



Agenda Date: 10/13/11
Agenda Item: IVC

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF) ORDER
SUNESYS, LLC FOR AUTHORITY TO PROVIDE)
GUARANTY AND OTHER SECURITY IN CONNECTION)
WITH A CREDIT AGREEMENT) DOCKET NO. TF11090521

Parties of Record:

Bradford M. Stern Esq., for the petitioner
Paul Bradshaw Esq., Sunesys LLC
Philip J. Roselli, Esq., Wilkinson Barker Knauer, LLP
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 2, 2011, Sunesys, LLC ("Sunesys" or "Petitioner") filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7 requesting Board approval to provide security pursuant to a Second Amended and Restated Credit Agreement ("Credit Agreement"), a related Second Amended and Restated Security Agreement, and a related Second Amended and Restated Pledge Agreement, all dated August 2, 2011 and entered into by Quanta Services, Inc. ("Quanta"), the indirect and ultimate parent of Sunesys, on behalf of itself and its participating subsidiaries. Sunesys is not yet a party to these transactions, and will become a party subject to the Board's approval herein.

Sunesys is a single-member Delaware Limited Liability Company with its principal office located at 185 Titus Avenue, Warrington, Pennsylvania 19876. Sunesys is certificated in the State of New Jersey to provide local exchange and interexchange telecommunications services pursuant to the Board's Order dated December 11, 2006 in Docket No. TM06100726. Sunesys currently provides dedicated point-to-point telecommunications transmission services to commercial, governmental and non-profit customers in New Jersey, as well as California, Delaware, Florida, Georgia, Illinois, Maryland, Ohio and Pennsylvania. Sunesys is also certificated to provide service in Washington, D.C., North Carolina and New York, but does not currently offer service in those jurisdictions. Sunesys of Virginia, Inc., a wholly owned subsidiary of Sunesys, is certificated to provide service in Virginia, but does not currently offer service in that state. Sunesys does not provide services to residential customers in New Jersey.

Sunesys is an indirect, wholly-owned subsidiary of Quanta. Quanta is a Delaware corporation, and a leading provider of specialized contracting services, delivering end-to-end network solutions for the electric power, gas, telecommunications and cable television industries. The company's comprehensive services include designing, installing, repairing and maintaining network infrastructure nationwide. Quanta's principal office is located at 2800 Post Oak Blvd., Suite 2600, Houston, TX 77056-6175. Quanta's common stock is listed on the New York Stock Exchange under the ticker symbol "PWR." Neither Quanta nor any of its subsidiaries (other than Sunesys) provides public utility service in New Jersey or is certificated by the Board.

The Credit Agreement provides for a secured revolving credit facility to Quanta of \$700 million in base aggregate commitments. It also allows Quanta the option of incremental revolving credit increases of up to \$300 million, total, on conditions set forth in the Credit Agreement. Thus, Quanta has access to up to \$1 billion total in revolving credit pursuant to the terms of the Credit Agreement. Some of the terms, such as applicable interest rates, may vary during the term of the Credit Agreement or Quanta's financial condition. The maturity date of the Credit Agreement is August 2, 2016. Amounts borrowed under the Credit Agreement bear interest, at Quanta's option, at a rate equal to the Eurodollar rate or base rate plus an applicable margin that is based on the ratio of Quanta's total funded debt to consolidated Earnings, Before Interest, Taxes, Depreciation and Amortization ("EBITDA").

Upon Board approval, Sunesys will take the steps necessary to become a guarantor of Quanta's obligations under the Credit Agreement, and to pledge substantially all of its assets to secure that guaranty. In addition, upon approval, Sunesys will be authorized to take whatever actions are necessary so that it may grant a security interest in its assets under the Second Amended and Restated Security Agreement, and may pledge its capital stock under the Second Amended and Restated Pledge Agreement.

By participating as a guarantor in the above-described transactions, Sunesys will directly benefit by having access to funding from Quanta's cash on hand and borrowing capacity. As a public company with a market capitalization of approximately \$4.0 billion, Quanta can provide Sunesys with significantly more funds at better terms through the Credit Agreement and related transactions than Sunesys would be able to obtain on its own.

The Division of Rate Counsel has reviewed this matter and, by letter dated September 16, 2011, does not object to Board approval of this petition.

After review, the Board FINDS that Sunesys' participation in the Credit Agreement and related transactions described herein is consistent with applicable law and in the public interest. Therefore, the Board HEREBY APPROVES Sunesys to participate in the financing arrangements described herein.

This Order is issued subject to the following provisions:

1. The 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 matter affecting Petitioner.
2. Petitioner shall notify the Board, within five (5) business days, of any extension of the maturity date of, or any increase in borrowing limit under the Credit Agreement pursuant

to its terms, or of any material changes in the terms of the Credit Agreement and shall provide complete details of such changes to the Board including any anticipated effects upon service in New Jersey, and where applicable, seek Board approval pursuant to N.J.S.A. 48:2-1 et seq.

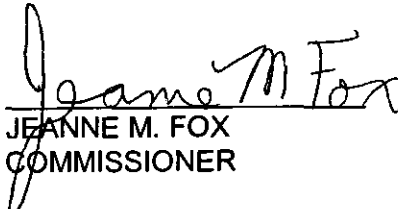
3. Petitioner shall notify the Board of any material default on the terms of the Credit Agreement within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to financing transactions or other supporting documents, a default or assignment under such agreement shall not constitute 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 the Petitioners.

This Order shall become effective upon the service thereof, in accordance with N.J.S.A. 48:2-40.


DATED: 10/13/11


BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT

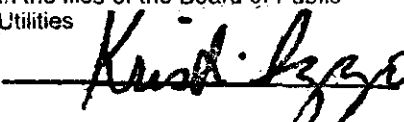

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COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER

ATTEST:

KRISTI IZZO
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 Verified Petition Of Sunesys, LLC For Authority To
Provide Guaranty And Other Security In Connection With A
Credit Agreement**

SERVICE LIST

DOCKET NO. TF11090521

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