust; redemption of outstanding Cumulative Preferred Stock; and issuance by Atlas of Preferred Stock.¹

The Petition noted that Slic possessed cable TV franchises. Staff subsequently informed Petitioners that further consent from the Commission for transfer of control of these franchises, and the cable TV systems, under Section 222 of the Public Service Law, would be required.

¹ Inasmuch as the original Petition contained confidential trade secret information, both an unredacted version and a redacted public version were filed.

Accordingly, Petitioners submit this Supplemental Petition seeking such authority.

II. BACKGROUND

Slic currently holds cable TV franchises from 21 towns in the counties of Lawrence, Franklin and Hamilton. A listing of such municipalities is included as Exhibit "A" to this Supplement. Slic, which is currently a wholly owned subsidiary of Nicholville, will, as part of the corporate reorganization, become a wholly owned subsidiary of Atlas, and have a "brother-sister" relationship with Nicholville. Initially, the pre-restructure owners of Nicholville (and thus indirectly of Slic) will also be the owners of Atlas, and thus have the same indirect ownership interests in Slic which they now possess. Ultimate indirect ownership of Slic (and Nicholville) may change upon issuance by Atlas of Preferred Stock, and redemption of Nicholville Preferred Stock, as described in the original Petition.

Following the restructure, Slic's cable TV systems will continue to be owned by SLIC, and managed and operated by the same Slic employees. The transactions (as in the case of Slic's telecom services) will be transparent to, and not impact, Slic's cable TV customers or services.

III. PROVISION OF REQUIRED INFORMATION

Pursuant to 16 N.Y.C.R.R. § 897.4, the following supplement information is provided:

- (a) The applicants are those set forth in the Original Petition, with addresses at 3330 State Highway 11-B, Nicholville, NY 12965;

- (b) The transaction will be a transfer of all common stock of Slic now owned by Nicholville (100% of SLIC's outstanding stock) to Atlas Connectivity. A list of each affected cable TV franchise is set forth in Exhibit "A."
- (c) There is no specific purchase and sale agreement.
- (d) Under the terms of the cable TV franchises, the transactions do not require municipal approval.
- (e) Petitioners do not believe they require either FCC or municipal approval for the reorganization described herein, and have not prepared an FCC Form 394.

IV. ENVIRONMENTAL IMPACT

Pursuant to N.Y.C.R.R. § 897.6(b)(2)(iii), the proposed transfer of control is a Type II action; will not have an impact on the environment; and does not require submission of an Environmental Impact Statement.

V. PUBLIC BENEFIT OF TRANSACTIONS

The Original Petition, in Point VI, showed the corporate reorganization and related transactions were in the public interest. The same analysis (incorporated herein) applies to Slic's cable TV services, as described in more detail in Exhibit B to this Supplement.

As described therein, Slic is the recipient of federal and state grants for the expansion of broadband availability in underserved and unserved areas of the North Country of the state. Approval of the change of control requested herein will strengthen Slic's ability to expand its services, increase employment, raise capital, increase efficiency

of management and services, and bring the benefits of modern broadband services to rural areas lacking access to those services.

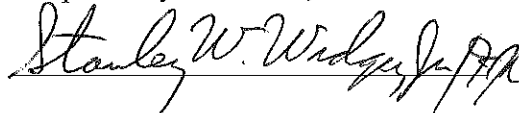
There are no current plans to materially change the terms and conditions of service or operations of the cable systems. The cable systems will continue to operate pursuant to the terms of the Franchise Agreements and applicable law after the proposed transaction is effective. Accordingly, as indicated earlier, the transactions will have no impact on, and be transparent to, Slic's cable TV customers and the franchising entities.

WHEREFORE, for the reasons set forth in this Supplement to Petition; the original Petition herein; and all materials submitted in support of the Original Petition, it is respectfully requested that the Commission consider and act upon this Supplement in conjunction with the original Petition, and at such time:

- (a) Approve the transfer of control of Slic's cable TV franchises, Certificates, and systems as described herein; and
- (b) Grant such other and further relief, consents, and authorizations as may be needed to effectuate the transactions described herein and in the Original Petition.

Dated: May 2, 2017

Respectfully submitted,



NIXON PEABODY LLP

Stanley W. Widger, Jr.

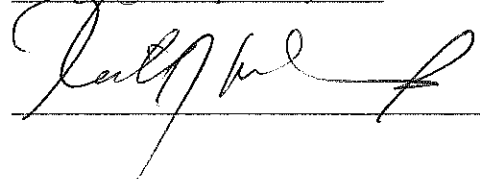
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