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February 2, 2022

Via Electronic Filing

Reece McAlister, Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, GA 3034

Re: Docket No. 36596: Application of Conterra Ultra Broadband, LLC for Approval to Participate in Certain Financing Arrangements

Dear Secretary McAlister:

On behalf of Conterra Ultra Broadband, LLC, enclosed for filing is the above-referenced Application.

Please acknowledge receipt and acceptance of this electronic filing. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Danielle Burt

Tamar E. Finn
Danielle Burt

Counsel for Conterra Ultra Broadband, LLC

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**BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION**

Application of

Conterra Ultra Broadband, LLC

for Approval to Participate in Certain Financing
Arrangements

Docket No. _____

APPLICATION

Conterra Ultra Broadband, LLC (“Conterra” or “Applicant”), by undersigned counsel and pursuant to O.C.G.A. § 46-2-28¹ and the regulations of the Commission, requests approval to participate in financing arrangements of its parent company, Conterra Ultra Broadband Holdings, Inc. (“Conterra Holdings”) in an aggregate amount of up to \$450 million.

In support of this Application, Applicant provides the following information:

I. DESCRIPTION OF THE APPLICANT

Conterra is a South Carolina limited liability company with a principal place of business located at 5301 77 Center Drive, Charlotte, North Carolina 28217. Conterra holds CLEC Certificate No. L-0525 issued by the Commission to provide certain services in Georgia. Conterra is a wholly-owned subsidiary of Conterra Holdings, a Delaware corporation with its principal place of business at 5301 77 Center Drive, Charlotte, North Carolina 28217. Conterra provides: (1)

¹ Applicant submits that the financing arrangements described herein qualifies for the exemption from the approval requirements of O.C.G.A. § 46-2-28 provided by O.C.G.A. § 46-2-28(g) because the debt transaction is an interstate transaction as evidenced by the following: (i) Conterra is a competitive local exchange carrier that is headquartered and domiciled outside of Georgia, (ii) the financing arrangements are expected to be between Conterra’s parent as the primary obligor and a national bank or other lending or financial institution licensed or authorized to enter into such financing arrangements by a state or federal agency and (iii) Conterra will provide a guarantee and pledge of assets as collateral or other security to the lenders in order to accommodate the financing arrangements of the primary obligor. Should the Commission determine that the exemption does apply to Conterra, Applicant requests that the Commission issue a Letter of Acknowledgement to this effect.

backhaul and fronthaul transport for wireless carriers; and (2) access and broadband networks for enterprises, including K-12, healthcare, and government entities. With respect to its transport services, Conterra provides carrier grade Ethernet, time-division multiplexing connectivity, and fixed point-to-point microwave connectivity from a wireless carrier tower or from a lower profile connection point to another point designated by the wireless carrier customer. For access and broadband networks for enterprises such as K-12, healthcare, and government entities, Conterra provides carrier grade Ethernet (data) and dark fiber transport from the end user location to an Ethernet POP or other location designated by the end user customer. Each network is customized to a specific user's needs.

II. DESIGNATED CONTACTS

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

and:

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André Hall
Conterra Ultra Broadband, LLC
Senior Vice President, General Counsel and
Corporate Secretary
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Charlotte, North Carolina 28217
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III. DESCRIPTION OF THE FINANCING ARRANGEMENTS

Applicant seeks approval to participate in new, amended and restated financing arrangements up to an aggregate amount of \$450 million (the "Financing Arrangements"), which

amount includes \$365 million previously approved by the Commission.² Conterra seeks approval to provide a guarantee and related pledge of assets as security for the Financing Arrangements.

To maintain flexibility to respond to market conditions and future business opportunities, Applicant seeks authority to participate as a guarantor and by providing a pledge of its assets as security for financing arrangements that are consistent with the parameters outlined below. These parameters would permit, to the extent market conditions may warrant, modifications to the current financing structure in a manner most favorable to Conterra Holdings and its current and future subsidiaries.

Aggregate Amount: Up to \$450 million (the “Aggregate Amount”), which amount includes existing long-term debt.

Debt Instruments: The Financing Arrangements may include one or more of the following 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: Up to eight (8) years after issuance, amendment or restatement depending on the type of facility.

Interest: Interest rates will be the market rate for similar financings and will not be determined until the financing arrangements are finalized. Depending on the type of debt securities, facility(ies) or other arrangements, indebtedness 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, Secured Overnight Financing Rate (SOFR) or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates.

Security: Some or all of the Financing Arrangements will be secured facilities, which may include a grant of a security interest in the assets of Conterra Holdings and its current and future subsidiaries, including Applicant. For the secured facilities, the equity of Conterra Holdings and its current and future subsidiaries, including Applicant, also may be pledged as additional security. Additionally, Conterra Holdings and its current and future

² See Docket No. 36596, Document No. 176567 (dated April 10, 2019). The existing credit facility obligations are secured by certain security agreements, pledge agreements and such other documents pursuant to which Toronto Dominion (Texas) LLC, as Administrative Agent and lender, was granted a lien on substantially all the assets of Conterra, Conterra Holdings and CUB Parent, Inc., the parent of Conterra Holdings. Conterra and the other subsidiaries of Conterra Holdings are also guarantors for the existing credit facility.

subsidiaries, including Applicant, may provide a guaranty as security for some or all of the Financing Arrangements. Applicant seeks authorization to secure the full \$450 million of the financing arrangements with security interests in the assets of Applicant.

Purpose: The Financing Arrangements may be used for acquisitions, refinancing or repaying the existing debt of Conterra Holdings, dividends, working capital requirements, general corporate purposes, and expenses related to the Financing Arrangements.

Applicant requests Commission approval, to the extent necessary, to act as a guarantor and pledge its assets as security for Financing Arrangements up to the Aggregate Amount consistent with the parameters outlined above.

IV. PUBLIC INTEREST CONSIDERATIONS

Approval of the participation of Applicant in the Financing Arrangements will serve the public interest because it will provide Conterra with access to additional financial resources. 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 dividends, ongoing working capital and other corporate purposes.

The Financing Arrangements are necessary and appropriate, are consistent with the performance by Applicant of its services to the public, will not impair its ability to perform such services and will promote its corporate purposes. The Financing Arrangements will be transparent to the customers of Applicant and will not disrupt service or cause customer confusion or inconvenience. Conterra will continue to offer the services it is authorized to provide in Georgia. Following the completion of the Financing Arrangements, there will be no change to Conterra's operations, and Conterra will continue to provide high quality services without interruption and without changes in applicable rates, terms or conditions.

V. **CONCLUSION**

For the foregoing reasons, Applicant submits that the public interest, convenience and necessity would be furthered by the Commission issuing a Letter of Acknowledgement that no Commission approval is necessary for, or to the extent necessary approving, the participation of Conterra in the Financing Arrangements described above.

Respectfully submitted,

/s/ Danielle Burt

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Counsel for Applicant

Dated: February 2, 2022

VERIFICATION

I, Eric Burgess, declare that I am Chief Financial Officer of Conterra Ultra Broadband, LLC and Conterra Ultra Broadband Holdings, Inc. (the “Company”); that I am authorized to make this Verification on behalf of the Company; 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.

Executed this 1 day of February, 2022.

DocuSigned by:

8943086580034BD...
Name: Eric Burgess
Title: Chief Financial Officer
Conterra Ultra Broadband, LLC and
Conterra Ultra Broadband Holdings, Inc.