

September 12, 2019

**VIA FEDERAL EXPRESS**

Aida Camacho, Secretary  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350

RECEIVED  
MAIL ROOM  
SEP 13 2019  
BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

Re: I/M/O Verified Petition of PEG Bandwidth NJ, LLC for Approval to  
Participate in Certain Financing Arrangements  
Docket No. TF19091212

Dear Secretary Camacho:

Enclosed for filing on behalf of PEG Bandwidth NJ, LLC please find an original and 11 copies of a Verified Petition for approval for PEG Bandwidth NJ, LLC to participate in certain financing arrangements.

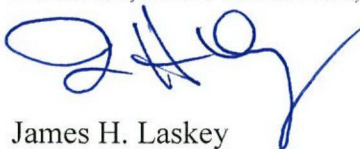
Please return a copy of the filed petition with the assigned docket number in the enclosed self-addressed, stamped envelope.

**CMS**  
Legal/C. Antale  
DAG  
RPA  
B. Witherell (2) - Economist  
L. Gilbert (2)  
TELECO

JHL/l  
Enclosures

Very truly yours,

NORRIS, McLAUGHLIN, P.A.



James H. Laskey

cc: Ben Witherell, Ph.D., Chief Economist  
Lawanda Gilbert, Esq.  
Stefanie A. Brand, Esq.

RECEIVED  
MAIL ROOM

SEP 13 2019

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

Verified Petition of

**PEG Bandwidth NJ, LLC**

for Approval to Participate in Certain Financing  
Arrangements

Docket No. \_\_\_\_\_

**VERIFIED PETITION**

PEG Bandwidth NJ, LLC (“PEG NJ” or “Petitioner”), by undersigned counsel and pursuant to N.J.S.A. 48:3-7, N.J.S.A. 48:3-9, and the regulations of the Board of Public Utilities (“Board”), requests Board approval to participate in certain Financing Arrangements (as defined below).

In support of this Petition, Petitioner provides the following information:

**I. DESCRIPTION OF THE PETITIONER**

PEG NJ is a Delaware limited liability company and wholly owned, direct subsidiary of Uniti Fiber LLC, a Delaware limited liability company, which in turn is a wholly owned, direct subsidiary of Uniti Fiber Holdings Inc. (“Fiber Holdings”), a Delaware corporation. Fiber Holdings is wholly owned by Uniti Group LP, a Delaware limited partnership that is nearly wholly owned by Uniti Group Inc. (“Parent” and together with its subsidiaries, “Uniti”), a publicly-traded Maryland corporation (NASDAQ: UNIT).<sup>1</sup> PEG NJ’s principal offices are located at 107 St. Francis Street, Suite 1800, Mobile, AL 36602.

<sup>1</sup> Uniti expects to complete a pro forma change in the intermediate ownership and control structure of PEG NJ in the near future (the “Pro Forma Change”). See *I/M/O of the Verified Petition of PEG Bandwidth NJ, LLC for Approval of a Pro Forma Change in Intermediate Ownership and Control*, Docket No. TM19050575 (Order of Approval July 10, 2019). The Pro Forma Change will not affect the Financing Arrangements described in this Petition. Parent was known as Communications Sales & Leasing, Inc. until February 2017, when it changed its name to Uniti Group Inc. In addition, Uniti Fiber LLC was formerly known as Uniti Fiber-PEG LLC.

PEG NJ is principally a carrier's carrier and provides telecommunications services to providers of wireless telecommunications as well as other carriers. PEG NJ is authorized by the Federal Communications Commission ("FCC") to provide interstate telecommunications services. 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).

Additional information concerning PEG NJ's technical, managerial and financial qualifications have been submitted to the Board as part of PEG NJ's certification application in Docket No. TE12040317 and various transactions including in Docket No. TM19050575 and is therefore already a matter of public record.

## **II. DESIGNATED CONTACTS**

Questions, correspondence or other communications concerning this filing should be directed to:

James H. Laskey  
Norris McLaughlin, PA  
400 Crossing Blvd, 8th Floor  
Bridgewater, New Jersey 08807-5933  
908-252-4221 (tel)  
908-722-0755 (fax)  
[jlaskey@norris-law.com](mailto:jlaskey@norris-law.com)

with a copy to:

Ronald W. Del Sesto, Jr.  
Brett P. Ferenchak  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, N.W.  
Washington, DC 20004  
202-739-3000 (tel)  
202-739-3001 (fax)  
[ronald.delsesto@morganlewis.com](mailto:ronald.delsesto@morganlewis.com)  
[brett.ferenchak@morganlewis.com](mailto:brett.ferenchak@morganlewis.com)

and:

Jeffrey R. Strenkowski  
Vice President, Deputy General Counsel of  
Governmental Affairs  
Uniti Group Inc.  
10802 Executive Center Drive, Suite 300  
Little Rock, AR 72211  
[jeffrey.strenkowski@uniti.com](mailto:jeffrey.strenkowski@uniti.com)

### **III. DESCRIPTION OF THE FINANCING ARRANGEMENTS**

Petitioner seeks Board approval to participate in financing arrangements of up to an aggregate amount of \$325 million (the "Financing Arrangements"). Initially, Petitioner expects that it, along with certain of its affiliates, will provide a guaranty for an intercompany revolving credit agreement between Uniti Group LP, as the lender, and Fiber Holdings, as the borrower (the "Intercompany Financing"). However, in order to maintain adequate flexibility to respond to market conditions and requirements and to respond to other new acquisition and business and financing opportunities (including the modification or refinancing of then existing financing arrangements or new financing arrangement), Petitioner seeks approval to participate in Financing Arrangements that are consistent with the terms outlined below.

**Aggregate Amount:** Up to \$325 million (the "Aggregate Amount").

**Borrower:** While Fiber Holdings is expected to be the borrower under the Intercompany Financing, in order to maintain flexibility, authorization is sought for Petitioner to be a borrower or co-borrower under the Financing Arrangements.

**Debt Instruments:** While the Intercompany Financing is expected to be a revolving credit agreement, the Financing Arrangements may include one or more of the following forms of debt instruments: notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; and bridge loans; or a combination thereof.

**Maturity:** The maturity period will be consistent with the maturity period for similar debt instruments and will not be determined until the Financing Arrangement(s) are finalized. While it is expected that the maturity may be up to ten (10) years after issuance or amendment depending on the type of facility, to maintain flexibility approval is sought

for Financing Arrangements that have a maturity period consistent with then current market conditions.<sup>2</sup>

**Interest:** The interest rate for the Intercompany Financing is expected to be LIBOR plus an applicable margin. In order to maintain flexibility, approval is sought for Financing Arrangements that, depending on the type of debt instrument, will accrue interest at a rate(s) that may be fixed (typically set at signing or closing based on then current market conditions) or floating (consisting of a base rate, which will float with a rate index such as LIBOR or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

**Guarantees:** PEG NJ and the other subsidiaries of Fiber Holdings are expected to be guarantors for the Intercompany Financing. However, Petitioner seeks authority to participate as a guarantor or co-guarantor in Financing Arrangements up to the Aggregate Amount.

**Purpose:** The Financing Arrangements, including the Intercompany Financing, may be used for acquisitions, refinancing of then current outstanding debt, working capital requirements (including the development and expansion of distributed network systems), and general corporate purposes of Fiber Holdings and its subsidiaries.

Accordingly, Petitioner requests Board authorization to participate in Financing Arrangements, as a borrower, co-borrower, guarantor or co-guarantor and by pledging its assets as security for Financing Arrangements with terms materially consistent with those outlined above.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

Approval for Petitioner to participate in Financing Arrangements will serve the public interest. Among other things, the Financing Arrangements may be used to fund some or all of the purchase price for future acquisitions, to support strategic growth initiatives, to provide for ongoing working capital, and for other corporate purposes. The Financing Arrangements will also provide access to greater financial resources that will allow Fiber Holdings and its current and future subsidiaries, including PEG NJ, to become more effective competitors in the communications industry. The Financing Arrangements are necessary and appropriate, will not impair PEG NJ's ability to provide its services, and will promote its corporate purposes. The

---

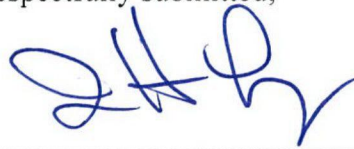
<sup>2</sup> The Intercompany Financing is expected to mature within six (6) years after closing.

Financing Arrangements will be transparent to PEG NJ's customers and will not disrupt service or cause customer confusion or inconvenience.

**V. CONCLUSION**

For the foregoing reasons, Petitioner submits that the public interest, convenience and necessity would be furthered by grant of this Petition permitting the Petitioner to participate in the Financing Arrangements described above.

Respectfully submitted,



---

James H. Laskey  
Norris McLaughlin, PA  
400 Crossing Blvd, 8th Floor  
Bridgewater, New Jersey 08807-5933  
908-252-4221 (tel)  
908-722-0755 (fax)  
[jlaskey@norris-law.com](mailto:jlaskey@norris-law.com)

Dated: September 12, 2019

## VERIFICATION

STATE OF MARYLAND  
COUNTY OF MONTGOMERY

§  
§  
§

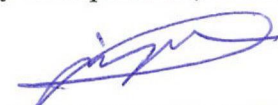
**VERIFICATION**

I, Jeffrey R. Strenkowski, state that I am the Vice President and Deputy General Counsel of Governmental Affairs of Uniti Group Inc. (“Uniti”); that I am authorized to make this Verification on behalf of Uniti and its subsidiaries (collectively, the “Company”); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.



\_\_\_\_\_  
Jeffrey R. Strenkowski  
Vice President, Deputy General Counsel of  
Governmental Affairs  
Uniti Group Inc.

Sworn and subscribed before me this 10<sup>th</sup> day of September, 2019.



\_\_\_\_\_  
Notary Public

My commission expires 03/09/2020