



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

OFFICE OF CABLE TELEVISION
AND TELECOMMUNICATIONS

IN THE MATTER OF BCM ONE, INC. – REFERENCED) ORDER
TO AS (“BCM One”) PETITION FOR APPROVAL TO)
OBTAIN DEBT FINANCING)
) DOCKET NO. TF20020136

Parties of Record:

Stephanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel
Marc A. Korman, Esq., Sidley Austin LLP, on behalf of Petitioners

BY THE BOARD:

On February 7, 2020, BCM One, Inc. (“BCM One ” or the “Company”) submitted a petition to the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.S.A. 49:3-9, requesting Board approval to obtain debt financing.

BACKGROUND:

BCM One is a corporation organized under the laws of the State of New York with principal offices located in New York, New York. BCM One, formerly known as McGraw Communications, Inc., was authorized to provide local exchange and interexchange telecommunications services. See Order In the Matter of the Petition for an Order Authorizing McGraw Communications, Inc. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey. Docket No. TE01050329 (June 10, 2002). BCM One currently has one employee in New Jersey.

The Board previously approved a transfer of control petition and supplemental approval to obtain debt financing submitted by BCM One and BCM One Group Holdings, Inc. See Order In the Matter of BCM One, Inc.’s Notification For A Change In Stock Ownership Resulting In a Transfer of Control and Related Financing. Docket No. TM18101120 (Dec. 18, 2018). The debt financing approval was for an aggregate amount of \$105 million. BCM One subsequently sought—and received Board approval—for additional debt financing in the amount of \$50 million. See Order In the Matter of BCM One, Inc. – Referred to As (“BCM”) Petition for Approval to Obtain Debt Financing. Docket No. Docket TF19020149 (April 18, 2019).

On February 7, 2020, BCM One filed a petition with the Board pursuant to N.J.S.A. 48:3-9 for approval and authority to obtain debt financing in the amount of \$200 million. Specifically, BCM One is wholly owned by BCM One Group Holdings, Inc., which will take on the additional indebtedness, the proceeds of which will be used to effect the acquisition of complementary entities engaged in similar business activities to BCM One. Should such complementary entities be regulated by the Board, approval of such acquisitions would be necessary and undertaken at a later time.

After the loan proceeds are disbursed to BCM One Group Holdings, Inc., BCM One will become a co-borrower with respect to the debt financing along with the other complementary entities that would also become co-borrowers of the debt financing. The debt financing will be on terms and conditions similar to those approved by the Board in Docket Nos. TM18101120 and TF19020149. Specifically, the \$200 million in additional financing will be secured by (1) substantially all of the assets of BCM One Group Holdings, Inc., BCM One and the other complementary entities, and (2) a pledge by BCM One Group Holdings, Inc. of its equity interests in BCM One and the other complementary entities. The debt financing is expected to include a combination of senior secured financing consisting of a term loan, revolving credit-facility, and certain other incremental and other loans). The senior secured financing is expected to accrue interest at a rate per annum up to the sum of a benchmark interest rate to be described in the senior secured financing documentation, plus 4.50%, plus, if applicable, default interest of 2.00%. The debt financing may also include an unsecured subordinated mezzanine term loan and certain other loans. The subordinated mezzanine term loan is expected to accrue interest at a rate per annum equal to 11.0%, plus, if applicable, default interest of 2.00%. As described in the provisions below, BCM One will notify the Board of any changes to these terms and submit new term sheets or amendments for its additional debt.

The New Jersey Division of Rate Counsel has reviewed this matter and, by letter dated April 14, 2020, stated that it does not object to approval of the Petition.

DISCUSSION, FINDINGS, AND CONCLUSIONS:

As to the proposed financing arrangements, the Board has reviewed information provided by Petitioner in accordance with N.J.A.C. 14:1-5.9. The Board **FINDS** that the proposed transaction will not have a negative impact on competition, the rates of current customers, or New Jersey employees. Therefore, after investigation and consideration of the record and information submitted in this proceeding, pursuant to N.J.A.C. 14:1-5.9A, the Board **FINDS** that the expanded financing arrangements are in accordance with the law and in the public interest, and **HEREBY AUTHORIZES** the Company to participate in additional financing arrangements up to an aggregate amount of \$200 million, and to effectuate such financing arrangements.

This Order is issued subject to the following provisions:

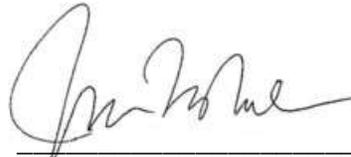
1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation, financing or any other matters 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 semiannually file with the Board a statement setting forth: (1) the amount of indebtedness issued under this order of approval; and (2) the extent to, and in detail, the manner in which the proceeds thereof have been disbursed, pursuant to N.J.A.C. 14:1-5.9(b).
4. Petition shall file with the Board any additional term sheets and amendments for the indebtedness.

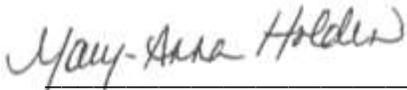
This Order shall become effective on May 15, 2020.

DATED: May 5, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



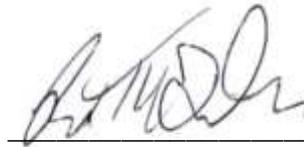
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

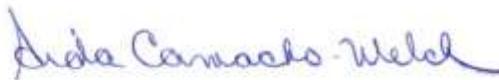


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE BCM ONE, INC. – REFERENCED TO AS (“BCM One”)
PETITION FOR APPROVAL TO OBTAIN DEBT FINANCING
DOCKET NO. TF20020136

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