



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)
PEG BANDWIDTH NJ, LLC TO PARTICIPATE IN) ORDER
CERTAIN ADDITIONAL FINANCING ARRANGEMENTS) DOCKET NO. TF20070480

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 July 9, 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 Commission (“FCC”) to provide interstate telecommunications services.

DISCUSSION

Petitioner seeks Board approval to be a guarantor or co-guarantor, and to pledge its assets as security, for the following additional existing financing arrangements of its corporate parent and affiliates in an aggregate principal amount of \$3.18 billion (the “Additional Financing Arrangements”):

Borrower/Issuer: Uniti Group LP, Uniti Group Finance 2019 Inc. and CSL Capital, LLC
Principal Amount: Up to \$575 million
Debt Instruments: Revolving Credit Facilities
Maturity: April 24, 2022
Interest Rate: LIBOR + Applicable Rate (4.75% - 5.25%)

Borrower/Issuer: Uniti Group LP, Uniti Group Finance 2019 Inc. and CSL Capital, LLC
Principal Amount: \$550 million
Debt Instruments: Senior Secured Notes
Maturity: April 15, 2023
Interest Rate: 6.00%

Borrower/Issuer: Uniti Group LP, Uniti Group Finance 2019 Inc. and CSL Capital, LLC
Principal Amount: \$1,110 million
Debt Instruments: Senior Unsecured Notes
Maturity: October 15, 2023
Interest Rate: 8.25%

Borrower/Issuer: Uniti Group LP, Uniti Fiber Holdings Inc. and CSL Capital, LLC
Principal Amount: \$600 million
Debt Instruments: Senior Unsecured Notes
Maturity: October 15, 2023
Interest Rate: 7.125%

Borrower/Issuer: Uniti Fiber Holdings Inc.
Principal Amount: \$345 million
Debt Instruments: Senior Unsecured Notes
Maturity: June 15, 2024
Interest Rate: 4.0%

The Additional Financing Arrangements were, or may be, used to repay outstanding debt and 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 Additional Financing Arrangements will serve the public interest. Among other things, the Additional Financing Arrangements were used, in part, 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 Additional Financing Arrangements provide access to financial resources that will allow Uniti Group Inc. and its current and future subsidiaries, including Petitioner, to become more effective competitors in the communications industry. Petitioner's participation in the Additional Financing Arrangements is necessary and appropriate, will not impair Petitioner's ability to provide its services, and will promote its corporate purposes. Petitioner's participation in the Additional Financing Arrangements will be transparent to Petitioner'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 August 4, 2020, stated that it does not object to approval of the Petition. Rate Counsel anticipates the funds from the Additional 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 Additional 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 Additional 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 Additional 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 Additional Financing Arrangements, and to take those actions necessary to effectuate such Additional Financing Arrangements.

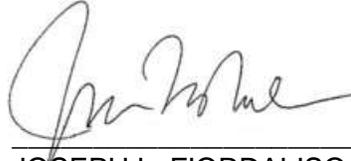
This Order is issued subject to the following provisions:

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.

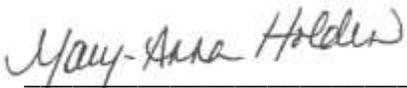
This Order shall become effective on September 3, 2020.

DATED: August 24, 2020

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



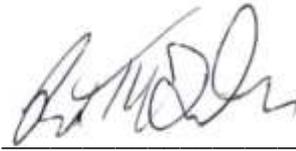
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DIANNE SOLOMON
COMMISSIONER

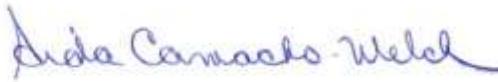


UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

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PARTICIPATE IN CERTAIN ADDITIONAL FINANCING ARRANGEMENTS
DOCKET NO. TF20070480**

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