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VIA ELECTRONIC FILING

Kathy Hunter, Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503
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Re: Notification Regarding Transfer of Direct Control of Consolidated Communications of Comerco Company and Indirect Control of Consolidated Communications of Washington Company, LLC

Dear Acting Executive Director Hunter:

Consolidated Communications, Inc. ("Consolidated" or "Transferor"), NextCape LLC ("NextCape" or "Transferee"), Consolidated Communications of Comerco Company ("CCCC"), and Consolidated Communications of Washington Company, LLC ("CCWC") (CCCC and CCWC, together, "Licensees" and, together with Transferor and Transferee, collectively, the "Parties") hereby notify the Commission of a transaction that will result in the transfer of control of Licensees to Transferee (the "Transaction").

CCCC is registered as a competitive telecommunications company.¹ CCWC is an incumbent local exchange provider that serves less than two percent of the access lines in the state of Washington.² Since Commission action is not required to complete the Transaction, the Parties submit this letter for informational purposes only.

¹ Pursuant to WAC 480-121-063, the regulatory requirements of Chapter 80.12 RCW are waived for competitively classified companies.

² Pursuant to WAC 480-143-100, local exchange companies serving less than two percent of access lines are exempt from regulatory approval requirements of that chapter.

Description of the Parties

A. Transferor and Licensees

Consolidated is an Illinois corporation and the sole stockholder of CCCC. Transferor is a direct, wholly owned subsidiary of Consolidated Communications Holdings, Inc. which has various operating subsidiaries that provide broadband and communications services to residential and commercial customers and other carriers in 21 other states through its operating subsidiaries, including Licensees.

CCCC is a Washington corporation and a direct, wholly-owned subsidiary of Transferor. CCCC is authorized by the Commission to operate as a competitive telecommunications service provider in the State of Washington under UTC ID 46619.

CCWC is a Delaware limited liability company and a direct, wholly-owned subsidiary of CCCC. CCWC is registered as an incumbent local exchange carrier ("ILEC"), as defined in Section 251(h) of the Communications Act of 1934 as amended, with authority to provide telecommunications services in the State of Washington pursuant to the Commission's Order issued in Docket UT-190077, effective March 1, 2019.³ CCWC is also designated as an Eligible Telecommunications Carrier ("ETC").

B. Transferee

NextCape is a newly formed Delaware limited liability company created for the purpose of completing the Transaction and is a direct, wholly-owned subsidiary of Alphaboost Purchaser, LLC ("Alphaboost Purchaser"), a Delaware limited liability holding company.⁴ Both NextCape and Alphaboost Purchaser are indirectly, wholly-owned by Palisade Diversified Infrastructure Fund No. 3 ("PDIF3"), an Australia infrastructure fund. At closing, NextCape and Alphaboost Purchaser are expected to be owned directly or indirectly by funds managed by Palisade Americas Management, LLC ("PAM") and Palisade Investment Partners Limited ("PIPL"), an Australia specialist infrastructure investment manager.

³ CCWC was officially registered as a telecommunications service provider as a result of the merger of predecessor companies Ellensburg Telephone Company and YCOM Networks, Inc. as part of a legal entity restructuring project undertaken by the corporate parent, Consolidated Communications Holdings, Inc.

⁴ While Alphaboost Purchaser, LLC currently is the sole member of NextCape, prior to or following completion of the Transaction, NextCape may become directly, wholly-owned by (i) Alphaboost Holdings, LLC or (ii) a new Delaware entity that has not yet been formed but is expected to be directly, wholly-owned by Alphaboost Holdings, LLC. There would be no change to the upstream ownership of Alphaboost Holdings, LLC as a result of the contemplated restructuring.

Designated Contacts

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

For the Parties:

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Description of the Transaction

Pursuant to the terms of a Purchase and Sale Agreement, dated July 10, 2023 (the "Agreement"), by and between Transferee and Transferor, NextCape will acquire all issued and outstanding interests in CCCC (the "Transaction"), which will continue to directly own all issued and outstanding interests of CCWC. As a result of the Transaction, CCCC will be a direct, wholly-owned subsidiary of NextCape and CCWC will be an indirect, wholly-owned subsidiary of

NextCape.⁵ Diagrams depicting the pre- and post-Transaction corporate structures are included in Exhibit A.

In connection with the transfer of CCCC and CCWC, Consolidated will, prior to closing, undertake a series of internal restructuring transactions to transfer customers and other related assets from its IXC/CLEC subsidiary, Consolidated Communications Enterprise Services, Inc. ("CCES") to CCCC as described below. In certain instances, CCES provides intrastate toll services to customers of CCCC and CCWC. In Washington, CCES is authorized as a competitive telecommunications company pursuant to a certificate issued in Docket No. UT-161300 on January 22, 2017. At the close of the transaction CCES will remain a subsidiary of Consolidated and continue to provide services to Consolidated's customers in other regions of the country.

Prior to closing, CCES will no longer provide intrastate toll service to customers of CCCC or CCWC and will assign any such customers to CCCC. This transfer between Consolidated's subsidiaries will be seamless and transparent to customers and will not result in any change to the contact number or billing address for services and the rates, terms, and conditions of service will not change as a result of the assignment. Thus, while the Parties are providing notice in this filing of the transfer of certain customers from CCES to CCCC, no customer notice will be provided as the change in carriers will be invisible to customers and any notice of the transfer would only cause customer confusion.

Public Interest Considerations

NextCape and its upstream owners have both the necessary industry experience and requisite financial means to take on the responsibility of owning the Licensees. Leveraging the Transferee's long-term investment capabilities and talented management team, as well as the continuity of its existing management and personnel, Licensees will have additional resources to invest in their network to support high quality, reliable connectivity for the communities they serve.

NextCape does not provide domestic telecommunications services. Transferee's parent, Alphabooost Purchaser, previously notified the Commission of its plans to acquire an ILEC and ETC, Mashell Telecom, Inc. d/b/a Rainier Connect ("Mashell Telecom") and its affiliate Rainier Connect North, LLC, which provide telecommunications services to residential and commercial customers in the State of Washington.⁶ There is no ILEC local service territory overlap between Licensees' and Mashell Telecom's networks, and there is minimal service area overlap in the City of Yelm where there is sufficient market competition with other unaffiliated carriers that serve these areas. Although Licensees and Mashell Telecom have fiber running through each other's service areas, neither has on-net buildings located in the other's service area. As such, the Transaction will not adversely affect competition for telecommunications services in any domestic

⁵ Transferee plans to change the legal names of Licensees shortly after closing of the Transaction and will ensure that Licensees provide customers with notice of such name change.

⁶ See Notification Regarding Transfer of Indirect Control of Mashell Telecom, Inc. d/b/a Rainier Connect and Rainier Connect North, LLC to Alphabooost Purchaser, LLC (filed Jan. 20, 2023).

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Please acknowledge receipt and acceptance of this filing, which is being submitted via email. Please do not hesitate to contact us if you have any questions regarding this submission.

Respectfully submitted,

/s/Russell M. Blau

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