



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
PEG BANDWIDTH NJ, LLC FOR APPROVAL OF A) ORDER
PRO FORMA CHANGE IN INTERMEDIATE)
OWNERSHIP AND CONTROL) DOCKET NO. TM19121534

Parties of Record:

James H. Laskey, Esq., Norris McLaughlin, P.A., on behalf of Petitioners
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 17, 2019, PEG Bandwidth NJ, LLC (“PEG Bandwidth” or “Petitioner”) submitted a Verified Petition to the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.S.A. 48:2-51.1 and regulations of the Board for the approval for a proposed pro forma change in Petitioner’s intermediate ownership and control structure with no change to its direct or ultimate owners (“the 2020 Pro Forma Change”). Following closing of the transaction, the same services will continue to be offered in New Jersey at the same rates, terms, and conditions to customers.

BACKGROUND

PEG Bandwidth 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, Uniti Fiber LLC and PEG Bandwidth are indirect subsidiaries of Uniti Group Inc. (“Parent” and together with its subsidiaries, “Uniti”), a publicly-traded Maryland company. Petitioner’s principal offices are located in Mobile, Alabama.

PEG Bandwidth is principally a carrier’s carrier and provides telecommunications services to providers of wireless telecommunications as well as other carriers. PEG Bandwidth is authorized by the Federal Communications Commission (“FCC”) to provide interstate telecommunications services. In New Jersey, PEG Bandwidth is authorized to provide facilities-based and resold

telephone service with authority to provide local exchange service.¹ By letter dated January 14, 2020 Petitioners indicated that they completed a previous pro forma change that was previously approved by the Board at Docket Number TM19050575 effective December 31, 2019.

DISCUSSION

Petitioner states that through a series of intercorporate transactions, the proposed 2020 Pro Forma Change will involve the removal of two intermediate companies (CSL National, LP and CSL National GP, LLP) from Petitioner's ownership and control chain. Upon completion of the 2020 Pro Forma Change, Uniti Group LP will directly and indirectly through CSL Capital, LLC and Uniti Group Finance Holdco Inc., own Fiber Holdings and thus Petitioner. The petition states that since Petitioner will remain a direct, wholly owned subsidiary of Uniti Fiber, LLC and nearly a wholly owned, indirect subsidiary of Uniti Group LP and Parent, the 2020 Pro Forma Change will be pro forma in nature. The 2020 Pro Forma Change will not result in any changes to the direct or ultimate ownership of Petitioner.

Petitioners submit that the 2020 Pro Forma Change is in the public interest in that it will provide Uniti additional flexibility under its real estate investment trust ("REIT") status. There will be no change in actual working control of Petitioner. Petitioner states that it will continue to have the same requisite managerial, technical and financial capabilities to provide communications services. Further, Petitioner states that its New Jersey customers will receive the same full range of products at the same prices and terms and conditions following the 2020 Pro Forma Change.

The New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments by letter dated January 16, 2020, stating it does not oppose approval of the proposed Petitioner's requests in this matter.

FINDINGS AND CONCLUSIONS

Pursuant to N.J.S.A. 48:2-51.1(a), the Board shall evaluate the impact of an acquisition of control of a public utility on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates. The Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1 as set forth above. N.J.A.C. 14:1-5.14(c). Also, pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board must determine whether the public utility, or a wholly owned subsidiary thereof, may be unable to fulfill its pension obligations to any of its employees.

After a careful review of this matter and all related documentation, the Board is satisfied that positive benefits will flow to customers based upon the record as the 2020 Pro Forma Change will provide Uniti additional financial flexibility with respect to its status as a REIT. The Board therefore **FINDS** that the proposed Pro Forma Change will have no negative impact on rates or the present provision of safe, adequate and proper service since Petitioner's New Jersey customers will continue to receive the same services at the same rates and under the same terms and conditions. Petitioner asserts, and the Board accepts, that following the 2020 Pro Forma Change, Petitioner's operations will continue to be overseen by the same management team, and

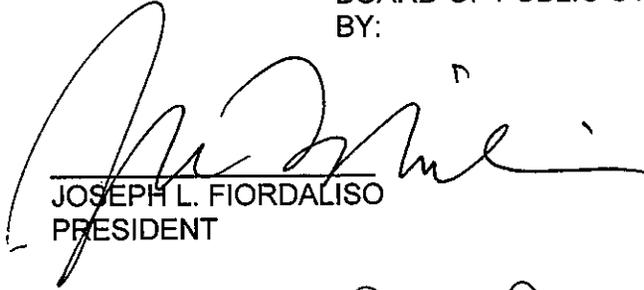
¹ See, In the Matter of the Petition of PEG Bandwidth NJ, LLC for Approval to Provide Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey, Docket No. TE12040317, Order dated August 15, 2012.

because the 2020 Pro Forma Change only involves removal of holding companies from PEG Bandwidth's ownership chain, there will be no effect upon the number of PEG NJ's existing employees in New Jersey. Accordingly, the Board **FINDS** that the proposed 2020 Pro Forma Change is consistent with the applicable law, is not contrary to the public interest and will have no material impact on the rates of current customers, or on New Jersey employees. The Board also **FINDS** that the proposed transaction will have no impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **HEREBY AUTHORIZES** Petitioner to complete the proposed 2020 Pro Forma Change.

This Order shall be effective February 15, 2020.

DATED: 2/5/20

BOARD OF PUBLIC UTILITIES
BY:



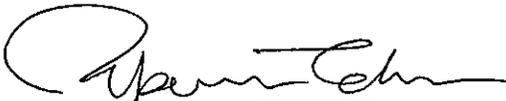
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MARY-ANNA HOLDEN
COMMISSIONER



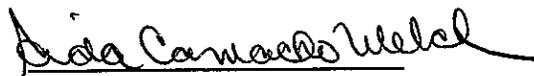
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COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
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 FOR
APPROVAL OF A PRO FORMA CHANGE IN INTERMEDIATE OWNERSHIP AND CONTROL
DOCKET NO. TM19121534**

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