



Agenda Date: 9/30/14
Agenda Item: IVB

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
SUNESYS, LLC FOR AUTHORITY TO PROVIDE)
GUARANTY AND OTHER SECURITY IN)
CONNECTION WITH A CREDIT AGREEMENT) ORDER
DOCKET NO. TF14080909

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Bradford M. Stern, Esq., Law Offices of Bradford M. Stern LLC, for the Petitioner

BY THE BOARD:

On August 14, 2014, Sunesys, LLC ("Sunesys" or "Petitioner") filed a verified petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7 requesting Board approval to provide security pursuant to a Third Amended and Restated Credit Agreement ("Credit Agreement"), a related Third Amended and Restated Security Agreement, and a related Third Amended and Restated Pledge Agreement, all dated October 30, 2013 and entered into by Quanta Services, Inc. ("Quanta"), the indirect and ultimate parent of Sunesys, on behalf of itself and its participating subsidiaries. Sunesys is not yet a party to these transactions and will become a party subject to the Board's approval herein. The Board approved Sunesys' participation in a previous Quanta financing transaction, by Order dated October 13, 2011 in Docket No. TF11090521. Under the current financing, Quanta's overall potential borrowing has been increased (from \$1 billion to \$1.625 billion), and the maturity date of the financing agreements has been extended, as described herein.

Sunesys is a single-member Delaware Limited Liability Company with its principal office located at 185 Titus Avenue, Warrington, Pennsylvania 19876. Sunesys is certificated in the State of New Jersey to provide local exchange and interexchange telecommunications services pursuant to the Board's Order dated December 11, 2006 in Docket No. TM06100726. Sunesys currently provides dedicated point-to-point telecommunications transmission services to commercial, governmental and non-profit customers in New Jersey, as well as California, Delaware, Florida, Georgia, Illinois, Maryland, New York, Ohio and Pennsylvania. Sunesys is also certificated to provide service in Washington, D.C. and North Carolina, but does not currently offer service in those jurisdictions. Sunesys of Virginia, Inc., a wholly owned subsidiary of Sunesys, is certificated to provide service in Virginia, but does not currently offer service in that state. Sunesys does not provide services to residential customers in New Jersey.

Sunesys is an indirect, wholly-owned subsidiary of Quanta. Quanta is a Delaware corporation, and a leading provider of specialized contracting services, offering infrastructure solutions primarily to the electric power and oil and gas industries. The company's comprehensive services include designing, installing, upgrading, repairing and maintaining network infrastructure in North America and in select international markets. Quanta's principal office is located at 2800 Post Oak Blvd., Suite 2600, Houston, TX 77056-6175. Quanta's common stock is listed on the New York Stock Exchange under the ticker symbol "PWR." Neither Quanta nor any of its subsidiaries (other than Sunesys) provides public utility service in New Jersey or is certificated by the Board.

The Credit Agreement provides for a secured revolving credit facility to Quanta of \$1.325 billion in base aggregate commitments. It also allows Quanta the option of incremental revolving credit increases of up to \$300 million, total, on conditions set forth in the Credit Agreement. Thus, Quanta has access to up to \$1.625 billion total in revolving credit pursuant to the terms of the Credit Agreement. Some of the terms, such as applicable interest rates, may vary during the term of the Credit Agreement or Quanta's financial condition. The maturity date of the Credit Agreement is October 30, 2018. Prior to April 1, 2014, amounts borrowed under the Credit Agreement in U.S. dollars bear interest, at the Company's option, at a rate equal to either (a) the Eurocurrency Rate (as defined in the Credit Agreement) plus 1.25%, or (b) the Base Rate specified in the agreement plus 0.25%. Effective April 1, 2014, amounts borrowed under the Credit Agreement in U.S. dollars will bear interest, at the Company's option, at a rate equal to either (a) the Eurocurrency Rate plus 1.125% to 2.125%, as determined based on the Company's Consolidated Leverage Ratio (as described below), or (b) the Base Rate specified in the agreement plus 0.125% to 1.125%, as determined based on the Company's Consolidated Leverage Ratio.

Upon Board approval, Sunesys will take the steps necessary to become a guarantor of Quanta's obligations under the Credit Agreement, and to pledge substantially all of its assets to secure that guaranty. In addition, upon approval, Sunesys will be authorized to take whatever actions are necessary so that it may pledge its capital stock under the Third Amended and Restated Security Agreement, and may grant a security interest in its assets the Third Amended and Restated Pledge Agreement.

By participating as a guarantor in the above-described transactions, Sunesys will directly benefit by having access to funding from Quanta's cash on hand and borrowing capacity. As a public company with a market capitalization of approximately \$7.4 billion, Quanta can provide Sunesys with significantly more funds at better terms through the Credit Agreement and related transactions than Sunesys would be able to obtain on its own.

By letter dated September 9, 2014, the New Jersey Division of Rate Counsel filed comments with the Board, stating that it has no objections to the Board's grant of the petition.

After review, the Board **FINDS** that Sunesys' participation in the Credit Agreement and related transactions described herein is consistent with applicable law and in the public interest. Therefore, the Board **HEREBY APPROVES** Sunesys to participate in the financing arrangements described herein.


This Order is issued subject to the following provisions:

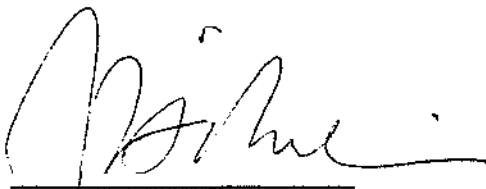
1. The Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matter affecting Petitioner.
2. Petitioner shall notify the Board, within five (5) business days, of any material changes in the terms of the Credit Agreement affecting Sunesys' pledge and guaranty, and shall provide complete details of such changes to the Board including any anticipated effects upon service in New Jersey, and where applicable, seek Board approval pursuant to N.J.S.A. 48:2-1 et seq.
3. Petitioner shall notify the Board of any material default on the terms of the Credit Agreement within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to financing transactions or other supporting documents, a default or assignment under such agreement shall not constitute automatic transfer of Petitioner's assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.
5. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioner.

This Order shall become effective October 10, 2014.


DATED: 9/30/14

BOARD OF PUBLIC UTILITIES
BY:

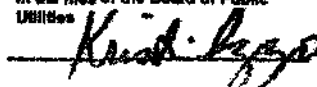

DIANNE SOLOMON
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



IN THE MATTER OF THE VERIFIED PETITION OF SUNESYS, LLC FOR AUTHORITY TO
PROVIDE GUARANTY AND OTHER SECURITY IN CONNECTION WITH A
CREDIT AGREEMENT - DOCKET NO. TF14080909

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