

CAHILL GORDON & REINDEL LLP
32 OLD SLIP
NEW YORK, NY 10005

HELENE R. BANKS
ANIRUDH BANSAL
DAVID L. BARASH
LANDIS C. BEST
BRADLEY J. BONDI
BROCKTON B. BOSSON
JONATHAN BROWNSON*
JOYDEEP CHOUDHURI*
JAMES J. CLARK
CHRISTOPHER W. CLEMENT
LISA COLLIER
AYANO K. CREED
PRUE CRIDDLE ±
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ANASTASIA EFIMOVA
JENNIFER B. EZRING
HELENA S. FRANCESCHI
JOAN MURTAGH FRANKEL
JONATHAN J. FRANKEL

ARIEL GOLDMAN
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WILLIAM M. HARTNETT
NOLA B. HELLER
CRAIG M. HOROWITZ
DOUGLAS S. HOROWITZ
TIMOTHY B. HOWELL
DAVID G. JANUSZEWSKI
ELAI KATZ
JAKE KEAVENY
BRIAN S. KELLEHER
RICHARD KELLY
CHÉRIE R. KISER †
JOEL KURTZBERG
TED B. LACEY
MARC R. LASHBROOK
ALIZA R. LEVINE
JOEL H. LEVITIN
GEOFFREY E. LIEBMANN

TELEPHONE: (212) 701-3000
WWW.CAHILL.COM

1990 K STREET, N.W.
WASHINGTON, DC 20006-1181
(202) 862-8900

CAHILL GORDON & REINDEL (UK) LLP
20 FENCHURCH STREET
LONDON EC3M 3BY
+44 (0) 20 7920 9800

WRITER'S DIRECT NUMBER
202-862-8950

ckiser@cahill.com

BRIAN T. MARKLEY
MEGHAN N. McDERMOTT
WILLIAM J. MILLER
EDWARD N. MOSS
NOAH B. NEWITZ
WARREN NEWTON §
DAVID R. OWEN
JOHN PAPACHRISTOS
LUIS R. PENALVER
KIMBERLY PETILLO-DÉCOSSARD
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ROSS E. STURMAN
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ANTHONY K. TAMA
JONATHAN D. THIER
JOHN A. TRIPODORO
GLENN J. WALDRIP, JR.
HERBERT S. WASHER
MICHAEL B. WEISS
DAVID WISHENGRAD
C. ANTHONY WOLFE
COREY WRIGHT
ELIZABETH M. YAHL
JOSHUA M. ZELIG

* ADMITTED AS A SOLICITOR IN
ENGLAND AND WALES ONLY
± ADMITTED AS A SOLICITOR IN
WESTERN AUSTRALIA ONLY
‡ ADMITTED IN DC ONLY
§ ADMITTED AS AN ATTORNEY
IN THE REPUBLIC OF SOUTH AFRICA
ONLY

December 23, 2021

Via Electronic Filing

Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Notification of Transfer of Control of Hargray of Florida, Inc.

Dear Mr. Teitzman:

Hargray of Florida, Inc. (“Hargray” or “Licensee”), Cable One, Inc. (“Cable One” or “Transferor”), and Clearwave Fiber LLC (“CWF” or “Transferee”) (Hargray, Cable One, and CWF collectively, the “Parties”) respectfully notify the Florida Public Service Commission (the “Commission”) of a pending transaction pursuant to which Cable One will transfer control of Hargray to CWF (the “Transaction”). Hargray also will convert to a limited liability company shortly before close of the Transaction, which is expected to occur on or around December 31, 2021. It is the Parties’ understanding that no prior Commission approval is required to consummate the Transaction described herein. The Parties therefore submit this notice for the Commission’s information.

DESCRIPTION OF THE PARTIES

A. Hargray of Florida, Inc. (TY162)

Hargray is a Georgia corporation with a principal office located at 870 William Hilton Parkway, Building C, Hilton Head Island, SC 29928. In Florida, Hargray is authorized to provide telecommunications service pursuant to Certificate of Authority No. 8927, which was approved in Docket No. 20190032-TX. Hargray is a cable operator and a competitive local exchange carrier

providing local exchange, intrastate interexchange, interconnected Voice over Internet Protocol (VoIP¹), video, and broadband Internet access services in Florida. Hargray also holds authority from the Federal Communications Commission (“FCC”) to provide domestic interstate telecommunications services.

Hargray is a wholly owned, indirect subsidiary of Cable One, a publicly traded Delaware corporation with headquarters located at 210 E. Earll Drive, Phoenix, Arizona 85012. Cable One and its subsidiaries provide video, broadband Internet access, telecommunications, and interconnected VoIP services in 24 states.

B. Clearwave Fiber LLC

CWF is a newly-formed Delaware limited liability company. At this time, CWF can be reached at c/o Cable One, Inc., 210 E. Earll Drive, Phoenix, AZ 85012. CWF is a joint venture between Cable One, GTCR Strategic Growth Investment I LLC (“GTCR”), an affiliate of Stephens Capital Partners LLC (“Stephens”), an affiliate of The Pritzker Organization, L.L.C. (“TPO”), and a limited number of other accredited investors organized by Michael Gottdenker (the “Other Investors”), who formerly was the Chief Executive Officer of Hargray Communications Group, LLC prior to its acquisition by Cable One in May 2021. Cable One will contribute the Licensee to CWF and GTCR, Stephens, TPO, and the Other Investors will contribute cash to the joint venture. The goal of the joint venture is to expand Hargray’s existing commercial and residential fiber networks in existing and expansion markets. CWF will not hold any Commission authorizations or licenses, and will not provide any services.

DESCRIPTION OF THE TRANSACTION

Cable One, GTCR, Stephens, TPO, and the Other Investors intend to enter into definitive agreements creating CWF as a joint venture among the parties thereto. Cable One will contribute the Licensee to the joint venture, and in exchange, will receive certain common equity units and certain senior fixed-return preferred equity units in CWF. GTCR, Stephens, TPO, and the Other Investors will commit to collectively purchase a certain amount of newly-issued non-participating convertible preferred equity units in CWF, which will result in a cash investment in the joint venture.

CWF will be governed by a Board of Directors, and each of Cable One, GTCR, Stephens, and TPO will have the right to designate a certain number of directors. Additionally, the Executive Chairman of CWF will serve as a director. CWF’s business affairs, development of CWF’s business, and all other business activities of the joint venture will be carried out by a management team that will be designated by the Board of Directors, subject to certain veto rights to be granted to GTCR, Stephens, and TPO. Cable One will hold approximately 58.28% of the membership interests of CWF, and GTCR will hold approximately 21.19% of the membership interests of CWF.¹ The remaining membership interests will be held by Stephens, TPO, and the Other Investors (each having a less than 10% interest). Except in regards to certain major decisions, any action may be taken by an affirmative vote of a majority of the Board of Directors. Certain

¹ Cable One and GTCR may hold their interests in CWF through one or more wholly owned subsidiaries.

business decisions deemed to be “major decisions,” however, will require an affirmative vote of a majority of directors that includes a certain number of directors designated by either GTCR, Stephens, or TPO.

For the Commission’s convenience, pre- and post-Transaction corporate organizational charts depicting the entities involved in the transfer of control are provided as **Exhibit A**. Consummation of the Transaction is contingent upon, among other things, receipt of all necessary regulatory approvals.

The proposed Transaction does not involve the assignment of Hargray’s telecommunications authorizations or customers. The proposed Transaction will be transparent to the Licensee’s customers. Existing customers of Licensee will continue to receive service under the “Hargray” name, and all billing and correspondence will continue to reflect the “Hargray” name for the immediate future. Accordingly, customer notice is not required under federal or state customer notice rules because there will be no change in service provider from the customer’s perspective.

Shortly before close of the Transaction, Hargray will be converted from a Georgia corporation to a Georgia limited liability company. This change is *pro forma* in nature and will not change the ultimate post-Transaction ownership and control of Hargray. This change also will not have any effect on the customers of Hargray. To the extent necessary, additional regulatory filings will be made with the Commission to address these corporate form changes in the future.

PUBLIC INTEREST CONSIDERATIONS

The Transaction furthers the public interest, convenience, and necessity. The Transaction advances economic efficiency by enabling the Parties to achieve economies of scale and expand their offerings and services to a broader customer base. The Transaction also will enable the Parties to strengthen their competitive position to the benefit of consumers and the communications marketplace.

In addition, the Transaction will be transparent to current customers of Hargray. The Transaction will have no adverse impact on any customers and will not alter their service or billing. Customers will continue to receive the same services they currently receive at the same rates, terms, and conditions for the immediate future. The Transaction will not result in the discontinuance, reduction, loss, or impairment of service to any customer. After completion of the Transaction, Hargray will continue to provide high-quality communications services to Florida customers without interruption.

The Transaction also will not adversely affect competition because there will be no reduction of competitors and customers will continue to have access to the same competitive alternatives they have today. The Transaction does not harm consumers or negatively impact the telecommunications market in Florida. In short, the Transaction serves the public interest by enhancing the Parties’ strengths without posing any threat of anticompetitive effects or other public interest harms.

If you have any questions concerning this notice, please contact the undersigned.

Respectfully submitted,

/s/ Chérie R. Kiser

Chérie R. Kiser
Angela F. Collins

Counsel for Hargray of Florida, Inc.

Attachment

Exhibit A-1
PRE-TRANSACTION

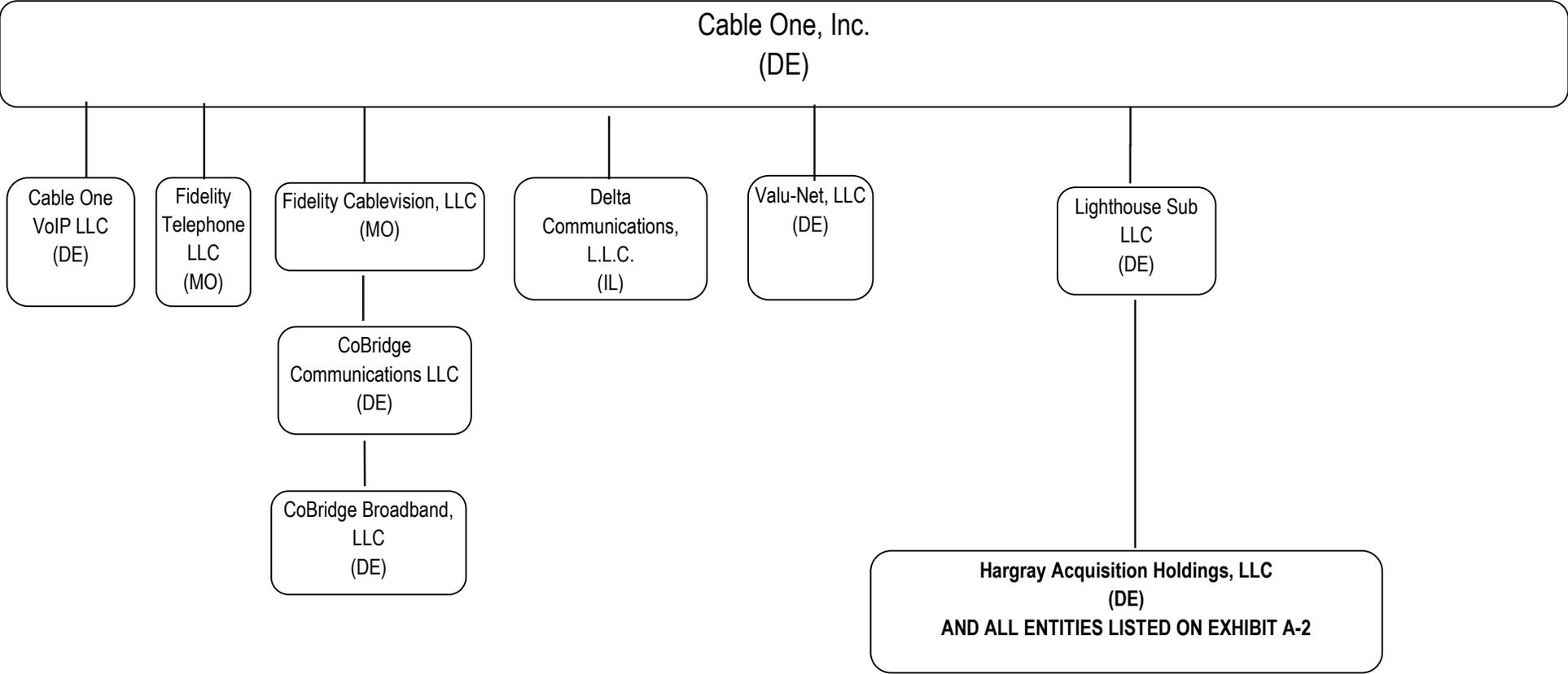


Exhibit A-2

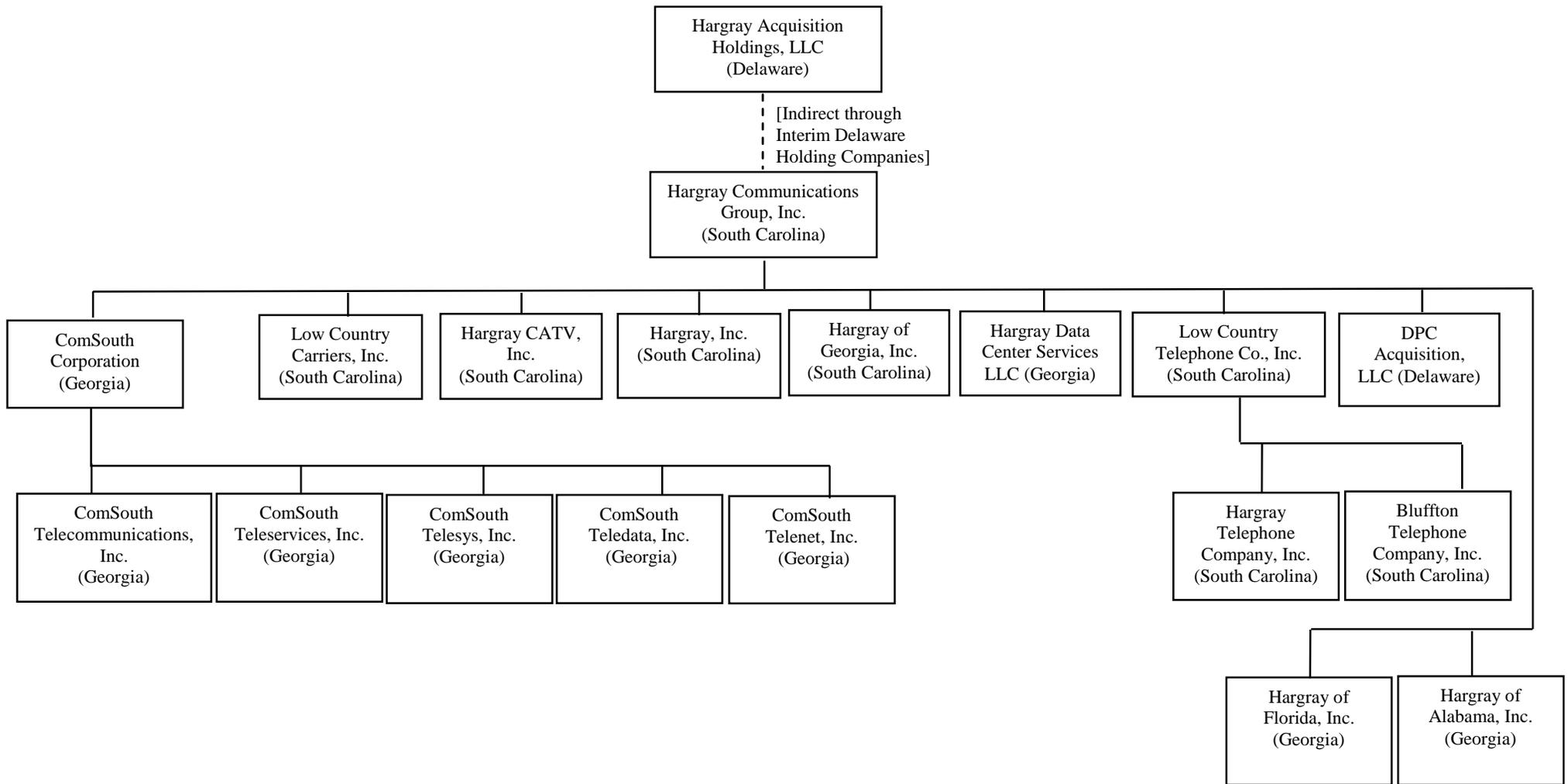
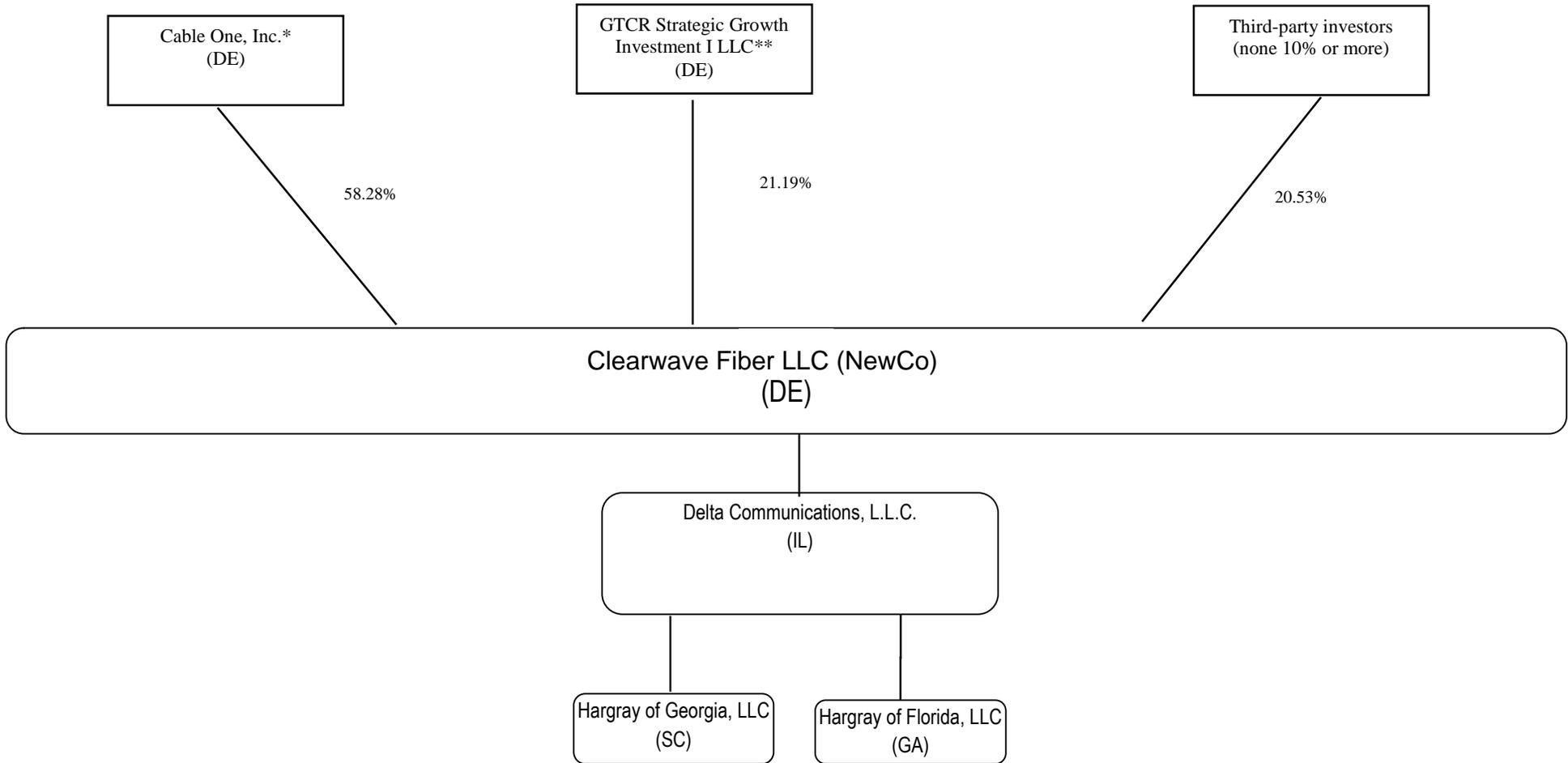


Exhibit A-3
POST-TRANSACTION



* Cable One, Inc. may hold its interest in NewCo through one or more wholly owned or controlled entities.

** GTCR Strategic Growth Investment I LLC will hold its interest in NewCo through one or more wholly owned or controlled entities.