

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on July 20, 2023

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
Diane X. Burman
James S. Alesi
Tracey A. Edwards
John B. Howard
David J. Valesky
John B. Maggiore

CASE 22-M-0492 - Petition of Atlas Connectivity, LLC,
Nicholville Telco LLC d/b/a Nicholville
Telephone Company, SLIC Network Solutions,
Inc., Keene Valley Video, Inc., HCCI LLC, and
SDC Atlas AcquisitionCo, LLC for Approval to
Transfer Indirect Ownership and Control of
Licensees and Franchisees to Transferee and for
SLIC Network Solutions, Inc., KVVI, Inc., and
HCCI LLC to Participate in Certain Financing
Arrangements.

ORDER GRANTING JOINT PETITION
SUBJECT TO CONDITIONS

(Issued and Effective July 21, 2023)

BY THE COMMISSION:

INTRODUCTION

By Joint Petition filed on August 24, 2022, and
supplemented on January 12, June 29, and July 7, 2023, Atlas

Connectivity, LLC (Atlas),¹ SLIC Network Solutions, Inc. (SLIC), Nicholville Telco LLC (Nicholville and together with SLIC and Westelcom, the Licensees); Keene Valley Video, Inc. (KVVI) and HCCI LLC (HCCI, and together with SLIC and KVVI, the Franchisees) (Licensees and Franchisees collectively, the Atlas Subsidiaries), and SDC Atlas AcquisitionCo, LLC (SDC Acquisition, or Transferee) (collectively the Petitioners) request Commission approval pursuant to Public Service Law (PSL) §§99, 100, 101, and 222 to: (1) transfer indirect control of the Atlas Subsidiaries to SDC Acquisition, and (2) allow SLIC, KVVI, HCCI, and Westelcom to participate in certain financing arrangements (Financing Arrangements) upon completion of the proposed transaction (Transaction). In approving telephone and cable company transfers and related financing transactions of this type, under PSL §§99, 100, 101, and 222, the Commission must generally determine, among other things, whether there is any potential harm, whether such harm has been mitigated, and whether the proposed transaction will serve the public interest.

By this Order, the Commission finds that the Transaction and related Financing Arrangements are in the public interest provided the Petitioners unequivocally accept all the conditions discussed in more detail below, including the commitment to make fiber-based high-speed broadband, as

¹ On May 19, 2023, the Commission approved Atlas' separate request to acquire Westelcom Communications, Inc., and its wholly owned subsidiary Westelcom Network, Inc. (Westelcom). Case 22-C-0342, Joint Petition of Atlas Connectivity, LLC, Westelcom Communications, Inc., and Westelcom Network, Inc. for Authority to Transfer and Acquire Shares, Order Granting Joint Petition Subject to Conditions (issued May 19, 2023). The specific conditions in that case are separate and apart from the conditions being required in this Order. As a result of the Commission's approval, Westelcom is now an affiliate of Atlas.

defined herein, available to at least 741 incremental unserved or underserved addresses in or around the Atlas Subsidiaries' respective service territories. The Commission also finds that any potential risks resulting from the Transaction can be mitigated by imposing additional specific conditions, as discussed in more detail below.

BACKGROUND

Atlas Connectivity, LLC

Atlas is a Delaware limited liability corporation and a non-regulated holding company that does not provide any telecommunications services. Atlas is the direct or indirect parent of five regulated telecommunications providers in New York, including Nicholville, SLIC,² Westelcom (a competitive local exchange company (CLEC)) as well as two small cable television operators, KVVI and HCCI.

Nicholville Telco LLC

Nicholville, a direct wholly-owned subsidiary of Atlas, is a New York limited liability company with a principal office located at 3330 State Highway 11-B, Nicholville, New York, 12965. Nicholville is a small rural incumbent LEC (ILEC) that provides telephone and broadband services in northern St. Lawrence County and has an Eligible Telecommunication Carrier (ETC) designation to provide Lifeline service granted by the Commission. As of December 31, 2022, the Company served 520 traditional voice access lines in two exchanges, Nicholville and

² The Commission approved Atlas' acquisition of Nicholville and SLIC in Case 16-C-0532, Petition of Nicholville Telephone Company, et al. for Approval, under Sections 99, 100, 101 and 222 of the Public Service Law, of Proposed Restructuring Plan and Related Transactions, Order Approving Amended Joint Petition Subject to Conditions (issued April 25, 2018).

Winthrop. Nicholville's service quality has historically exceeded the Commission's Telephone Service Standards, as it has received the Commission's service quality commendation award every year for the past 22 years.³

SLIC Network Solutions, Inc.

SLIC, a direct wholly-owned subsidiary of Atlas, is a New York corporation with a principal office located at 3330 State Highway 11-B, Nicholville, New York, 12965. SLIC is a CLEC authorized to provide facilities-based and resale telephone services, including local exchange services, pursuant to a Certificate of Public Convenience and Necessity granted on February 16, 2000, in Case 99-C-1824. Similar to Nicholville, SLIC also holds an ETC designation to provide Lifeline service. SLIC, like Nicholville, has exceeded the Commission's service quality standards, as it received a Commission service quality commendation each year except one since 2015.

SLIC is also a high-speed broadband internet service provider and has been active in expanding its broadband network through the receipt of several State and federal broadband construction grants. In addition, SLIC is a cable television operator holding cable franchises from 23 municipalities in New York as shown in Exhibit A.

Westelcom Network, Inc.

Westelcom, an indirect wholly-owned subsidiary of Atlas, is a New York corporation with a principal office located at 2 Champlain Ave, Westport, New York, 12993. Westelcom is a CLEC that provides long-distance and internet access services through a Certificate of Public Convenience and Necessity

³ Sixteen NYCRR Part 603: Service Standards Applicable to Telephone Corporations.

granted on June 30, 2000, in Case 00-C-0832. Westelcom does not currently serve any customers in Atlas' ILEC subsidiary Nicholville.

Keene Valley Video, Inc.

KVVI, a direct wholly-owned subsidiary of Atlas, is a New York corporation with a principal office located at 3330 State Highway 11-B, Nicholville, New York, 12965. KVVI is a broadband internet and cable television operator holding a cable franchise from the Town of Keene, New York, as shown in Exhibit A, and does not provide regulated telecommunications services.⁴

HCCI LLC

HCCI, a direct wholly-owned subsidiary of Atlas, is a New York limited liability company with a principal office located at 3330 State Highway 11-B, Nicholville, New York, 12965. HCCI is a broadband internet and cable television operator holding a cable franchise from four municipalities in New York as shown in Exhibit A, and does not provide regulated telecommunications services.⁵

SDC Atlas AcquisitionCo, LLC

SDC Acquisition is a newly formed Delaware limited liability company created for the purpose of the Transaction. SDC Acquisition is indirectly, wholly-owned by SDC Digital Infrastructure Opportunity Fund III, L.P. (SDC III Fund), an investment fund ultimately controlled by an affiliate of SDC Capital Partners, LLC (SDC Partners). SDC Partners, is a New

⁴ See Matter 09-01904, In the Matter of Cable Company Filings of Annual Financial Reports and Customer Service Reports, Nicholville Video Services Corporation 2021 Annual Financial Report (filed March 31, 2022).

⁵ See Matter 09-01904, In the Matter of Cable Company Filings of Annual Financial Reports and Customer Service Reports, Application For Small Company Exemption (filed March 9, 2022).

York City-based digital infrastructure investment firm investing in a range of digital infrastructure. SDC Partners currently has approximately \$3.7 billion in assets under management as of March 31, 2022. SDC Partners and its affiliated funds and entities, including SDC Acquisition, have a principal place of business at 817 Broadway, 10th Floor, New York, New York, 10003.

The SDC III Fund is a digital infrastructure investment fund domiciled in the U.S., managed and controlled by general partners that are indirectly owned and controlled by SDC Partners' managing partners, each of whom is a U.S. citizen. The SDC III Fund is comprised of approximately \$1.5 billion in capital commitments; its investors are passive limited partners who provide capital upon request (up to their maximum committed capital) for the SDC III Fund's investments, including the investment in Atlas. Limited partners in SDC Partners' funds (including the SDC III Fund) have no control over the SDC III Fund, and no involvement in day-to-day operations or decision-making of the portfolio companies in which the Fund will invest.

JOINT PETITION AND SUPPLEMENTS

By Joint Petition filed August 24, 2022, the Petitioners request Commission approval pursuant to PSL §§99, 100, 101, and 222, to transfer indirect control of the Atlas Subsidiaries to SDC Acquisition and for SLIC, KVVI, HCCI, and Westelcom to participate in certain financial arrangements upon completion of the Transaction. According to the Joint Petition, pursuant to an Equity Interests Purchase Agreement (Agreement) dated July 26, 2022, a series of transactions is contemplated whereby SDC Acquisition will acquire Atlas and, indirectly, the Atlas Subsidiaries. Further, in order to immediately provide Atlas and its subsidiaries with an infusion of capital for

ongoing operations, including planned fiber deployments, upon signing of the Agreement, Atlas issued to SDC Acquisition, and SDC Acquisition purchased from Atlas, 100,000 non-voting Series D Preferred Units of Atlas accompanied by certain limited minority investor protections pending receipt of the required regulatory approvals (Initial Preferred Unit Purchase). During the period between signing and closing, Atlas may issue, and SDC Acquisition may purchase from Atlas, an additional 300,000 non-voting Series D Preferred Units, for a total of up to 400,000 non-voting Series D Preferred Units.

According to the Joint Petition, following receipt of the required regulatory approvals, including the Commission's approval, SDC Acquisition will acquire all of the outstanding equity interests in Atlas, and the Series D Preferred Units will be converted into common units of Atlas.⁶ Upon completion of the Transaction, Atlas will become a direct, wholly-owned subsidiary of SDC Acquisition, and the Atlas Subsidiaries will become indirect, wholly-owned subsidiaries of SDC Acquisition. Diagrams depicting the pre-Transaction and post-Transaction corporate ownership structure of the Atlas Subsidiaries are provided in Exhibits B through E.

Financing Arrangements

The Petitioners also seek Commission approval for SLIC, KVVI, HCCI, and Westelcom to incur debt, as a borrower, co-borrower or guarantor and pledge their assets as security in the Financing Arrangements up to an aggregate amount of \$185 million. Nicholville will not be a borrower, co-borrower, or guarantor under the Financing Arrangements, nor will any of its

⁶ In this context, "common units" refers to common shares or common stock.

assets be pledged as security in connection with the Financing Arrangements.

The Financing Arrangements will have a maturity of up to eight years after issuance. The Petitioners explain that the Financing Arrangements may include one or more of the following debt instruments: notes or debentures (including notes convertible into equity upon receipt of any necessary regulatory approvals, and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; bridge loans; or a combination thereof. Some or all of the Financing Arrangements may be secured facilities, under which the common shares of SDC Acquisition and certain of its current and future subsidiaries, including SLIC, KVVI, HCCI, and Westelcom but excluding Nicholville, may be pledged as security.

The Petitioners submit that the interest rates will be the market rate for similar financings and will not be determined until the Financing Arrangement(s) is(are) finalized. The Joint Petition indicates that depending on the type of debt securities, the interest rate may be fixed or floating (consisting of a base rate, which will float with a rate index such as the London Interbank Offered Rate (LIBOR),⁷ Secured Overnight Financing Rate or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

Public Interest Statement

The Petitioners state that the Transaction and the Financing Arrangements are in the public interest as they will provide the Atlas Subsidiaries access, through SDC Acquisition,

⁷ The LIBOR expired on June 30, 2023.

to the financial and operational expertise and resources of SDC Acquisition. Further, SDC Acquisition will seek to build on the Atlas Subsidiaries' existing assets, support investments in new broadband infrastructure, including by expanding fiber-to-the-home services, and continue to offer high-quality services to customers. The Joint Petition also asserts that SDC Acquisition will hire additional personnel in New York to operate and expand the operations of the Atlas Subsidiaries. SDC Acquisition expects that Atlas' current management team will largely remain in place post-closing and will be supplemented with additional experienced industry veterans to execute the growth plans.

The Joint Petition states that the Transaction will be transparent to the Atlas Subsidiaries' customers and the Atlas Subsidiaries will continue to provide high-quality services at the same rates and on the same terms and conditions as are currently in effect. Further, the Petitioners will not seek to recover from the ILEC or its customers any costs associated with the Transaction. Moreover, the Petitioners state that customer-facing jobs will not change as a result of the Transaction.

The Petitioners note that the participation of SLIC, KVVI, and HCCI in the Financing Arrangements will serve the public interest. First, according to the Joint Petition, the Financing Arrangements are an integral part of the proposed transactions, which as described above, are themselves in the public interest. The Financing Arrangements, according to the Petitioners, provide SLIC, KVVI, HCCI, and Westelcom access to additional financial resources, thereby enhancing their competitive position. Among other things, the Financing Arrangements may be used to fund some or all the purchase price for the Transaction and future acquisitions, to support strategic growth initiatives including potential investment in

new broadband facilities, to provide for ongoing working capital, and for other corporate purposes. According to the Joint Petition and supplements, the participation of SLIC, KVVI, HCCI, and Westelcom in the Financing Arrangements is necessary and appropriate, is consistent with the performance by SLIC, KVVI, HCCI, and Westelcom of their services to the public, will not impair their ability to perform such services, and will promote their corporate purposes. The Financing Arrangements will, according to the Petitioners reduce the existing debt of Atlas, lower its cost of capital, and enhance its access to capital markets. The Petitioners state that the existing debt of Atlas, including the long-term debt issued by SLIC which the Commission approved by operation of law in Matter No. 20-00163, will be repaid at closing.⁸ Moreover, according to the Petitioners, none of the other Atlas Subsidiaries has issued any long-term debt. The Petitioners further assert that the Financing Arrangements will be transparent to the customers of SLIC, KVVI, HCCI, and Westelcom and will not disrupt service or cause customer confusion or inconvenience.

The Petitioners note that, under Section 222 of the PSL, the Commission shall approve an application for the transfer of a cable franchise (and/or facilities constituting a significant part of a cable system) unless it finds either that the applicants or system are in violation of certain Commission regulations, "or that approval would be in violation of law, any regulation or standard promulgated by the commission or the public interest...."⁹ However, the Joint Petition continues, even

⁸ See Matter No. 20-00163, Petition of SLIC Network Solutions, Inc. for Authority to Issue Long Term Debt.

⁹ See PSL §222(3)

a failure to conform to the standards established in the regulations promulgated by the Commission "shall not preclude approval of any such application if the Commission finds that such approval would serve the public interest."¹⁰ The Joint Petition states that, under this standard, the Commission has historically approved transfers when a proposed transaction will ensure continued service to customers without any negative impact on the operation or management of the system, or any impairment of the financial, technical or other capabilities of the system outside the ordinary course of business.¹¹ Such is the case for the Franchisees.

On January 12, 2023, the Petitioners filed a supplement to their Joint Petition providing the required Federal Communications Commission's (FCC) Form 394 in connection with the Joint Petition. The Petitioners state that no municipal consents are required for the cable franchises involved in the Transaction but provide the FCC Form 394 at the request of the Department of Public Service Staff (Department Staff).

On June 29, 2023, the Petitioners filed an additional supplement to the Joint Petition stating that, in addition to the foregoing, to further enhance the public interest benefit, the Petitioners will also extend the Atlas Subsidiaries' fiber networks, capable of delivering high-speed broadband service, as defined herein, to an additional 741 addresses in their respective service territories that are determined to be

¹⁰ Id.

¹¹ See, e.g., Joint Petition of Time Warner Cable Inc. and Adelphia Communications Corporation for the Approval of the Transfer of Certain Assets, Order Approving Petitions, Case 05-V-0771 (issued November 7, 2005).

currently unserved or underserved by high-speed broadband service, as discussed in further detail in this Order.

Finally, on July 5, 2023, the Petitioners filed an additional supplement to the Joint Petition to specifically request Commission approval (1) to transfer indirect control of the Westelcom to Transferee; and (2) for Westelcom to participate in the Financial Arrangements specified in the Joint Petition upon completion of the Transaction. The Petitioners state that Atlas closed on the Westelcom transaction on June 30, 2023. As Westelcom is now a wholly-owned indirect subsidiary of Atlas, it will be acquired by SDC Acquisition pursuant to the Transaction before the Commission in the instant proceeding whereby SDC Acquisition proposes to purchase all of the equity in Atlas. Further, as a CLEC subsidiary of Atlas, Westelcom is expected to provide credit support to the Financing Arrangements described in the Joint Petition on the same terms as Atlas' other non-ILEC subsidiaries (SLIC, KVVI, and HCCI). Thus, Petitioners state that after the Commission approves the Transaction, Westelcom would become a wholly-owned indirect subsidiary of SDC Acquisition. On July 7, 2023, the Petitioners filed charts depicting the ownership structure of Atlas inclusive of its ownership of Westelcom pre- and post-close.

NOTICE FOR COMMENTS

In conformance with the State Administrative Procedure Act (SAPA) §202(1), a Notice of the Joint Petition was published in the State Register on September 28, 2022 [SAPA No. 22-M-0492SP1]. The period for submitting comments in response to the SAPA Notice expired on November 28, 2022. No public comments were received.

LEGAL AUTHORITY

Under PSL §§99, 100, and 101 the Commission must find that the Transaction is in the public interest in order to grant approval. PSL §99(2) requires the consent of the Commission for any proposed transfer of a telephone corporation's "works or system." As the Commission has noted, "[a]lthough PSL §99(2) does not specify a standard of review, all such utility transfers have been interpreted as requiring an affirmative public interest determination by the Commission."¹² PSL §100(1) and (3) require the Commission's consent for the acquisition of the stock of a telephone corporation. Unlike §99(2), however, these provisions expressly bar the Commission from giving its consent unless the applicant has shown, in the first instance, that the acquisition is in the public interest. Public Service Law §101 also requires the Commission's consent when telephone corporations issue debt.

According to PSL §§99 and 100, an application is deemed approved within 90 days unless the Commission or its designee notifies the petitioner in writing that the public interest requires the Commission's review and its written order. According to PSL §101, an application is deemed approved within 45 days unless the Commission or its designee notifies the petitioner in writing that the public interest requires the Commission's review and its written order. The Petitioners were notified by letter dated October 4, 2022, that the public interest required a more detailed review of the Joint Petition, and that the Commission would review and issue a written response in this proceeding.

¹² See Case 05-C-0237, Joint Petition of Verizon Communications Inc., Order Asserting Jurisdiction and Approving Merger Subject to Conditions (issued November 22, 2005), n.46.

Under PSL §222, no transfer of a cable franchise, certificate of confirmation, or facilities is effective without the approval of the Commission. Pursuant to PSL §222(3), the Commission shall approve a transfer petition, unless it finds that the applicant, proposed transferee, or the cable system fails to conform to regulatory requirements, or that the approval would violate Commission rules or the public interest.

Under the Cable Television and Consumer Protection and Competition Act of 1992, 47 U.S.C. §537, an application for cable television asset transfers is deemed approved if no action is taken within 120 days from the date of a complete application unless the requesting party and the franchising authority agree to an extension of time in advance of the 120-day clock's expiration. In this instance, the 120-day operation of law deadline was December 22, 2022, but in letters dated December 8, 2022, February 21, April 14, and June 16, 2023, the Petitioners ultimately agree to extend the interval further to July 31, 2023.

DISCUSSION

Under PSL §§99, 100, and 101, the public interest standard applied to proposed transactions, such as the one in this case, has generally been interpreted by the Commission in light of the unique challenges facing the smaller telephone companies in the industry, and in a manner designed to protect customers and ratepayers without unduly restricting the flow of capital. That, in turn, translates into maintaining a minimum level of credit quality to ensure that the ratepayers and

customers are protected.¹³ Moreover, under PSL §222, the Commission must also determine that the Transaction does not violate any laws, regulations, or the public interest and that any harm to cable customers has been mitigated.

In this Order, the Commission finds that the acquisition of Atlas and its subsidiaries, and the related Financing Arrangements, present potential detriments as described below. However, provided the Petitioners unequivocally accept the conditions discussed in detail below, including the commitment to expanding its high-speed broadband network, as defined herein, to an additional 741 unserved or underserved addresses, the Transaction is expected to produce an incremental net benefit to New York customers, but only after mitigating those identifiable risks associated with the Transaction.

The Petitioners state that the Transaction is in the public interest as it will afford Atlas and its subsidiaries the opportunity to enhance their financial resources and capital. Moreover, according to the Petitioners, the Transaction will be generally transparent to the Petitioners' telephone and cable customers and will not result in a reduction of service quality. The Petitioners affirm their commitment to maintaining the provision of these services and ensuring that the existing rates, terms, and conditions remain unchanged.

Notably, the Joint Petition filed on August 24, 2022, contains no concrete incremental benefits. The absence of any

¹³ Case 14-C-0308, Joint Petition of Brick Skirt Holdings, Inc. DFT Telephone Holding Company, LLC, et al. for Authority to Transfer and Acquire Shares of Capital Stock and Other Transactions, Order Approving Transfer of Control With Conditions (issued December 12, 2014), p. 8.

specific commitments in the Joint Petition means the public benefits put forward by the Petitioners are speculative at best. The Commission has previously stated in other cases of this type, that while there is no inherent reason why an acquisition or transfer should result in harm, the risks associated with the Petitioners' future financial condition and performance and potential efficiency gains sought through the Transaction cannot be ignored.¹⁴ The Petitioners' June 29, 2023 supplement to the Joint Petition does provide concrete public benefits upon which the Commission will, among others, explicitly condition its approval.

Potential Harm and Market Power

1. Financial Integrity

As part of the review process, Department of Public Service Staff (Department Staff) requested and received historical and projected financial statements from the Petitioners for both Nicholville, for the period 2022 to 2027, and SDC Acquisition, for the period 2023 to 2027. These financial statements were used to gain a better understanding of the financial condition and performance as well as the future prospect of both companies. Department Staff advises that Nicholville has been experiencing financial difficulties and operating at a loss. Department Staff's analysis of the Petitioners' confidential response to Information Request DPS-03, also reveals concerns with Nicholville's common equity ratio

¹⁴ See Case 15-M-0388, Joint Petition of Charter Communications and Time Warner Cable, Order Granting Joint Petition Subject to Conditions (issued January 8, 2016); Case 15-M-0647, Joint Petition of Altice N.V. and Cablevision Systems Corporation and Subsidiaries, Order Granting Joint Petition Subject to Conditions (issued June 15, 2016).

over the next five years.¹⁵ Therefore, to ensure the financial integrity of Nicholville, the Commission will require a dividend restriction as discussed below.¹⁶

In its analysis, Department Staff also found that SDC Acquisition's common equity ratio is expected to experience a significant decline during the forecast period due to its aggressive broadband deployment to be funded by debt capital. However, SDC Acquisition's forecasted financial performance shows a positive trend of increasing EBITDA¹⁷ with an annual compound growth rate of approximately 44 percent over the five-year forecast period. Nonetheless, given that SDC Acquisition, the indirect parent company of Nicholville, was formed in July 2022, there is a concern about its lack of track record of historical financial performance and condition. While SDC Acquisition has been able to secure equity funding from an affiliate for the proposed acquisition, its lack of historical financial performance could make it challenging for SDC Acquisition to obtain the necessary debt financing at reasonable rates and favorable terms to support Nicholville and the other affiliates' future business operations moving forward.

¹⁵ Confidential response to Information Request DPS-03.

¹⁶ In 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 Approval, under Sections 99, 100, 101 and 222 of the Public Service Law, of Proposed Restructuring Plan and Related Transactions, Order Approving Joint Petition Subject to Conditions (issued April 25, 2018), at p. 16, the Commission also imposed a dividend restriction to ensure the financial integrity of Nicholville.

¹⁷ EBITDA stands for earnings before interest, taxes, depreciation, and amortization.

It is also worth noting that neither Nicholville nor SDC Acquisition is currently rated by any credit rating agencies such as Standard and Poor's (S&P) and Moody's Investors Service (Moody's). Due to SDC Acquisition's limited track record of financial performance, it may be perceived as having a higher level of business risk in the event it was rated by S&P and Moody's. Should it be perceived as having a significant amount of business risk, it is likely the credit rating agencies would assign it a speculative-grade rating, which is generally considered indicative of having weak financial integrity. Similarly, if Nicholville were to be rated, it would most likely be assigned a speculative-grade rating due to its weak business risk profile because of the large access line losses it has experienced in recent years.

Therefore, considering the significant level of business risk faced by both SDC Acquisition and Nicholville as well as the limitations of financial forecasts to capture all potential factors affecting the companies' costs, demand, revenues, cash flows, and financing activities, the Commission will impose a capital structure condition, as discussed in detail in the risk mitigation section, to safeguard the interests of Nicholville's and the other affiliates' customers and ratepayers.

2. Goodwill/Acquisition Premium

Based on the Petitioners' Confidential Equity Interests Purchase Agreement document, Department Staff advises that the Transaction is likely to generate substantial goodwill (the premium paid above book value) because the estimated base consideration of Atlas is greater than the actual equity value of Atlas. Therefore, consistent with the Commission's long-standing practice, it will condition approval in this regard by

prohibiting goodwill to be recorded on the ILEC's books as discussed in the risk mitigation section.¹⁸

3. Impact on Competition

The Joint Petition does not mention any negative impacts on competition and, in contrast, states that the Financing Arrangements provided to the Atlas Subsidiaries to access additional financial resources will enhance their competitive position. In particular, the Petitioners represent that the Atlas Subsidiaries are currently working and will continue to work with municipal partners to build out rural fiber networks outside of Nicholville's service territory with prioritization given to markets with limited existing competition by building to customers with very few broadband choices.

Moreover, in their supplemental response to Information Request DPS-06, question 27, the Petitioners state that there are no business-to-business non-compete agreements associated with the Transaction. With respect to the potential for vertical market power post-Transaction, the Petitioners response to Information Request DPS-06, question 26 states that they do not expect there will be any vertical relationships between the post-Transaction affiliates, other than those related to the Atlas Subsidiaries access to the financial and operational expertise and resources of SDC Capital. In fact, in response to Information Request DPS-27, the Petitioners state that there are no service contracts or arrangements between the post-Transaction affiliates and Nicholville, SLIC, KVVI, or

¹⁸ Case 14-C-0308, supra, p. 15. Case 16-C-0696, Joint Petition of Margaretville Telephone Co. et al., Order Authorizing Transfer of Control and Associated Financing Transactions with Certain Conditions (issued September 14, 2017), p.11.

HCCI. Given that Petitioners indicate that SDC Capital has substantial experience investing in communications infrastructure companies and that the Atlas Subsidiaries will benefit from this financial and operational resources and expertise predominantly through the appointments SDC Capital makes to the board of Atlas, this vertical relationship is expected to provide a benefit to consumers via efforts to build out competitive facilities as opposed to a potential means to exercise vertical market power.

The Petitioners further indicate in responses to Department Staff interrogatories that the Atlas Subsidiaries plan to enter markets outside of Nicholville's service territory with premium fiber-led broadband products that will enable them to afford customers access to faster broadband options, and thereby further competition in those areas. Given this build-out strategy, the Commission agrees that the Transaction is not expected to negatively impact competition.

4. Service Quality

The Commission has previously stated in other cases of this type, that while there is no inherent reason why an acquisition should result in a deterioration of the customer service experience and competitive pressures should play a role in maintaining adequate service quality, the risks associated with the debt sought through the Transaction could lead to derogation. To ensure adequate customer service, the Petitioners must focus on satisfying the needs of their New York ratepayers and customers. While service quality at Nicholville and SLIC has historically met the Commission's service quality

standards for commendation, there is potential for degradation.¹⁹ Therefore, to ensure adequate customer service, the Petitioners will be subject to a customer-facing jobs condition as discussed below.

5. Cable Franchises

The Commission has determined that the proposed transfer of the Franchisees' cable television assets and franchises to SDC Acquisition is not in violation of any laws or Commission regulations or standards. The Petitioners have complied with PSL §222 and 16 NYCRR §897.4 filing requirements. Moreover, the Transaction poses very little risk to the Franchisees' customers as the transfer of cable certificates of confirmation will be seamless to customers and will not result in the discontinuance, reduction, loss, or impairment of any services.

While every cable transfer is reviewed on a case-by-case basis to determine if it meets the public interest, in this instance the Commission believes that the Petitioners have demonstrated that the Transaction is in the public interest, as the Petitioners' pledge to build on the Atlas Subsidiaries' existing assets, support investment in new broadband infrastructure, and continue to offer high-quality services to customers. In addition, SDC Acquisition commits to continue existing operations, terms, and conditions for the provision of cable service in the associated franchises. According to the

¹⁹ Department Staff has reviewed the last five years of service quality data for Nicholville and SLIC. Department Staff advises that Nicholville and SLIC have received commendations for five and four years, respectively, during the sample period, meaning that each satisfied the Commission's standards for commendations for both customer trouble report rate and PSC Complaints received by the Department each year.

Joint Petition, the proposed Financing Arrangements will position KVVI and HCCI to incur debt, as a borrower, co-borrower, or guarantor and pledge their assets as security. However, the Petitioners assert that the Financing Arrangements will not cause any inconvenience to KVVI and HCCI customers nor will the Financing Arrangements disrupt the services provided by these cable companies.

Finally, the Petitioners assert that no municipal approvals are required in this case because the impacted cable franchises only require municipal consents if the cable franchise is transferred to a third party, which is not the case here. Under the Transaction, the Franchisees will remain the same and hold the respective cable franchises post-Transaction. Notwithstanding the foregoing, if municipal approvals are required under the respective cable franchise agreements' terms and conditions, the Petitioners are obligated to obtain such consents consistent with the provisions in those respective franchise agreements and State and federal law. The Commission notes that municipal approvals have been required in other merger transactions where the operating subsidiary was being transferred but remained the same. The Commission will, therefore, not opine here on the obligations placed on the parties through the terms and provisions of each respective cable franchise agreement impacted by the Transaction.²⁰

²⁰ While PSL §222 approval is being granted, the Commission notes that HCCI and KVVI have also requested exemption from PSL Article 11 as a company with less than 1000 subscribers (See PSL §213(2)). Petitioners should ascertain whether it will continue to seek exempt status and proceed accordingly in the future.

Risk Mitigation Conditions

Based on the foregoing, it appears that the Transaction could result in some potential harm. The Commission believes any potential harm can be mitigated by the commitments made by Petitioners in their Joint Petition and supplements, and by imposing specific conditions on the Transaction similar to those required in prior cases.²¹

1. Minimum Common Equity Ratio and Dividend Restriction

To ensure the financial integrity of Nicholville, the Commission will continue to require that no dividends be paid by Nicholville without the Commission's prior written approval until Nicholville achieves and maintains a minimum common equity ratio of 50 percent. The Petitioners may request relief from this condition if Nicholville achieves a common equity ratio above the 50 percent threshold.²²

SDC Acquisition shall maintain a minimum common equity ratio of 40 percent, through the later of three years after the closing of the Transaction or the completion of the broadband

²¹ See, e.g., Case 14-C-0308, Joint Petition of Brick Skirt Holdings, Inc. et al., Order Approving Transfer of Control with Conditions (issued December 12, 2014) p. 8. Case 20-C-0548, Joint Petition of Ontario Telephone Company, Inc. et al., Order Approving Transfer of Control with Conditions (issued and effective March 23, 2021) p. 15. Case 21-C-0064, Joint Petition of Tammy Krisher et al., Order Approving Transfer of Control with Conditions (issued and effective July 16, 2021) p. 8.

²² "Common equity ratio" shall be calculated as an average of the trailing 12-month period preceding the calculation date as follows: Debt / Debt + Book Value of Equity. "Debt" shall include only permanent, long-term debt and shall exclude capital and operating leases, accounts payable, trade payables, deferred revenue, deferred tax liabilities, and any other liabilities included in net working capital. "Common equity" is defined as the book value of common equity.

deployment commitments discussed below. The Petitioners shall notify the Secretary to the Commission within 30 days if, on a 12-month rolling average basis, the common equity ratio of SDC Acquisition falls below 40 percent. Following such notification, the Petitioners shall meet with Department Staff within 30 days to discuss the common equity ratio and file any agreed-upon capital structure plan with the Secretary to the Commission no later than 30 days after meeting with Department Staff. SDC Acquisition shall provide annual balance sheet and income statements to the Secretary to the Commission within 60 days of the end of every calendar year for the duration of this condition.

2. Costs of the Transaction

Costs of the Transaction shall be excluded from the rate base, expenses, and capitalization in the determination of rates and earned returns of Nicholville for New York State intrastate regulatory accounting and reporting purposes. No costs related to the Transaction will be recovered from the ratepayers of Nicholville.

3. Recovery of Goodwill/Acquisition Premium

The goodwill/acquisition premium resulting from the Transaction shall not be charged to Nicholville's ratepayers or included on the books and records of Nicholville, the ILEC.

4. Financing Arrangements and Pledging of Assets

The Financing Arrangements shall not be secured by assets of Nicholville, nor shall SDC Acquisition or its affiliates be allowed to pledge the assets of Nicholville to facilitate any other future acquisitions without Commission approval.

5. Access to Books and Records

The Department of Public Service shall have unrestricted access to all books and records of the acquirer, the acquired company, and its affiliates. The Petitioners shall continue to maintain separate books and records (including General Ledger and Trial Balance) for the ILEC, Nicholville. The books and records of Nicholville may not be removed from New York State without prior Commission approval.

6. Maintaining Jobs

While the Commission notes that both Nicholville and SLIC have historically provided adequate service quality, it is important to ensure the continuation of such following the transfer of control. To that end, as a condition of the Commission's approval, the Petitioners will be precluded from laying off, involuntarily reducing, or taking any action that is intended to reduce customer-facing jobs in New York for the Atlas Subsidiaries for a period of two years following the close of the Transaction, with the exception of early retirement incentives and attrition, which is generally consistent with other telephone and cable mergers and acquisitions of this type.

The Commission will condition its approval on the Petitioners agreeing that, they shall demonstrate that the total number of employees at each of the Atlas Subsidiaries as of the date of this Order is maintained on the second anniversary of the close of the Transaction at the same full to part-time ratio. The Atlas Subsidiaries will be required to report to the Commission the number of customer-facing jobs in their respective service territories within 21 days of the issuance of this Order, and to provide quarterly updates for the two years following the close of the Transaction.

Public Benefit Conditions

The Petitioners assert that benefits will accrue to the operating subsidiaries' ratepayers and customers as a result of the Transaction. In order to ensure that these public benefits are enforceable, the Commission will condition its approval on the specific conditions discussed below to bring the Transaction into alignment with the Commission's public interest standard.

1. Affordable Connectivity Program

Access to the Internet is essential to participate in modern society. Yet, while one of the great potential benefits of the Internet is to facilitate the acquisition and dissemination of information to all individuals, the physical ability to connect to the Internet using either the current or modernized network does not provide any benefit to customers who cannot afford it.

As a condition of the Commission's approval, the Petitioners (through SLIC and Nicholville) will be required to continue to participate in the Affordable Connectivity Program (ACP) or its successor program(s) implemented by the FCC for the remaining length of the ACP or its successor program(s), so long as the ACP or its successor program(s) retain materially similar terms and conditions as the ACP has as of the date of this Order.

2. Broadband Deployment Commitments

The Commission has a significant concern that there are areas of the State where consumers have no access to high-speed broadband. Moreover, expanding the reach of networks capable of offering high-speed broadband to unserved and underserved areas of the State is an important public interest.

Therefore, as a condition of the Commission's approval, the Petitioners will be required to extend high-speed broadband service (defined for purposes of this commitment as an internet access service with minimum speeds of 100 Megabits-per-second (Mbps) download and 10 Mbps upload) to: (a) pass at least 350 unserved or underserved addresses²³ within one year of completing the close of the Transaction, and (b) pass the remaining additional unserved or underserved addresses (for an aggregate of at least 741 unserved or underserved addresses) as soon as commercially reasonable but no later than 36 months after the close of the Transaction in the Atlas Subsidiaries' respective service territories. An address is considered passed if an Atlas Subsidiary has network facilities that can provide high-speed broadband: (a) located in or on the public right-of-way (i.e., road) that the address abuts, or (b) located in or on a public right-of-way into which the private right-of-way that the address abuts terminates or intersects; provided that with respect to an address described in (b) above, if such address is within 150 feet from the network facilities of an Atlas Subsidiary in the public right-of-way, an Atlas Subsidiary shall not impose a special construction charge for such construction and shall complete such construction and provide service within seven business days of a request for service at such address and securing any necessary private easements or rights.

²³ An unserved address is defined as a location with no wired or fixed-wireless internet service providers offering download speeds of at least 25 Mbps and an underserved address is defined as a location with no internet service providers offering speeds of at least 100 Mbps but at least one wired or fixed-wireless internet service provider offering download speeds of at least 25 Mbps but less than 100 Mbps.

Further, for purposes of determining whether good cause exists for an extension of the above timeframes, the Commission shall consider: (a) force majeure events, including but not limited to severe weather events, labor shortages, and delays caused by third parties, including pole or conduit owners or their contractors, and (b) any other factor relevant to such request.

Within 60 days of the issuance of this Order, the Petitioners shall file with the Secretary to the Commission a list of at least 741 unserved/underserved addresses they propose to pass. These addresses will be subject to Department Staff's review and acceptance. If an unserved/underserved address identified by Petitioners and accepted by Department Staff is subsequently served by another provider of high-speed broadband as defined herein before the Petitioners build their network to pass that address, it will no longer be considered unserved or underserved and the Petitioners shall supplement their list of unserved/underserved addresses for Department Staff's review and acceptance as soon as practicable.

Further, if the Petitioners receive any public funding (e.g., State, federal, County) for any addresses used to satisfy the broadband build-out requirements herein, Petitioners shall invest an amount equal to the amount received by Petitioners under such public funding, to extend high-speed broadband service to additional unserved/underserved addresses or to overbuild addresses with existing high-speed broadband service provided by another carrier.

Every six months from the issuance of this Order, Petitioners shall file with the Commission a report containing the details of any publicly funded awards, including for example, the date and amount of the award, funding sources,

addresses covered, and, if applicable, the amount and plan for additional capital investment in high-speed broadband expansion in accordance with the build-out conditions herein. Petitioners shall complete any expansion of high-speed broadband service as soon as commercially reasonable but no later than 24 months after receipt of such public funding.

To ensure that the Petitioners are meeting their build-out obligations in a timely manner, the Petitioners will be required to file with the Secretary to the Commission compliance reports every six months, beginning six months from the date of the issuance of this Order, indicating the number of unserved and underserved addresses and address locations passed as of the date of the respective compliance report filings.

In addition, Nicholville will be required to continue to fulfill its broadband deployment commitments under the FCC's Universal Service Fund's Revised Alternative Connect America Cost Model Program, described in 47 C.F.R §54.308(a)(1)(iii).

Finally, SLIC will be required to continue to fulfill its broadband deployment commitments under the FCC's Connect America Fund Phase II and Rural Digital Opportunity Fund awards described in 47 C.F.R. §54.309(a) and 47 C.F.R. §54.805.

3. Most Favored State Clause

For the reasons stated herein, it is the Commission's judgment that the conditions established are necessary to satisfy the public interest. At the same time, however, the Commission is aware that the Petitioners have pursued approval in other state and federal jurisdictions, and that these jurisdictions may require commitments that would also be beneficial to New York.

In order to ensure that New York gains the benefits of these commitments, the Commission will require the Petitioners

to agree to a most favored State clause. If, in obtaining approval of the Transaction in other jurisdictions, the Petitioners commit to additional benefits, they will within 30 days following such commitments, notify the Commission of its intent to provide those commitments in New York.

Notwithstanding the foregoing, the conditions here shall be provided in addition to any benefit(s) that results from any other state or federal action regarding this Transaction.

Acceptance of Conditions and Enforcement

The Petitioners and their successors in interest shall unconditionally accept and agree to comply with the conditions and commitments set forth in the body of this Order. If the Petitioners do not unconditionally accept such, within seven business days of the issuance of this Order, this Order shall constitute a denial of the Joint Petition and its supplements.

The conditions and commitments adopted in this Order shall be binding and enforceable by the Commission upon the Petitioners. Section 25 of the PSL requires that the Petitioners "comply with ... every order or regulation ... adopted"²⁴ pursuant to the PSL, and that any failure to comply with this Order may result in Petitioners to "forfeit to the people of the state of New York a sum not exceeding one hundred thousand dollars constituting a civil penalty for each and every offense and, in the case of a continuing violation, each day shall be deemed a separate and distinct offense."²⁵

In the event that the Petitioners fail to comply with the conditions contained herein, pursuant to PSL §26, "the [C]ommission may direct counsel to the [C]ommission to commence

²⁴ PSL §25(1).

²⁵ PSL §25(2).

an action or special proceeding in the supreme court in the name of the [C]ommission for the purpose of having such violations or threatened violations stopped and prevented.”²⁶

CONCLUSION

Based upon the foregoing, the Commission finds, that with the enforceable conditions and commitments adopted herein, approval of the Transaction is in the public interest pursuant to PSL §§99, 100, 101, and 222. The Commission notes, however, that its conditional approval is based upon the specific and unique set of facts presented in this case. The Commission will continue to evaluate all future merger and acquisition petitions on a case-by-case basis.

The Commission orders:

1. The Joint Petition, as supplemented, of Atlas Connectivity, LLC (Atlas), SLIC Network Solutions, Inc. (SLIC), Nicholville Telco LLC (Nicholville), Keene Valley Video, Inc. (KVVI), HCCI LLC (HCCI), and Westelcom Network, Inc. (Westelcom) (collectively the Atlas Subsidiaries), and SDC Atlas AcquisitionCo, LLC (SDC Acquisition) (collectively with the Atlas Subsidiaries, the Petitioners) request for Commission authorization pursuant to Public Service Law (PSL) §§99, 100, and 222 to complete an indirect transfer of ownership and control of the Atlas Subsidiaries to SDC Acquisition, and for SLIC, KVVI, HCCI, and Westelcom to participate in certain financing arrangements (Financing Arrangements) pursuant to PSL §101, upon completion of the proposed transaction (Transaction), subject to the conditions discussed in the body of this Order,

²⁶ PSL §26.

and upon receipt by the Commission of certification by the Petitioners that they and their successors in interest unconditionally accept and agree to comply with the conditions and commitments set forth in the body of this Order is approved. Such certification shall be submitted within seven business days of the issuance of this Order. If the Petitioners do not unconditionally accept within seven business days of the issuance of this Order, this Order shall constitute a denial of the Joint Petition and supplements.

2. Within 60 days after the consummation of the Transaction, the Petitioners shall notify the Secretary to the Commission in writing that the Transaction has been successfully executed. If the Transaction is not consummated within one year of the date of this Order, the Commission may rescind the approvals granted herein.

3. The Petitioners shall extend high-speed broadband service (defined for purposes of this commitment as an internet access service with minimum speeds of 100 Megabits-per-second (Mbps) download and 10 Mbps upload) to pass at least 350 unserved or underserved addresses within one year of completing the close of the Transaction, and (b) pass the remaining additional unserved or underserved addresses (for an aggregate of at least 741 unserved or underserved addresses) as soon as commercially reasonable but no later than 36 months after completing the close of the Transaction within the Atlas Subsidiaries' respective service territories consistent with the discussion in the body of this Order.

4. Within 60 days of the issuance of this Order, the Petitioners shall file with the Secretary to the Commission a list of at least 741 unserved/underserved addresses they propose to pass. These addresses will be subject to the Department of

Public Service Staff's (Department Staff) review and acceptance, consistent with the discussion in the body of this Order.

5. To the extent the Petitioners receive any public funding (e.g., State, federal, County) for any addresses used to satisfy the broadband build-out requirements herein, Petitioners shall invest an amount equal to the amount received by Petitioners under such public funding, to extend high-speed broadband service to additional unserved/underserved addresses or to overbuild addresses with existing high-speed broadband service provided by another carrier.

6. Every six months from the issuance of this Order, Petitioners shall file with the Commission a report containing the details of any publicly funded awards, including for example, the date and amount of the award, funding sources, addresses covered, and, if applicable, the amount and plan for additional capital investment in high-speed broadband expansion in accordance with the build-out conditions herein. Petitioners shall complete any expansion of high-speed broadband service as soon as commercially reasonable but no later than 24 months after receipt of such public funding.

7. The Petitioners shall file with the Secretary to the Commission network build-out compliance reports every six months, beginning six months from the issuance of this Order, indicating the number of unserved and/or underserved addresses and address locations passed as of the date of the respective compliance report filings.

8. Nicholville shall continue to fulfill its broadband deployment commitments under the federal Universal Service Fund's Revised Alternative Connect America Cost Model Program, described in 47 C.F.R §54.308(a)(1)(iii). SLIC shall be required to continue to fulfill its broadband deployment

commitments under the FCC's Connect America Fund Phase II and Rural Digital Opportunity Fund awards described in 47 C.F.R. §54.309(a) and 47 C.F.R. §54.805

9. To ensure the financial integrity of Nicholville, the Commission will continue to require that no dividends be paid by Nicholville without the Commission's prior approval until Nicholville achieves and maintains a minimum common equity ratio of 50 percent.

10. SDC Atlas AcquisitionCo, LLC shall maintain a minimum common equity ratio of 40 percent, through the later of three years after the closing of the Transaction or the completion of the broadband deployment commitments. The Petitioners shall notify the Secretary to the Commission within 30 days if, on a 12-month rolling average basis, the common equity ratio of SDC Atlas AcquisitionCo, LLC falls below 40 percent. Following such notification, the Petitioners shall meet with Department Staff within 30 days to discuss the common equity ratio and file any agreed-upon capital structure plan with the Secretary to the Commission no later than 30 days after meeting with Department Staff. SDC Atlas AcquisitionCo, LLC shall provide annual balance sheet and income statements to the Secretary to the Commission within 60 days of the end of every calendar year for the duration of this condition.

11. No amount of goodwill or premium paid above book value incurred in the Transaction shall be recovered from ratepayers or included on the books and records of Nicholville.

12. The costs of the Transaction shall be excluded from the rate base, expenses, and capitalization in the determination of rates and earned returns of Nicholville for New York State intrastate regulatory accounting and reporting purposes. No costs related to SDC Atlas AcquisitionCo, LLC's

acquisition Transaction and related Financing Arrangements shall be recovered from Nicholville Telephone Company's ratepayers.

13. The Transaction and associated Financing Arrangements shall not be secured by Nicholville's assets. Nicholville shall not provide any financial guarantees to facilitate this transaction or any other future acquisitions without Commission's prior approval.

14. The Petitioners shall continue to participate in the Affordable Connectivity Program (ACP) or successor program(s) implemented by the Federal Communications Commission for the remaining length of the ACP or successor program(s), so long as the ACP or successor program(s) retain materially similar terms and conditions as the ACP has as of the date of this Order.

15. The Petitioners shall be precluded from laying off, involuntarily reducing, or taking any action that is intended to reduce customer-facing jobs in New York for the Atlas Subsidiaries for a period of two years following the close of the Transaction, with the exception of early retirement incentives and attrition. The Petitioners shall demonstrate that the total number of employees at each of the Atlas Subsidiaries as of the date of this Order is maintained on the second anniversary of the close of the Transaction, at the same full/part-time ratio. Each of the Atlas Subsidiaries shall report to the Commission the number of customer-facing jobs in their respective service territories within 21 days of the issuance of this Order, and to provide quarterly updates for the two years following the close of the Transaction.

16. The Department of Public Service shall have unrestricted access to all books and records (including General Ledger and Trial Balance) of Nicholville, which books and

records (1) shall not be removed from New York State without prior Commission approval and (2) shall be maintained separately from those of its affiliates. The Atlas Subsidiaries shall maintain their books and records in a place accessible (which may be through electronic access) to the Commission and Department Staff in New York and shall provide such access to the Commission and Department Staff upon request.

17. The Petitioners shall be subject to a Most Favored State clause consistent with the discussion in the body of this Order. If, in obtaining approval of the Transaction in other state or federal jurisdictions, the Petitioners commit to additional benefits, they shall within 30 days following such commitments, notify the Commission of its intent to provide those commitments in New York. Notwithstanding the foregoing, the conditions here shall be provided in addition to any benefit that results from any other state or federal action regarding the Transaction.

18. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, include a justification for the extension, and be filed at least three days prior to the affected deadline.

19. This proceeding is closed, after compliance with Ordering Clauses 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

Exhibit A

New York Cable Television Franchises Held by Franchisees

1. Franchise Agreement for the Provision of Cable Services Between the Town of Bangor, County of Franklin, State of New York and SLIC Network Solutions, Inc. dated May 2, 2011.
2. Franchise Agreement for the Provision of Cable Services Between the Town of Brandon, County of Franklin, State of New York and SLIC Network Solutions, Inc. dated May 2, 2011.
3. Franchise Agreement for the Provision of Cable Services Between the Town of Canton, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated February 14, 2011.
4. Franchise Agreement for the Provision of Cable Services Between the Town of Clifton, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated March 14, 2012.
5. Franchise Agreement for the Provision of Cable Services Between the Town of Dickinson, County of Franklin, State of New York and SLIC Network Solutions, Inc. dated March 28, 2011.
6. Franchise Agreement for the Provision of Cable Services Between the Town of Fine, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated March 7, 2013.
7. Franchise Agreement for the Provision of Cable Services Between the Town of Hopkinton, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated January 11, 2011.
8. Franchise Agreement for the Provision of Cable Services Between the Town of Lisbon, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated February 9, 2011.
9. Franchise Agreement for the Provision of Cable Services Between the Town of Long Lake, County of Hamilton, State of New York and SLIC Network Solutions, Inc. dated April 7, 2014.
10. Franchise Agreement for the Provision of Cable Services Between the Town of Louisville, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated July 27, 2011.
11. Franchise Agreement for the Provision of Cable Services Between the Town of Madrid, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated January 13, 2011.

12. Franchise Agreement for the Provision of Cable Services Between the Town of Malone, County of Franklin, State of New York and SLIC Network Solutions, Inc. dated April 14, 2011.

13. Franchise Agreement for the Provision of Cable Services Between the Town of Moira, County of Franklin, State of New York and SLIC Network Solutions, Inc. dated September 28, 2010.

14. Franchise Agreement for the Provision of Cable Services Between the Town of Norfolk, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated May 10, 2011.

15. Franchise Agreement for the Provision of Cable Services Between the Town of Oswegatchie, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated May 31, 2011.

16. Franchise Agreement for the Provision of Cable Services Between the Town of Parishville, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated June 13, 2011.

17. Franchise Agreement for the Provision of Cable Services Between the Town of Piercefield, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated February 19, 2013.

18. Franchise Agreement for the Provision of Cable Services Between the Town of Pierrepont, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated January 4, 2011.

19. Franchise Agreement for the Provision of Cable Services Between the Town of Potsdam, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated June 30, 2011.

20. Franchise Agreement for the Provision of Cable Services Between the Town of Stockholm, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated June 13, 2011.

21. Franchise Agreement for the Provision of Cable Services Between the Town of Tupper Lake, County of Franklin, State of New York and SLIC Network Solutions, Inc. dated July 17, 2012.

22. Franchise Agreement for the Provision of Cable Services Between the Town of Waddington, County of St. Lawrence, State of New York and SLIC Network Solutions, Inc. dated July 5, 2011.

23. Franchise Agreement by and between the Town of Lake Pleasant, New York and HCCI LLC dated November 1, 2018 and

authorized by Resolution #119 for Town Council of Lake Pleasant, New York.

24. Franchise Agreement by and between the Town of Wells, New York, and HCCI LLC dated November 1, 2018.

25. Agreement by and between the Town of Keene and Keene Valley Video, Inc. dated December 19, 2006.

26. Franchise Agreement by and between the Village of Speculator, New York, and HCCI LLC dated November 1, 2018, and authorized by Resolution by the Village Board of Trustees for Speculatory, New York.

27. Franchise Agreement by and between the Town of Johnsbury, New York, and SLIC Network Solutions, Inc. dated November 1, 2018.

Exhibit B

Atlas Pre-Close Ownership Structure (as of July 1, 2023)

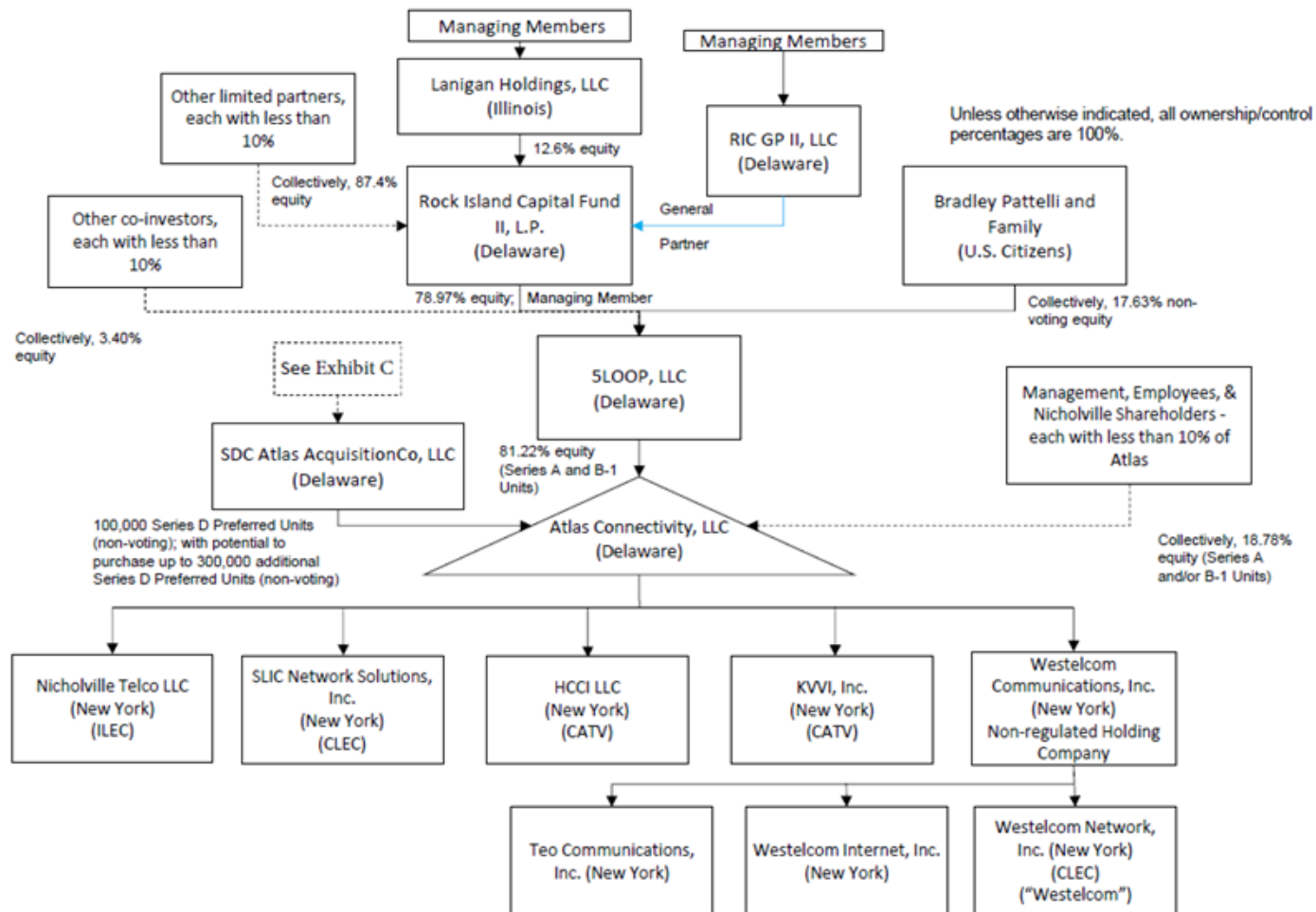


Exhibit C

Current Pre-Close Ownership Structure of SDC Atlas AcquisitionCo, LLC

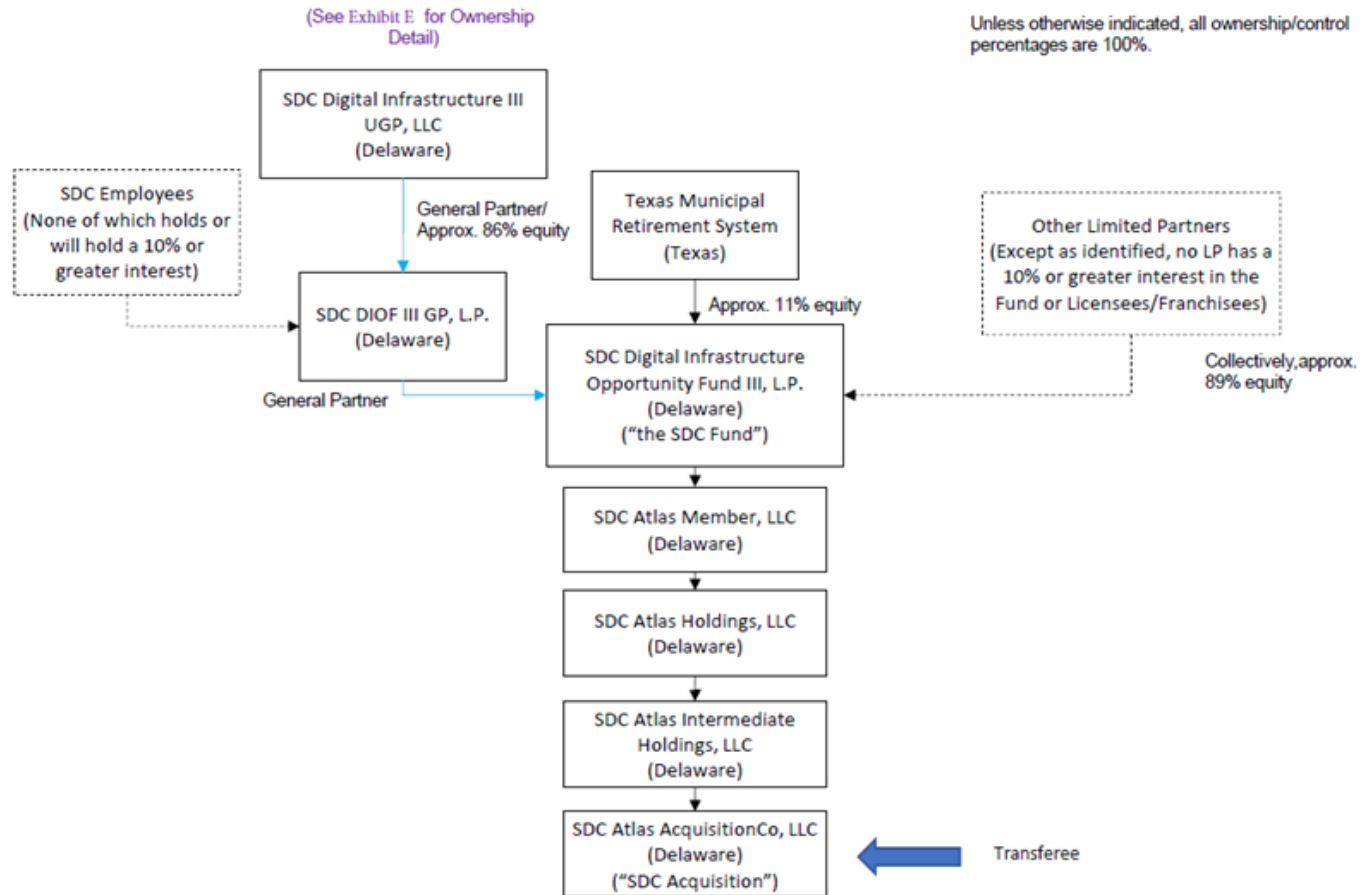


Exhibit D

Post-Transaction Atlas Ownership Structure

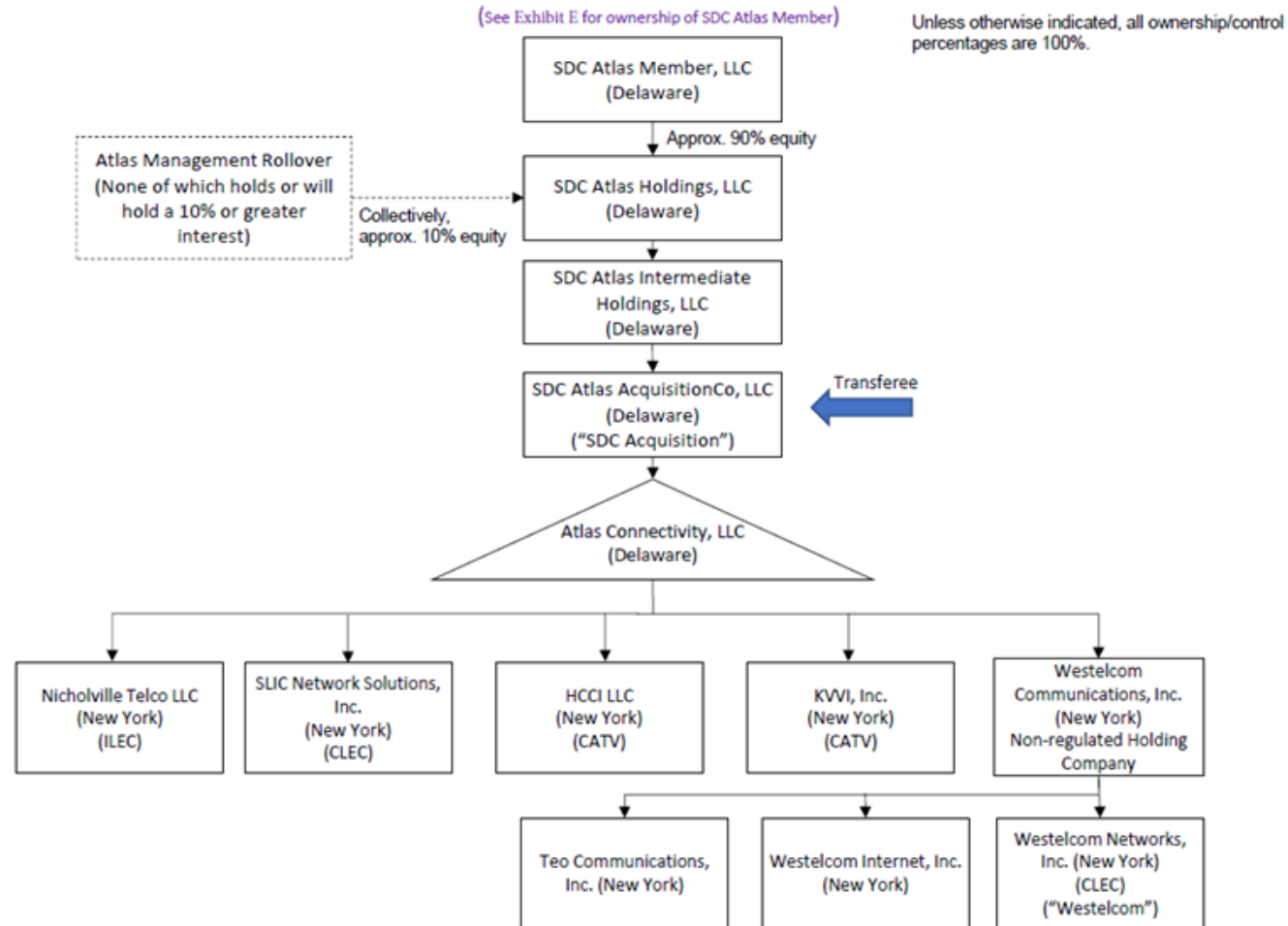


Exhibit E

Post-Transaction Ownership Structure of SDC Atlas Member, LLC

