

**SAUL EWING
ARNSTEIN
& LEHR^{LLP}**

RECEIVED
CASE MANAGEMENT

FEB 02 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Colleen A. Foley
Phone: (973) 286-6711
Fax: (973) 286-6811
Colleen.Foley@saul.com
www.saul.com

Amg
2/7/18

February 1, 2018

VIA OVERNIGHT MAIL

RECEIVED
MAIL ROOM

FEB 02 2018

Irene Kim Asbury, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: In the Matter of the Petition of CenturyLink Communications, LLC
for Approval to Participate in a Financing Arrangement
BPU Docket No. TF17111184 – Amendment to Petition

Dear Secretary Asbury:

On or about November 17, 2017, CenturyLink Communications, LLC (“CLC”) filed with the New Jersey Board of Public Utilities (“Board”) a Verified Petition for Approval to Participate in a Financing Arrangement (“Petition”).¹ In that Petition, CLC, a Board-certificated Competitive Local Exchange Carrier and Interexchange Carrier, requested authority to pledge its assets and to be added as a guarantor of approximately \$9.945 billion of debt (“Acquisition Debt”) that CenturyLink, Inc. (“CenturyLink”) had incurred in connection with its acquisition of Level 3 Communications, Inc.² and, as pertaining to financing of the Acquisition Debt, effectuated through a Credit Agreement dated June 19, 2017 (“Credit Agreement”).³

In lieu of a more formal filing, CLC hereby files this letter amending the Petition now pending before the Board. On January 29, 2018, the Credit Agreement was amended to add Citibank, N.A. (“Citibank”) as a lender and participant in certain components of the financing of the Acquisition Debt (“Incremental Assumption Agreement No. 1”).⁴ Specifically, under

¹ On December 21, 2017, the New Jersey Division of Rate Counsel filed a letter not opposing the Petition.

² The merger was approved by the Board by Order dated August 23, 2017. See, *I/M/O the Verified Joint Petition of Level 3 Communications, Inc., Together with CenturyLink, Inc., for Approval of Indirect Transfer of Control of: Level 3 Communications, LLC, Level 3 Telecom of New Jersey, LP, Broadwing Communications, LLC, Global Crossing Local Services, Inc., Global Crossing Telecommunications, Inc., TelCove Operations, LLC, and WilTel Communications, LLC to CenturyLink, Inc. and Related Approvals*, BPU Docket No. TM16121159, Order (effective September 2, 2017).

³ The Credit Agreement was previously provided as Exhibit A to the Petition (filed on November 17, 2017).

⁴ On January 17, 2018, the Board of CenturyLink by resolution had voted to enter into an incremental assumption agreement for purposes of increasing both the incremental revolving credit and the incremental term loan, as addressed herein.

Case mgmt/Economist
list copied

Incremental Assumption Agreement No. 1 Citibank's participation in the financing would increase the pro forma revolver credit commitment by approximately \$167.8 million and would increase the Term Loan A tranche by approximately \$132.1 million, thereby increasing the Acquisition Debt by an additional \$300 million.

Accordingly, subject to state regulatory approvals, the total amount of the pro forma revolver would be approximately \$2.168 billion after the addition of Citibank, while the total amount of the pro forma Term Loan A would be \$1.707 billion after the addition of Citibank. A copy of Incremental Assumption Agreement No. 1 is included on the attached CD and has been designated as Exhibit B. In all material respects, the terms of Incremental Assumption Agreement No. 1 are the same as the terms of the Credit Agreement previously filed with the Board except that the Credit Agreement is amended by Incremental Assumption Agreement No. 1 to add Citibank as a lender and to increase the amount of the Acquisition Debt by approximately \$300 million. CLC therefore requests that the Board authorize CLC to take such actions as are necessary to pledge its assets and to participate in the guarantor financing arrangement described in the Credit Agreement, as amended by the Incremental Assumption Agreement No. 1.

The public interest is benefitted by the Board's approval of CLC's requests in this proceeding. Adding CLC as a guarantor and including Citibank in the financing arrangement provides greater access to capital, which will yield both financial benefits and operational flexibility that will ultimately inure to the benefit of CLC's customers. The financing arrangements are and will be transparent to customers and will not result in any change to rates, terms or conditions of services provided by CLC in New Jersey. Following state approvals of the financing arrangements addressed in CLC's November 17, 2017 Petition as amended by this letter, CLC will continue to provide the same high-quality services to its customers as it does today. Finally, Board approval of the amended Petition will further bolster competition and innovation in the telecommunications marketplace to the benefit of existing and future consumers in New Jersey.

Accordingly, CLC respectfully requests that the Board approve the November 17, 2017 Petition as amended.

Sincerely,



Colleen A. Foley

cc: All Parties on the Attached Service List

SERVICE LIST

In the Matter of the Petition of CenturyLink Communications, LLC for
Approval to Participate in a Financing Arrangement
BPU Docket No. TM17111184

Christine Lin
Office of the Economist
Board of Public Utilities
44 South Clinton Ave., 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
Christine.lin@bpu.nj.gov

Lawanda Gilbert, Director
Office of Cable & Telecommunications
Board of Public Utilities
44 South Clinton Ave., 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350
lawanda.gilbert@bpu.nj.gov

Carol Artale, Legal Specialist
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
carol.artale@bpu.nj.gov

Harold Bond
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
harold.bond@bpu.nj.gov

Stefanie A. Brand, Director
Division of Rate Counsel
140 East Front Street, 4th Fl.
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.state.nj.us

Maria Novas-Ruiz, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625
mnovas-ruiz@rpa.state.nj.us

Caroline Vachier, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
caroline.vachier@dol.lps.state.nj.us

Sue Benedek, Esq.
CenturyLink
240 North Third Street, Suite 300
Harrisburg, PA 17101
sue.benedek@centurylink.com

Colleen Foley, Esq.
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
1037 Raymond Blvd.
Newark, NJ 07102
cfoley@saul.com