



STATE OF NEW JERSEY
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF VERIFIED PETITION OF)	ORDER
PEG BANDWIDTH NJ, LLC AND UNITI)	
NATIONAL LLC FOR APPROVAL TO)	
PARTICIPATE IN CERTAIN FINANCING)	DOCKET NO. TF25030180
ARRANGEMENTS)	

Parties of Record:

James Creech, Esq. and James Laskey, Esq., Norris McLaughlin, P.A., on behalf of
Petitioners

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On March 28, 2025, PEG Bandwidth NJ, LLC ("PEG NJ") and Uniti National LLC ("Uniti National") (together, "Petitioners") submitted a 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 Petitioners to participate in certain financing arrangements of Windstream Holdings II, LLC, as defined below ("Petition").

BACKGROUND AND PROCEDURAL HISTORY

PEG NJ and Uniti National are Delaware limited liability companies and indirect subsidiaries of Uniti Group Inc. ("Uniti"), currently a publicly traded Maryland real estate investment trust. Uniti operates two (2) primary businesses: Uniti Leasing and Uniti Fiber. Uniti Leasing owns, acquires, and leases mission-critical communications assets nationwide to wholesale customers on both exclusive and shared-tenant bases. Uniti National is part of the Uniti Leasing business. Uniti Fiber provides lit and dark fiber solutions for wireless operators, carriers, enterprises, schools, and governments and its business includes cell-site backhaul, small cells, internet services, and wavelengths. Uniti Fiber's primary service area is in the southeastern United States. PEG NJ is part of the Uniti Fiber business. Petitioners and Uniti have principal offices located at 2101 Riverfront Drive, Suite A, Little Rock, Arkansas 72202.

In New Jersey, PEG NJ is authorized to provide facilities-based and resold telephone service with authority to provide local exchange service pursuant to Board Order dated August 15, 2012.¹ PEG NJ is also authorized by the Federal Communications Commission to provide interstate telecommunications services. Uniti National is authorized to provide competitive local exchange and interexchange telecommunications services in New Jersey pursuant to Board Order dated January 27, 2021.²

By Order dated October 9, 2024, the Board approved a transaction whereby Windstream Parent, Inc. ("Parent") will acquire ownership of Uniti ("Windstream-Uniti Transaction").³ According to the Petition, Petitioners anticipated that the Windstream-Uniti Transaction could close as early as the second quarter of 2025.

On March 25, 2025, Petitioners, among others, filed a petition with the Board requesting approval to effectuate pro forma changes that would allow Parent to consolidate the Windstream and Uniti credit groups following the closing of the Windstream-Uniti Transaction ("Pro Forma Changes").⁴ As part of that consolidation, certain Uniti entities, including Petitioners, will participate in certain financing arrangements of Windstream.

By the Petition, Petitioners seek Board approval to participate in certain existing financing arrangements of Windstream (collectively, "Financing Arrangements") following closing of the Windstream-Uniti Transaction and the Pro Forma Changes. Petitioners seek approval to participate as guarantors or co-guarantors and to pledge their assets as security for the Windstream 2031 Notes and the Windstream Loans consistent with the terms outlined below.

¹ In re the Petition of PEG Bandwidth NJ, LLC for Approval to Provide Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey, BPU Docket No. TE12040317, Order dated August 15, 2012.

² In re the Verified Petition of Uniti National LLC for Authorization to Provide Competitive Local Exchange and Interexchange Telecommunications Services in the State of New Jersey, BPU Docket No. TE20100663, Order dated January 27, 2021. Additional information concerning Petitioners' technical, managerial, and financial qualifications have been submitted to the Board as part of Uniti National's certification application in Docket No. TE20100663, PEG NJ's certification application in Docket No. TE12040317, and various transactions including in Docket Nos. TM19050575, TF19091212, TM19121534, and TM24060411.

³ In re the Verified Petition of Windstream Parent, Inc.; Windstream Holdings II, LLC; and Uniti Group Inc. for Approval of the Indirect Transfer of Control of Authorized Telecommunications Providers, BPU Docket No. TM24060411, Order dated October 9, 2024. As part of the Windstream-Uniti Transaction, Parent will also acquire ownership of Windstream.

⁴ In re the Verified Joint Petition of Broadview Networks, Inc.; Business Telecom, LLC; Cavalier Telephone Mid-Atlantic, LLC; Conversent Communications of New Jersey, LLC; CTC Communications Corp.; Intellifiber Networks, LLC; PAETEC Communications, LLC; Talk America, LLC; US LEC of Pennsylvania, LLC; and Windstream New Edge, LLC, the Windstream Licensees, and PEG Bandwidth NJ, LLC; and Uniti National LLC, the Uniti Licensees for Approval for Proposed Pro Forma Changes in Indirect Ownership, BPU Docket No. TM25030173.

Windstream 2031 Notes

Issuers: Windstream Services, LLC and Windstream Escrow Finance Corp. (together, "Issuers")

Aggregate Principal Amount: \$2.2 billion.

Debt Instruments: Senior first lien notes.

Maturity: The notes will mature on October 1, 2031.

Interest Rate: 8.250%.

Guarantees and Security: The Windstream 2031 Notes are guaranteed by certain subsidiaries and affiliates of the Issuers ("Notes Guarantors"). The Issuers and the Notes Guarantors have pledged their assets (subject to specified exceptions) on a senior secured basis as security for the Windstream 2031 Notes. Petitioners seek authority to participate as guarantor or co-guarantor and to pledge their assets as security for the Windstream 2031 Notes.

Purpose: The Issuers used the net proceeds to fund the redemption in full of existing notes and certain term loans and to pay any related premiums, fees and expenses. The remaining proceeds are used for general corporate purposes.

Windstream Credit Agreement and Loan

Borrower: Windstream Services, LLC

Aggregate Principal Amount: \$475.0 million revolver borrowing capacity and \$500.0 million term loan.

Debt Instruments: Credit Agreement with a revolving credit facility and term loan.

Maturity: Revolver: January 23, 2027
Term Loans: October 1, 2031

Interest Rate:

Revolver: Floating rate equal to SOFR plus a 0.10 percent credit spread adjustment with a floor of 1.00 percent plus a margin of 3.25 percent per annum for term benchmark loans or 2.25 percent for base rate loans subject to two (2) step downs of twenty-five (25) basis points each based on the achievement of certain first lien secured leverage ratio levels.

Term Loan: Floating rate equal to SOFR plus a 0.10 percent credit spread adjustment with a floor of 0.0 percent plus a margin of 4.75 percent per annum for term benchmark loans or 3.75 percent for base rate loans.

Guarantees and Security: The Windstream Loans are guaranteed by certain subsidiaries and affiliates of Windstream Services, LLC ("Loan Guarantors"). Windstream Services, LLC and the Loan Guarantors have pledged their assets (subject to specified

exceptions) on a senior secured basis as security for the Windstream Loans. Petitioners seek authority to participate as guarantor or co-guarantor and to pledge their assets as security for the Windstream Loans.

Purpose: Windstream Services, LLC used the net proceeds of the term loans to fund the repayment or redemption in full of Windstream's then existing notes and term loans and to pay any related premiums, fees, and expenses. Windstream utilizes the revolving credit facility and the remaining proceeds of the term loans for general corporate purposes.

Petitioners stated that the Financing Arrangements would serve the public interest. The consolidation of the Windstream and Uniti credit groups following the Windstream-Uniti Transaction would enable Parent to more efficiently manage the combined business by reducing administrative burdens and expenses, and simplifying certain federal, state, and local tax reporting. Further, upon completion of such consolidation, each of Uniti's and Windstream's legacy indebtedness would benefit from cross-guarantees or credit support from the legacy Uniti or Windstream credit groups, enabling the combined company to operate more efficiently.

According to the Petition, the Financing Arrangements would allow the combined company to become a more effective competitor in the communications industry. Additionally, the Petitioners asserted that participation in the Financing Arrangements is necessary and appropriate, would not impair Petitioners' ability to provide their services, and would promote their corporate purposes. Additionally, Petitioners asserted that their participation in the Financing Arrangements would be transparent to Petitioners' customers and would not disrupt service or cause customer confusion or inconvenience.

The New Jersey Division of Rate Counsel has reviewed this matter and, by letter dated May 5, 2025, stated that it does not object to the Board's approval of the Petition contingent on a verified statement from Petitioners that employee pension plans will be protected.

By letter dated May 15, 2025, Petitioners stated that participation by the Petitioners in the Financing Arrangements would not negatively affect Parent's ability to satisfy the pension benefits of Windstream's employees. Petitioners additionally noted that, as part of the Board's approval of the Windstream-Uniti Transaction, Petitioners are required to submit a report to the Board one (1) year from the date of the Windstream-Uniti Transaction pertaining to New Jersey employees. As a result, Petitioners stated that additional conditions pertaining to employees or pensions are unnecessary.

DISCUSSION AND FINDING

After review of this matter, the Board **FINDS** that PEG NJ and Uniti National's participation in the Financing Arrangements is in accordance with law, the public interest, and will have no negative impact on competition, rates, customers, or New Jersey employees. The Board **FINDS** that the Financing Arrangements will not have an adverse impact on the operations of Petitioners in New Jersey. Therefore, after investigation and consideration of the record and information submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioners to participate in the Financing Arrangements described herein, 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 Petitioners.
2. Petitioners shall notify the Board within five (5) business days of any material changes in the proposed Financing Arrangements and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.
3. Petitioners shall notify the Board of any material default in the terms of the proposed Financing Arrangements within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the Financing Arrangements or other supporting documents, a default or assignment under such documents shall not constitute an automatic transfer of Petitioners' 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 Petitioners.
- 6.
7. Beginning January 15, 2026, and every six (6) months thereafter, Petitioners shall submit to the Board Secretary, and provide a copy to the Chief Economist, a letter report detailing each debt issuance, term loan, and use of revolving credit opened or concluded in the prior six (6) months, along with copies of executed indentures associated with the authorization contained in this Order. The reports shall include the name of the issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses, breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, trustee fees, etc.), and any other material provision with respect to the terms and conditions of the new issuance.

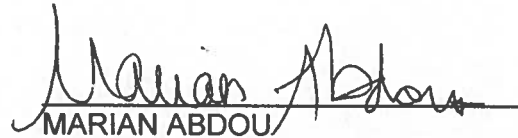
This Order shall become effective on July 23, 2025.

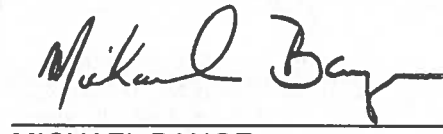
DATED: July 16, 2025

BOARD OF PUBLIC UTILITIES
BY:

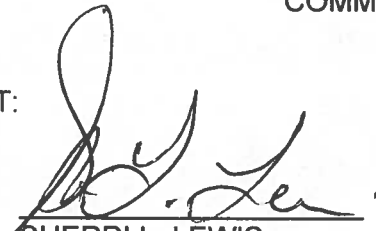

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PRESIDENT


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COMMISSIONER


MARIAN ABDOU
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MICHAEL BANGE
COMMISSIONER

ATTEST:


SHERRI L. LEWIS
BOARD 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 PEG BANDWIDTH NJ, LLC AND UNITI NATIONAL LLC FOR
APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS

DOCKET NO. TF5030180

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