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BOARD OF PUBLIC UTILITIES
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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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February 26, 2020

**VIA ELECTRONIC FILING &
FEDEX OVERNIGHT MAIL**

Honorable Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350

**Re: In the Matter of the Verified Petition of CenturyLink Communications, LLC
for Approval to Participate in Certain Financing Arrangements (2020)
BPU Docket No. TF2002 0185**

Dear Secretary Camacho-Welch:

On behalf of CenturyLink Communications, LLC, enclosed please find an original and 10 copies, plus one additional copy of a Petition initiating the above-referenced matter. Kindly stamp the additional copy "filed" and return it in the enclosed, self-addressed Federal Express envelope.

Should you have any questions concerning this filing, please do not hesitate to contact the undersigned. Thank you for your attention to this matter.

Respectfully submitted,

Colleen A. Foley

Colleen A. Foley
Counsel for Petitioner
CenturyLink Communications, LLC

Cms

LEGAL
DVG
RPA
L. GILBERT
B. WITHERELL
TELEC (2)
ECONOMIST (2)

Enclosures
cc: Service List

Stephen B. Genzer - Newark Managing Partner

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DELAWARE FLORIDA ILLINOIS MARYLAND MASSACHUSETTS MINNESOTA NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

A DELAWARE LIMITED LIABILITY PARTNERSHIP

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

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In the Matter of the Verified Petition of)
CenturyLink Communications, LLC)
for Approval to Participate in Certain)
Financing Arrangements (2020))

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

BPU Docket No. TF2002_____

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

VERIFIED PETITION

CenturyLink Communications, LLC (“CCLC” or “Petitioner”), by its undersigned counsel and pursuant to *N.J.S.A.* 48:3-7 and 48:3-9 and any other statutes and regulations deemed applicable, hereby requests approval from the New Jersey Board of Public Utilities (“Board” or “BPU”) to participate in certain financing arrangements in connection with the issuance of \$1.25 billion aggregate principal amount of 4.000% Senior Secured Notes due 2027 (“Senior Secured Notes”) by its parent company, CenturyLink, Inc. (“CTL”), and the entrance by CTL into an amendment and extension of the 2017 Revolving Credit Facility that was part of its prior 2017 financing arrangement that was approved by the Board,¹ which includes a revolving credit facility and term loan agreements in the aggregate principal amount of \$6,499,451,048 (referred to as the “Credit Facility and Term Loans”). Specifically, Petitioner seeks approval (1) to act as guarantors for both the Senior Secured Notes and Credit Facility/Term Loans upon receipt of the required regulatory approvals and (2) for its equity and other assets to be pledged in support of the Senior Secured Notes and the Credit Facility/Term Loans.

The instant refinancing, along with the other recent refinancing filings of CCLC’s affiliates as approved by the Board, have allowed the companies to engage in an effort that takes

¹ See, *I/M/O the Verified Petition of CenturyLink Communications, LLC for Approval to Participate in A Financing Arrangement*, BPU Docket No. TF17111184, Order, Dated February, 28, 2018 and effective March 10, 2018.

advantage of lower interest rates and favorable lending terms.² In the financing arrangements underlying this instant Petition, this means that CTL is been able to refinance its existing Term Loan A Facility, Term Loan A-1 Facility and Term Loan B Facility contained in the 2017 Revolving Credit Facility in the aggregate principal amount of \$6,499,451,048. As a result, annual interest expense will be reduced by approximately \$6 million, and the maturity of approximately \$6.5 billion of debt under the 2017 Revolving Credit Facility will be extended on more favorable terms.

CCLC is certificated by the Board as a both a Competitive Local Exchange Carrier (“CLEC”) and an Interexchange Carrier (“IXC”). As addressed in detail below, approval of the instant Petition will enable CCLC and its parent, CTL, to manage their debt maturity profiles and to continue to strengthen their overall credit profile, thus enabling CCLC to remain a financially strong competitor in the State of New Jersey.

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

I. DESCRIPTION OF THE PETITIONERS

Petitioner is a Delaware limited liability company with principal offices located at 100 CenturyLink Drive, Monroe LA 71203 and is an indirect, wholly owned subsidiary of CenturyLink, Inc. (NYSE: CTL). CTL, through its wholly owned indirect subsidiaries, including Petitioner, provides high-quality voice and data services to enterprise, government, wholesale, and carrier customers over its IP-based network. Petitioner is a non-dominant carrier

² See, *I/M/O the Verified Petition of Level 3 Communications, LLC For Approval to Participate in A Financing Arrangement*, BPU Docket No. TF19101406, Order dated December 6, 2019 and effective December 16, 2019. See also, *I/M/O the Verified Petition of Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., Level 3 Telecom of New Jersey, LP, TelCove Operations, LLC, and WilTel Communications, LLC For Approval to Participate in Certain Financing Arrangements*, BPU Docket No. TF19121510, Order Dated February 19, 2020 and effective February 29, 2020.

authorized to provide resold and/or facilities-based telecommunications services pursuant to certification, registration or tariff requirements, or on a deregulated basis in all 50 states.

In the State of New Jersey, Petitioner is authorized to provide local exchange and interexchange telecommunications services pursuant to authority granted by the Board in Docket No. TE98121421. The authority was originally granted to Qwest Communications Corporation, which subsequently changed its name to Qwest Communications Company, LLC, and then CenturyLink Communications, LLC.

II. DESIGNATED CONTACTS

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Petition should be directed to:

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III. REQUEST FOR APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS

Petitioner requests Board approval to participate in new financing arrangements. The new financing arrangements consist of the following components. First, CTL has issued \$1.25 billion aggregate principal amount of its Senior Secured Notes in a private offering that was not registered under the Securities Act of 1933. The Senior Secured Notes were offered and sold

only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A of the Securities Act and to non-U.S. persons outside of the United States in accordance with Regulation S under the Securities Act.

Second, CTL has amended and restated its 2017 Revolving Credit Facility (Credit Facility/ Term Loans). The Credit Facility/Term Loans are in substantially the same form as the financing approved by the Board in 2017 as part of the acquisition of Level 3, including the parties to the note (CTL, CCLC, and several unregulated subsidiaries), and the assets pledged by CCLC as security in support of the Credit Facility/Term Loans, which includes term loan agreements identified as Term Loan A Facility, Term Loan A-1 Facility, and Term Loan B Facility, in the aggregate principal amounts of \$6,499,451,048. These financing arrangements have allowed CTL to repay a portion of its outstanding indebtedness under the Credit Facility/Term Loans in the aggregate principal amount of \$1,250,000,000 and extend the maturity date by 28 months of approximately \$6.5 billion of debt.

Petitioner hereby requests approval from the Board pursuant to *N.J.S.A.* 48:3-7 and any other laws or regulations deemed applicable (1) to act as guarantor of the Senior Secured Notes and Amended and Restated 2017 Credit Facility/Term Loans and (2) for its equity and other assets to be pledged in support of the Senior Secured Notes and the Amended and Restated 2017 Credit Facility/Term Loans. Petitioner respectfully submits that the guarantee and the pledge of its equity and other assets will not be effective until all required regulatory approvals are obtained.

Petitioner's participation in the new financing arrangements will not result in a change in Petitioner's management or in Petitioner's day-to-day operations in New Jersey, nor will the financing arrangements adversely affect Petitioner's current or proposed operations in New

Jersey. Moreover, the financing arrangements will have no impact on Petitioner's ability to fulfill pension obligations to its employees, as required under *N.J.S.A. 48:3-7*.

The financing arrangements will enable CTL and CCLC to take advantage of lower interest rates and more favorable maturity terms, thereby significantly reducing interest expenses. The financing arrangements also will provide Petitioner with financial flexibility to maintain and expand its network and services and will enable Petitioner to continue delivering services to new markets, thus allowing more consumers to benefit from its competitive services. Accordingly, and to the extent required, Petitioner requests Board approval to participate in the financing arrangements described herein.

IV. PUBLIC INTEREST CONSIDERATIONS

Approval of the financing arrangements described herein will serve the public interest. The financing arrangements enable CTL and CCLC to refinance their obligations to extend the maturity dates of certain obligations at better interest rates, thus reducing the companies' interest expense and the future refinancing risks associated with the scheduled maturity described herein. These steps are a part of the companies' ongoing efforts to manage their maturity profile and continue to strengthen their overall credit profile. Petitioner and CTL expect that the capital markets will look favorably upon these steps. As such, they expect the financing arrangements will provide greater access to capital, which will yield both financial benefits and operational flexibility that will ultimately inure to the benefit of Petitioner's New Jersey customers. In addition, existing and future customers will have a more favorable view of Petitioner's financial health.

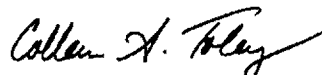
Furthermore, the financing arrangements will be conducted in a manner that will be transparent to customers and will not result in a change of carrier for customers or any

assignment of authorizations, and in no event will they result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the financing arrangements, Petitioner will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms, or conditions.

V. CONCLUSION

For the reasons set forth above, Petitioner submits that the public interest, convenience, and necessity will be furthered by expeditious Board approval of its participation in the financing arrangements described herein.

Respectfully submitted,



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Email: Colleen.Foley@saul.com

Counsel for Petitioner

DATED: February 26, 2020

VERIFICATION

STATE OF LOUISIANA

§

PARISH OF OUACHITA

§

§

I, Gary Maxwell Cox, state that I am Vice President, Deputy General Counsel & Assistant Secretary of CenturyLink, Inc.; that I am authorized to make this Verification on behalf of its certificated operating subsidiary, CenturyLink Communications, LLC; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.

Gary Maxwell Cox
Name: Gary Maxwell Cox
Title: Vice President, Deputy General Counsel, and Assistant Secretary, CenturyLink, Inc.

SWORN TO AND SUBSCRIBED before me on the 24th day of February, 2020

M. B. K.
Notary Public

Maxwell B. Kallenberger
Notary Public
La. Bar Roll #37187
Ouachita Parish
My Commission is for Life

My commission expires: At death