



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

IN THE MATTER OF THE VERIFIED) TELECOMMUNICATIONS
PETITION OF FIRSTLIGHT FIBER, INC.)
FOR APPROVAL TO EXPAND ITS) ORDER
FINANCING ARRANGEMENTS)
) DOCKET NO. TF19091241

Parties of Record:

James H. Laskey, Esq., Norris McLaughlin, PA, on behalf of FirstLight Fiber, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 18, 2019 FirstLight Fiber, Inc. ("FirstLight" or "Petitioner") submitted a Verified Petition to the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7 and 48:3-9 requesting Board approval for FirstLight to participate in certain financing arrangements up to an aggregate amount of \$975 million (the "Financing Arrangements").

BACKGROUND

FirstLight Fiber, Inc. is a Delaware corporation with corporate headquarters located at 41 State Street, 10th Floor, Albany, New York 12207. FirstLight is a direct, wholly owned subsidiary of FirstLight Holdco, Inc. ("Holdco"), a Delaware corporation. FirstLight is a portfolio company of Antin Infrastructure Partners, a private equity firm based in New York, Paris, London and Luxembourg, which is focused on infrastructure investments in the telecommunications, energy and environment, transportation, and social sectors.

FirstLight provides telecommunications services in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and, Vermont. FirstLight offers advanced telecommunications products featuring a comprehensive portfolio of high bandwidth connectivity solutions including Ethernet, wavelengths and dark fiber as well as dedicated Internet access solutions, data center services, cloud and, voice services. FirstLight's customers include national cellular providers and wireline carriers, enterprises spanning high tech manufacturing and research companies, healthcare providers and financial institutions, law

firms, secondary schools, colleges and universities, and local and state governments. FirstLight currently operates approximately 15,000 route miles of fiber connecting approximately 9,000 locations throughout the Northeast; it also operates 12 data centers.

In New Jersey, FirstLight is authorized to provide facilities-based local exchange services, interexchange and private line telecommunications services pursuant to Board authorization granted in IM/O Verified Petition of FirstLight Fiber, Inc. for Authority to Provide Facilities-Based Local Exchange, Interexchange and Private Line Telecommunications Services in the State of New Jersey, Docket No. TE19050638 (Order of Approval August 7, 2019). FirstLight is also authorized by the Federal Communications Commission to provide interstate and international telecommunications services.

DISCUSSION

Petitioner seeks Board approval to participate in new, amended or restated financing arrangements in an aggregate amount of up to \$975 million. Petitioner expects that the maturity for any long-term indebtedness incurred as part of the financing will be set according to market conditions at issuance. Similarly, interest rate(s) will be set according to market conditions at issuance and may be fixed or floating, or a combination thereof, depending on the type of debt and market conditions.

Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of Holdco and its current and future subsidiaries including FirstLight. A portion of the Financing Arrangements may be unsecured facilities. For the secured facilities, the equity of Holdco and its subsidiaries, including FirstLight, may be pledged as additional security. Additionally, Holdco and its current and future subsidiaries, including FirstLight, may provide a guaranty of the obligations owing under the Financing Arrangements, including, without limitation, the payment of the Aggregate Amount to the extent borrowed. The Financing Arrangement may be used to refinance existing debt,¹ for acquisitions and other expansion activities and for general corporate purposes. In order to maintain adequate flexibility, Petitioner therefore seeks authority to incur debt, as borrower, co-borrower or guarantor and to pledge its assets as security for Financing Arrangements up to an aggregate amount of \$975 million consistent with the parameters outlined above.

In their Petition, the Petitioner states that the Financing Arrangements will serve the public interest by providing access to greater financial resources that will allow FirstLight and its subsidiaries to become more effective competitors in the communications industry. Petitioners state that 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. Petitioners state the Financing Arrangements are necessary and appropriate, are consistent with the performance by Petitioner of its services to the public, will not impair their ability to perform such services and will promote their corporate purposes. Petitioner asserts the Financing Arrangements will be transparent to the customers of Petitioner and will not disrupt service or cause customer confusion or inconvenience.

Petitioner further states FirstLight does not offer an employee pension plan, and that employees' existing rights in any other retirement benefit plan offered by Petitioner will be retained upon completion of the Financing Arrangements. While N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10 require the Board to determine whether the public utility or a wholly owned subsidiary

¹ The current existing debts of FirstLight that will be refinanced with the initial financing arrangements is approximately \$610 million.

thereof may be unable to fulfill its pension obligations to any New Jersey employees, the lack of an employee pension plan reflects there is no negative impact on employee pensions.

The Division of Rate Counsel has reviewed this matter and, by letter dated October 31, 2019, stated that it does not object to Board approval of the Petition. Rate Counsel anticipates the funds generated by the Financing Arrangements will promote increased competition in the New Jersey telecommunications market for the benefit of customers in this state.

Board Staff review indicates that the financing arrangements and the use of the proceeds associated therewith are appropriate. While there is no guarantee in this regard, especially given the competitive environment in which Petitioner operates, the Financing Arrangements do not appear to impact adversely FirstLight's operations in New Jersey.

FINDINGS AND CONCLUSIONS

After review of this matter, the Board **FINDS** that FirstLight's participation in Financing Arrangements is in accordance with law, in the public interest and will have no negative impact on the company, rates, customers or New Jersey employees. Therefore, after investigation and consideration of the record and information submitted in this proceeding, the Board **HEREBY AUTHORIZES** FirstLight to participate in Financing Arrangements up to an aggregate amount of \$975 million and for Petitioner to take those actions necessary to effectuate such Financing Arrangements.

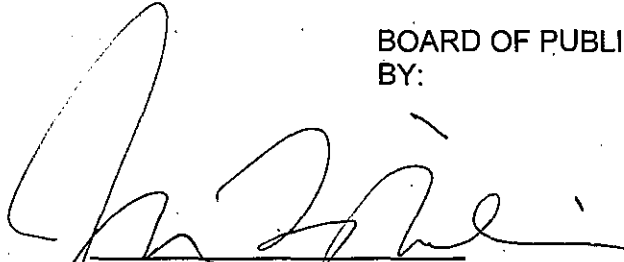
This Order is issued subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioner.
2. Petitioner shall notify the Board, within five (5) business days, of any material changes in the proposed financing and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.
3. Petitioner shall notify the Board of any material default in the terms of the proposed financing within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transaction or other supporting documents, a default or assignment under such documents shall not constitute an automatic transfer of Petitioner's assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.
5. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioner.


This Order shall become effective on December 16, 2019.

DATED: 12/6/19

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



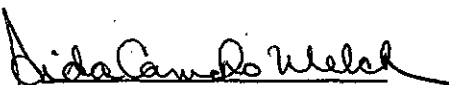
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UPENDRA J. CHIVUKULA
COMMISSIONER



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.

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