



Agenda Date: 5/20/20  
Agenda Item: IVA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF )  
PEG BANDWIDTH NJ, LLC FOR APPROVAL TO )  
PARTICIPATE IN CERTAIN FINANCING )  
ARRANGEMENTS ) ORDER  
DOCKET NO. TF20030257

**Parties of Record:**

**James H. Laskey, Esq.**, Norris McLaughlin, P.A., on behalf of Petitioner  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On March 18, 2020, PEG Bandwidth NJ, LLC ("Petitioner" or "PEG NJ") submitted a Verified Petition to the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7 and 48:3-9, requesting Board approval for PEG NJ to enter into or participate in financing arrangements of its corporate parents and affiliates.

**BACKGROUND**

PEG NJ is a Delaware limited liability company and an indirect subsidiary of Uniti Group Inc., a publicly traded Maryland real estate investment trust (NASDAQ: UNIT). PEG NJ's principal offices are located at 107 St. Francis Street, Suite 1800, Mobile, AL 36602.

In New Jersey, PEG NJ is authorized to provide facilities-based and resold telephone service with authority to provide local exchange service pursuant to authority granted by the Board in I/M/O Petition of PEG Bandwidth NJ, LLC for Approval to Provide Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey, Docket No. TE12040317 (Order of Approval August 15, 2012). PEG NJ is also authorized by the Federal Communications Board ("FCC") to provide interstate telecommunications services.

## **DISCUSSION**

Petitioner seeks Board approval to be a guarantor of certain financing arrangements of its corporate parent and affiliates and to pledge its assets as security of those financing arrangements. Specifically, Uniti Group Inc.'s subsidiaries Uniti Group LP, Uniti Fiber Holdings Inc., and CSL Capital, LLC (together, the "Issuers") have undertaken an offering of \$2.25 billion aggregate principal amount 7.875% senior secured notes due 2025 (the "Financing Arrangements"). The Financing Arrangements are to be guaranteed on a senior unsecured basis by Uniti Group Inc., and on a senior secured basis by each of Uniti Group Inc.'s subsidiaries, including Petitioner. The Financing Arrangements are intended to mature in 2025. The interest rate for the Financing Arrangements is 7.875%. Petitioner seeks authority to participate as guarantor or co-guarantor of the Financing Arrangements and to pledge its assets as security of the Financing Arrangements. The Financing Arrangements were used to repay \$2.05 billion of outstanding debt, and may be used for other purposes such as acquisitions, working capital requirements (including the development and expansion of distributed network systems), and general corporate purposes of Petitioner and its affiliates and subsidiaries.

In the Verified Petition, Petitioner states that the Financing Arrangements will serve the public interest. Among other things, the Financing Arrangements were used to repay existing debt, and may otherwise be used to fund some or all of the purchase price from future acquisitions, to support strategic growth initiatives, to provide for ongoing working capital, and for other corporate purposes. The Financing Arrangements will also provide access to greater financial resources that will allow Uniti Group Inc. and its current and future subsidiaries, including PEG NJ, to become more effective competitors in the communications industry. The Financing Arrangements are necessary and appropriate, will not impair PEG NJ's ability to provide its services, and will promote its corporate purposes. The Financing Arrangements will be transparent to PEG NJ's customers and will not disrupt service or cause customer confusion or inconvenience.

The Division of Rate Counsel has reviewed this matter and, by letter dated April 28, 2020, stated that it does not object to approval of the Petition. Rate Counsel anticipates the funds from the Financing Arrangements will promote increased competition in the New Jersey telecommunications market for the benefit of customers in this state.

The Board Staff's review indicates that the Financing Arrangements and the use of the proceeds associated therewith are appropriate. While there is no guarantee in this regard, especially given the competitive environment in which Petitioner operates, the Board is satisfied that the Financing Arrangements will not have an adverse impact on the operations of Petitioner in New Jersey.

**FINDINGS AND CONCLUSIONS:**

After review of this matter, the Board **FINDS** that PEG-NJ's participation in the Financing Arrangements is in accordance with law, in the public interest, and will have no negative impact on competition, rates, customers or New Jersey employees. Therefore, after investigation and consideration of the record and information submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioner to participate in Financing Arrangements, and to take those actions necessary to effectuate such Financing Arrangements.

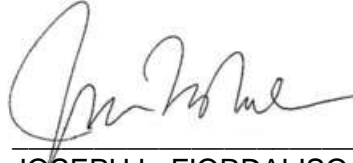
This Order is issued subject to the following provisions:

1. This 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 matters affecting Petitioner.
2. Petitioner shall notify the Board, within five business days, of any material changes in the proposed financing and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.
3. Petitioner shall notify the Board of any material default in the terms of the proposed financing within five business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transaction or other supporting documents, a default or assignment under such documents shall not constitute an 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 Petitioner.

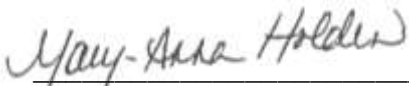
This Order shall become effective on May 30, 2020.

DATED: May 20, 2020

BOARD OF PUBLIC UTILITIES  
BY:



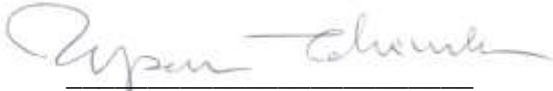
\_\_\_\_\_  
JOSEPH L. FIORDALISO  
PRESIDENT



\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER



\_\_\_\_\_  
DIANNE SOLOMON  
COMMISSIONER



\_\_\_\_\_  
UPENDRA J. CHIVUKULA  
COMMISSIONER



\_\_\_\_\_  
ROBERT M. GORDON  
COMMISSIONER

ATTEST:



\_\_\_\_\_  
AIDA CAMACHO-WELCH  
SECRETARY

IN THE MATTER OF THE VERIFIED PETITION OF PEG BANDWIDTH NJ, LLC FOR  
APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENT  
DOCKET NO. TF20030257

SERVICE LIST

Ronald W. Del Sesto, Jr.  
Brett P. Ferenchak  
Stephany Fan  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004-25414  
[ronald.delsesto@morganlewis.com](mailto:ronald.delsesto@morganlewis.com)  
[brett.ferenchak@morganlewis.com](mailto:brett.ferenchak@morganlewis.com)  
[Stephany.fan@morganlewis.com](mailto:Stephany.fan@morganlewis.com)

James H. Laskey, Esq.  
Norris McLaughlin P.A.  
Attorneys at Law  
400 Crossing Boulevard, 8th Floor  
P.O. Box 5933  
Bridgewater, NJ 08807  
[jlasky@norris-law.com](mailto:jlasky@norris-law.com)

Jeffery R. Strenkowski, Vice President  
Deputy General Counsel  
Governmental Affairs  
Uniti Group Inc.  
10802 Executive Center Drive, Suite 300  
Little Rock, AR 72211  
[jeffrey.strenkowski@uniti.com](mailto:jeffrey.strenkowski@uniti.com)

Division of Law & Public Safety  
25 Market Street  
Post Office Box 112  
Trenton, NJ 08625-0112

Pamela Owens, DAG  
Assistant Section Chief  
[pamela.owens@law.njoag.gov](mailto:pamela.owens@law.njoag.gov)

Meliha Arnautovic, DAG  
[meliha.arnautovic@law.njoag.gov](mailto:meliha.arnautovic@law.njoag.gov)

Matko Ilic, DAG  
[matko.ilic@law.njoag.gov](mailto:matko.ilic@law.njoag.gov)

Division of Rate Counsel  
Post Office Box 003  
Trenton, NJ 08625-0003

Stefanie A. Brand, Esq., Director  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Maria Novas-Ruiz  
[mnovas-ruiz@rpa.state.nj.us](mailto:mnovas-ruiz@rpa.state.nj.us)

Board of Public Utilities  
Post Office Box 350  
Trenton, NJ 08625-0350

Aida Camacho-Welch  
Secretary of the Board  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Dr. Benjamin Witherell  
Chief Economist  
[Benjamin.Witherell@bpu.nj.gov](mailto:Benjamin.Witherell@bpu.nj.gov)

Christine Lin, Analyst  
[Christine.lin@bpu.nj.gov](mailto:Christine.lin@bpu.nj.gov)

Carol Artale, Esq.  
Deputy Chief Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Lanhi Saldana  
[lanhi.saldana@bpu.nj.gov](mailto:lanhi.saldana@bpu.nj.gov)

Lawanda Gilbert, Esq., Director  
[Lawanda.Gilbert@bpu.nj.gov](mailto:Lawanda.Gilbert@bpu.nj.gov)

Harold Bond, Chief  
[Harold.bond@bpu.nj.gov](mailto:Harold.bond@bpu.nj.gov)

Rocco DellaSerra  
[Rocco.DellaSerra@bpu.nj.gov](mailto:Rocco.DellaSerra@bpu.nj.gov)