

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER S-37461

BRIGHTSPEED OF LOUISIANA, LLC AND BRIGHTSPEED OF SOUTH ARKANSAS, LLC.

Docket No. S-37461, In re: Request for Letter of Non-Opposition to issuance of guarantees and pledge of assets as security in connection with Refinancing Agreement of parent Connect Holding II LLC.

(Decided at the March 26, 2025 Business and Executive Session.)

ORDER

Overview

On December 10, 2024, the Louisiana Public Service Commission (“LPSC” or “Commission”) received a request (“Request”) for an order of approval or non-opposition from Brightspeed of Louisiana, LLC (“Brightspeed-LA”) and Brightspeed of South Arkansas, LLC (“Brightspeed-SA”) (collectively, the “Companies”) requesting approval or non-opposition to the Companies granting security interests in their respective assets in connection with Connect Holding II LLC’s (“Connect Holding II”) indirect parent, Connect Parent Corporation (“Connect Parent”), adding the Companies as guarantors of Connect Holding II’s new secured debt (the “Proposed Security Interests”). The Proposed Security Interests are not part of a merger, acquisition, or transfer of ownership, but rather a financial restructuring. The Request was submitted pursuant to the Commission’s General Order dated March 18, 1994, as amended.¹ Notice of the Request was published in the Commission’s Official Bulletin #1339 dated December 20, 2024, with a 15-day intervention period. No interventions were filed.

Commission Jurisdiction and Authority

The Commission exercises jurisdiction over public utilities and common carriers in Louisiana pursuant Article IV, Section 21 (B) of the Louisiana Constitution, which states:

“The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.”

Pursuant to this authority, the Commission promulgated General Order dated March 18, 1994, as amended (the "1994 General Order"), which provides in pertinent part:

“No utility or common carrier subject to the jurisdiction of the Louisiana Public Service Commission shall sell, assign, lease, transfer,

¹ And, to the extent applicable, Section 301M of the Local Competition Regulations.

mortgage, or otherwise dispose of or encumber the whole or any part of its franchise, works, property, or system, nor by any means direct or indirect, merge or consolidate its utility works, operations, systems, franchises, or any part thereof, nor transfer control or ownership of any assets, common stock or other indicia of control of the utility to any other person, corporation, partnership, limited liability company, utility, common carrier, subsidiary, affiliated entity or any other entity, nor merge or combine with another person, corporation, partnership, limited liability company, utility, common carrier, subsidiary, affiliated company or any other entity, or divide into two or more utilities or common carriers, where the values involved in such action exceed one percent (1%) of the gross assets of such regulated utility or common carrier, or subsidiary thereof, nor in any way commit itself to take such action or affect any right, interest, asset, obligation, stock ownership, or control involved in such action without prior full disclosure of the prior intentment and plan of such utility or common carrier with regard to such action and without prior official action of approval or official action of non-opposition by the Louisiana Public Service Commission. This section is intended to apply to any transfer of the ownership and/or control of public utilities and common carriers regardless of the means used to accomplish that transfer.”

Herein, the Proposed Security Interests are analyzed within the context of the 1994 General Order and the 18 public interest factors contained therein.

Summary of the Transaction

As set forth in the Request, the following entities are party to the Proposed Security Interests:

- **Brightspeed of Louisiana, LLC (Brightspeed-LA):** Formerly known as CenturyLink of Louisiana, LLC, Brightspeed-LA is an Incumbent Local Exchange Carrier (ILEC) authorized to provide local telecommunications services in Louisiana and is an Eligible Telecommunications Carrier (ETC). The company is a wholly owned subsidiary of Connect Holding II LLC.
- **Brightspeed of South Arkansas, LLC (Brightspeed-SA):** Formerly known as CenturyTel of South Arkansas, Inc., Brightspeed-SA is an ILEC authorized to provide local telecommunications services in Arkansas and Louisiana. The company is also a wholly owned subsidiary of Connect Holding II.
- **Brightspeed Broadband, LLC:** A competitive local exchange carrier (CLEC), interexchange carrier (IXC), competitive access provider (CAP) and ETC authorized to provide telecommunications services in Louisiana. Brightspeed Broadband, LLC is also a direct, wholly owned subsidiary of Connect Holding II.
- **Connect Holding II LLC:** A Delaware limited liability company and the direct parent company of Brightspeed-LA and Brightspeed-SA. Connect Holding II is wholly owned by Connect Holding, LLC, which in turn is controlled by Connect Parent Corporation. The

restructuring of Connect Holding II's debt is the basis for the Request filed by the Companies.

As set forth in the Request, the Companies seek Commission approval to pledge their assets and issue guarantees as security for financing obtained by their direct parent company, Connect Holding II. Brightspeed-LA and Brightspeed-SA are both wholly owned subsidiaries of Connect Holding II, which is controlled by Connect Parent Corporation. The financial restructuring involves multiple debt facilities, totaling approximately \$7.645 billion.

The Companies assert that the Proposed Security Interests will not impact customer rates, service quality, or Commission jurisdiction. There is no merger, acquisition, or transfer of control involved, and the Companies will continue to operate as before.

Staff Review and Recommendation

The Request is subject to the Commission's 1994 General Order, which governs transfers of control, security interests, and other financial transactions involving public utilities. Exhibit B to the Request provided responses to the 18 evaluation factors outlined in the 1994 General Order, as applicable.

Upon review, Staff determined that the Proposed Security Interests present no adverse impact on customers, competition, or service quality. The Companies affirmed that service levels, rates, and Commission oversight will remain unchanged. Additionally, the transaction is expected to strengthen Brightspeed's financial position, supporting broadband investment in Louisiana. The Commission retains full regulatory authority over Brightspeed's Louisiana operations, and any foreclosure on such security and guarantees, and exercise of remedies are subject to customary conditions to obtain any required regulatory approvals from the Federal Communications Commission ("FCC") and any applicable state, provincial, or local telecommunications regulatory agency, including the LPSC.

After a thorough review of the Companies' Request, Staff found no risks that would warrant denial of the Proposed Security Interests. The financing does not involve a change in ownership or control, and similar transactions have been routinely approved by the Commission in prior dockets.

Based on Staff's review of the Request and analysis of the 18 factors set forth in the 1994 General Order, Staff recommended that the Commission issue an Order expressing its approval and/or non-opposition to the Proposed Security Interests, as they align with the public interest and

do not negatively impact ratepayers or the Commission's jurisdiction. Staff further recommended the following conditions:

1. That the Companies be required to file into the docket of this proceeding the executed loan agreements and any other final documentation within sixty (60) days of the date of the Commission's Order issued herein; and,
2. That the Order be effective immediately.

Commission Consideration

This matter was considered at the Commission's March 26, 2025 Business and Executive Session. On motion of Vice Chairman Skrmetta, seconded by Commissioner Lewis, and unanimously adopted, the Commission voted to adopt the Staff Report and Recommendation filed into the record on March 5, 2025.

THEREFORE, IT IS ORDERED:

That the Louisiana Public Service Commission expresses its non-opposition to the Proposed Security Interests, subject to the following conditions:

1. The Companies shall file into the record of this proceeding copies of the executed loan agreements and any other final documentation regarding the Proposed Security Interests within sixty (60) days of the date of this Order; and
2. This non-opposition is granted without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change that the Commission may legally find to be in the public interest; and
3. This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
April 22, 2025**



Brandon M. Frey

**BRANDON M. FREY
SECRETARY**

/S/ MIKE FRANCIS

**DISTRICT IV
CHAIRMAN MIKE FRANCIS**

/S/ ERIC F. SKRMETTA

**DISTRICT I
VICE CHAIRMAN ERIC F. SKRMETTA**

/S/ FOSTER L. CAMPBELL

**DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL**

/S/ DAVANTE LEWIS

**DISTRICT III
COMMISSIONER DAVANTE LEWIS**

/S/ JEAN-PAUL P. COUSSAN

**DISTRICT II
COMMISSIONER JEAN-PAUL P. COUSSAN**