

STATE OF RHODE ISLAND DPUC
RESPONSES TO DATA REQUESTS REGARDING FINANCING RELATED TO
SERVICE AREA 5 CABLE, LLC
DOCKET NO. D-22-07

Div 1-1 **Provide a pro forma Balance Sheet for Service Area 5 Cable, LLC (“Area 5 Cable”) after the Financing Arrangements have been entered into by Area 5 Cable.**

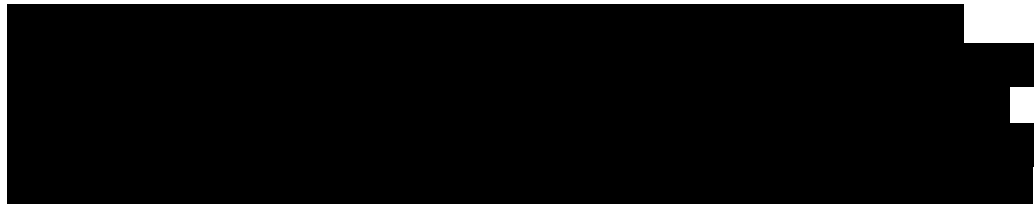
Attached as Confidential Exhibit 2 is the pro-forma balance sheet as of March 31, 2022, the date the most recent financial statements of the Company are available, reflecting the pro forma impact of the financing on that date.

Div 1-2 **Explain how Area 5 Cable’s customers will benefit from “having a better financed provider” after Area 5 Cable enters into the Financing Arrangements.**

Area 5 Cable’s customers will benefit in a variety of ways resulting from the financing and the availability of additional financial resources:

- Ability to potentially expand Area 5 Cable’s broadband network (subject to authorization from the DPUC) to service customers in new geographic areas within the State of Rhode Island while providing additional competitive options for customers in choice of broadband providers.
- Ability to further upgrade Area 5 Cable’s broadband network where and when it is deemed technically and financially feasible. The broadband network involves a core network consisting of routers, CPU’s, receivers, etc. as well as the aerial fiber and coaxial network. Area 5 Cable will also be able to invest in and upgrade, as needed, office facilities, technician vehicles, and other operating equipment to better serve Rhode Island customers.
- Ability to invest in greater marketing outreach to residents in Warren, Bristol and Barrington, in order to educate them as to competitive broadband options and, where applicable, to promote the Federal Governments ACP program for lower income Rhode Island residents.

Div 1-3 **Provide the business plan/purpose of Area 5 Cable entering into the Financing Arrangements**





Div 1-4

Explain how Area 5 Cable will “become a more effective competitor in the communications industry” (including in Rhode Island) after entering into the Financing Arrangements.

The telecommunications industry is very capital intensive. Significant financial investments are required in order to construct and maintain a high-quality, reliable network. Technological advancements occur over time, which allow carriers to improve download/upload internet speeds as well as reducing latency. This is important to a customer to ensure a high-quality internet, video, and voice service experience. A competitive environment where one carrier offers better technology than others, often results in a competitive investment response. In Rhode Island, Area 5 Cable’s competitors have greater resources due to their size. Accordingly, Area 5 Cable need greater access to capital in order to offer customers the best technology available in the marketplace and the best choices for their broadband dollars.

Div 1-5

Explain what Area 5 Cable means by the clause in its Application “Area 5 Cable’s participation in the Financing Arrangements will be transparent to its customers...”

Area 5 Cable’s participation in the Financial Arrangements will be transparent to its customers because it will ensure that there will be no change in the customer’s services or rights. Area 5 Cable’s participation in the Financial Arrangements will not result in any discontinuance, reduction, loss or impairment of service for customers, nor will there be any change in providers. Further, customers will see continued investment and consistency in Area 5 Cable’s normal operations.

Div 1-6

Identify and explain the credit status of Area 5 Cable after entering into the Financing Arrangements.

Area 5 Cable’s financial status will be unchanged as the borrowings will occur at our holding company level (WH i3B Bidco, LLC). Area 5 Cable is one of several operating businesses that provide the financial support to its parent company to enable the payment of interest and principal. Consistent with current practices, excess cash flow from Area 5 Cable may be used to assist in servicing the debt; however, the Company believes that it will have sufficient resources to continue to operate and invest in the normal course. As noted earlier, should the Company require additional capital, it will have the capacity to provide it. From the perspective of the Company’s consolidated financial position, the Company is not considered highly leveraged and will have sufficient resources to service its debt.

CONFIDENTIAL EXHIBIT 2

***Pro Forma* Balance Sheet
as of March 31, 2022**

[CONTAINS PRIVILEGED INFORMATION – DO NOT RELEASE]