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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

State of New Jersey
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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STEFANIE A. BRAND
Director

Via Electronic and Regular Mail

Aida Camacho-Welsh, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, New Jersey 08625-0350

January 16, 2020

Re: I/M/O the Verified Petition of PEG Bandwidth NJ, LLC, for Approval of a
Pro Forma Change in Intermediate Ownership and Control
BPU Docket No.: TM19121534

Dear Secretary Camacho-Welsh:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above referenced Verified Petition of PEG Bandwidth NJ, LLC (“PEG NJ” or “Petitioner”) filed with the New Jersey Board of Public Utilities (“Board”) seeking Board approval, to the extent required, to effectuate a *Pro Forma* change in Petitioner’s intermediate ownership structure at the holding company level with no change to the ultimate owners of the company (the “2020 *Pro Forma Change*”), which change will not impact customers.¹ Rate Counsel submits the within comments on this matter for the Board’s consideration. Enclosed with this original please find ten copies. Kindly return a date/stamped “Received” and/or “Filed” copy to Rate Counsel. For the reasons that follow, Rate Counsel does not oppose Board approval of Petitioner’s requests in this matter.

Petitioner and Transaction

PEG NJ is a Delaware limited liability company headquartered in Mobile, Alabama, authorized to provide resold and facilities-based local exchange under Board authority granted in Docket No.:TE12040317, in August 2012, and provides telecommunications services to other carriers including wireless service providers.² PEG NJ is owned by Uniti Fiber LLC, a limited liability Delaware company wholly owned by Uniti Fiber Holdings, Inc., (“Fiber Holdings”) a Delaware corporation, and all are indirect subsidiaries of Uniti Group Inc., (“Parent” and/or along with its subsidiaries “Uniti”) a publicly traded Maryland company (NASDAQ: UNIT).³ Petitioner states that post the 2020 *Pro Forma Change* through a series of intra-corporate

¹ Verified Petition at pp. 1 and fn 1. Petitioners note a “May 2019 Petition” filed under Board Docket TM19050575 , which transaction was approved by the Board and was expected to be completed the end of 2019. The 2020 *Pro Forma Change* will not replace but will be in addition to the 2019 transaction previously approved by the Board. Id.

² Id., at p. 2.

³ Id.

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transactions, removing two intermediate companies: CSL National GP, LLC and CSL National, LP from Petitioner's ownership and control chain resulting in Uniti Group LP directly and indirectly through CSL Capital, LLC and Uniti Group Finance Holdco, Inc., owning Fiber Holdings and thus Petitioner.⁴ See Exhibit A. The transaction will effectuate an indirect *pro forma* change in control of Petitioner but will not result in any substantial changes to the ultimate ownership of Petitioner.⁵

Prior Board approval of any sale or merger Board's approval must be based on its satisfaction that the transaction will result in positive benefits and are in the public interest. Petitioners have provided information required by *N.J.S.A. 48:2-51.1 et seq.*, and *N.J.S.A. 48:3-10* regarding a petition for approval of a transfer of control/merger. Petitioners assert that the transfer of ownership will only result in changes at the intermediary level to Petitioner's Parent's overall corporate structure.⁶ Petitioner asserts that the *pro forma* change will not directly involve Petitioner or its operations, or affect Petitioner's management and/or employee headcount, nor affect Petitioner's technological or financial capabilities.⁷ Furthermore, Petitioner states that the Transaction will be transparent to PEG NJ customers, and will occur without discontinuance, reduction, loss or impairment of service to customers and services will continue under the same rates, terms and conditions.⁸ In sum, the transaction will provide additional financial flexibility under its real estate investment trust ("REIT") and thus strengthen the company's capabilities/business status.

Rate Counsel supports the contemplated continued provision of innovative, high quality telecommunications services to the public and the promotion of increased competition in the New Jersey telecommunications market for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel does not oppose a Board grant of Petitioner's requests under the Verified Petition.

Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND, ESQ.
DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL



Maria T. Novas-Ruiz, Esq.
Assistant Deputy Rate Counsel

MNR/td
c: Service List

⁴ Verified Petition, p. 3.

⁵ Id., p. 4, and at Exhibit A.

⁶ Id.

⁷ Id.

⁸ Id.

**I/M/O the Verified Petition of PEG
Bandwidth NJ, LLC for approval
of a Pro Forma Change in
Intermediate Ownership and
Control**

**BPU Docket No. TM19121534
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