



Agenda Date: 11/30/16
Agenda Item: IVB

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor – Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.bpu.gov/

CABLE TELEVISION &
TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
BANDWIDTH.COM CLEC, LLC FOR APPROVAL TO)
PARTICIPATE IN A FINANCING ARRANGEMENT)
)
) ORDER
) DOCKET NO. TF16100971

Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, on behalf of Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

On October 17, 2016, Bandwidth.com CLEC, LLC ("Bandwidth") filed a verified petition ("Petition") pursuant to N.J.S.A. 48:3-9 and N.J.S.A. 48:3-7 requesting approval from the New Jersey Board of Public Utilities ("Board"), to the extent necessary, to participate in a financing arrangement in an aggregate amount of up to \$95 million by the parent company, Bandwidth.com, Inc. ("Parent").

BACKGROUND

Bandwidth is a Delaware limited liability company with a principal office located at 900 Main Campus Drive, Suite 500, Raleigh, NC 27606. Bandwidth is a wholly owned subsidiary of Parent, a Delaware corporation.

In New Jersey, Bandwidth is authorized to provide resold and facilities-based local exchange and interexchange telecommunications services pursuant to an Order issued in Docket No. TE08020078 on April 9, 2008. Information regarding Bandwidth's legal, technical, managerial and financial qualifications and the services it provides was submitted to the Board in connection with the grant of its certificate. The Board therefore takes official notice of this description of Bandwidth's qualifications and incorporates it herein by reference.

DISCUSSION

Petitioner seeks Board approval to provide a guarantee and related pledge of assets as security for a financing arrangement in an aggregate amount of up to \$95 million by Parent. Such guarantee and pledge of assets will not be effective until receipt is obtained of required regulatory approvals including approval from the Board. To maintain adequate flexibility to respond to market conditions and requirements, Bandwidth requests approval to participate in financing arrangements which approval would permit Parent, to the extent market conditions may warrant, to modify the specific structure of the financing in a manner most favorable to the Parent and its subsidiaries, including Petitioner.

Bandwidth asserts that the financing arrangement will serve the public interest. The financing arrangements are consistent with the performance by Petitioner of its services to the public, will not impair Petitioner's ability to perform such services, and will promote the corporate purposes of the Parent. The financing will be transparent to Petitioner's customers and will not disrupt service or cause customer confusion or inconvenience. In no event will the requested approval result in the discontinuance, reduction, loss, or impairment of service to any customers. Following consummation of the financing arrangements, Petitioner will continue to provide high-quality communications services to its customers without interruption and without change in rates, terms or conditions.

The Division of Rate Counsel has reviewed this matter and, by letter dated October 27, 2016, does not oppose the expedited treatment or object to the Board's approval of this petition.

FINDINGS AND CONCLUSIONS

After careful review of this matter, the Board **FINDS** that the transaction will have no negative impact on competition, the rates of current customers or on employees. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, **FINDS** that the financing transaction is in accordance with law and in the public interest, and **HEREBY AUTHORIZES** Petitioner to participate in the financing arrangement described herein.

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 changes 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 (the "Agreement"), a default or assignment under such Agreement shall not constitute an automatic transfer of

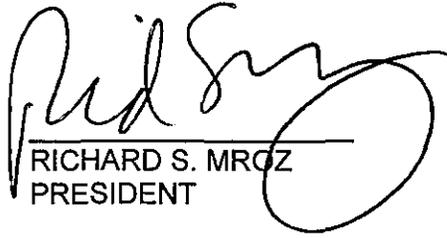
Petitioner's assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.

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.

The Order shall become effective on November 30, 2016.

DATED: 11/30/16

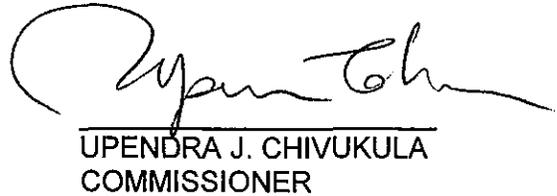
BOARD OF PUBLIC UTILITIES
BY:

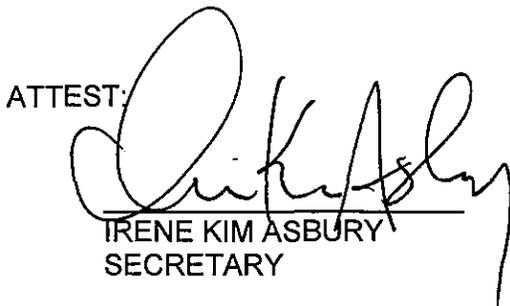

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

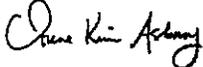

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:

IRENE KIM ASBURY
SECRETARY

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



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DOCKET NO. TF16100971

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