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BOARD OF PUBLIC UTILITIES  
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BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

STEFANIE A. BRAND  
Director

November 8, 2019

**Via Electronic and Regular Mail**

Ms. Aida Camacho-Welsh, Board Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Fl.  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Re: I/M/O the Verified Petition of Manhattan Telecommunications Corporation  
of New Jersey for Approval to Participate in Certain Financing  
Arrangements; **BPU Docket No.: TF19091206**

Dear Ms. Camacho-Welsh:

The New Jersey Division of Rate Counsel ("Rate Counsel") has reviewed the above referenced Petition of Manhattan Telecommunications Corporation of New Jersey ("Manhattan Telecommunications" or the "Petitioner"), filed with the New Jersey Board of Public Utilities ("Board"), requesting Board approval to guarantee debt on behalf of its holding company, Metropolitan Telecommunications Holding Company ("MetTel Holding") in financing arrangements of approximately \$130 million.<sup>1</sup> Rate Counsel submits the within comments for the Board's consideration and has enclosed with this original ten copies, kindly return a date/stamped "Received" and/or "Filed" copy to Rate Counsel. For the reasons that follow, Rate Counsel does not object to Board approval of Petitioners' requests as stated in the Verified Petition ("Petition").

**Petitioner and Financing**

Manhattan Telecommunications is a Delaware corporation providing local exchange, telecommunications services throughout New Jersey pursuant to Board Order in docket TE99120922, is an indirect subsidiary of MetTel Holding, a Delaware holding company.<sup>2</sup> Petitioner requests Board approval, to guarantee on behalf of MetTel Holding certain financial arrangements consisting of an initial \$60,000,000 revolving credit (with an option to increase the revolving credit facility to a maximum of \$90,000,000) in addition to securing a term loan of up to a maximum amount of \$40,000,000 under a Senior Secured Term Loan arrangement.<sup>3</sup>

<sup>1</sup> Petition, pp. 1 and 3-4.

<sup>2</sup> Id., pp. 1-2. Petitioner notes that its affiliates are authorized and provide facilities-based and/or resold interexchange telecommunications services, and competitive local exchange services in 49 other states, D.C., Puerto Rico and Canada. Id., p. 2.

<sup>3</sup> Petition, p. 3.

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Petitioner asserts the funding will be used to achieve general operational business cost efficiencies and for other general corporate business purposes.<sup>4</sup> Petitioner further asserts the transaction will not affect New Jersey customers, nor diminish existing services, rates and conditions of service and is consistent with and will further the public interest by strengthening the company and promoting robust competition among the telecommunications market in New Jersey.<sup>5</sup>

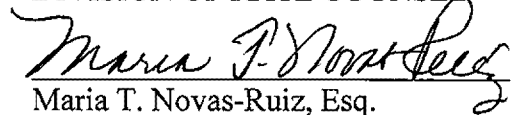
Prior Board approval of any encumbrance or mortgage of a telecommunications service provider is required otherwise the transaction is void under New Jersey law.<sup>6</sup> As the Petitioner's assets will secure the debt, the Board's approval must be based on its satisfaction that the debt is made according to law and that the debt serves a beneficial purpose pursuant to *N.J.S.A. 48:3-9* and *N.J.A.C. 14:1-5.9*.<sup>7</sup>

Rate Counsel notes that Petitioner has asserted that the funds will not detrimentally affect current customer service, rates, terms and conditions of service and is expected to promote increased competition in the New Jersey telecommunications market for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel has no objection should the Board determine after its financial review that approval of Petitioner's requests under the Verified Petition is prudent and warranted.

Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND, ESQ.,  
DIRECTOR  
DIVISION OF RATE COUNSEL



Maria T. Novas-Ruiz, Esq.  
Assistant Deputy Rate Counsel

MNR/td  
c: Service List

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<sup>4</sup> Petition, p. 4.

<sup>5</sup> Id.

<sup>6</sup> *N.J.S.A. 48:3-9, et seq.* If the Board finds that after investigation there is doubtful benefit to the petitioner, the Board may withhold approval. See, *Interstate Telephone & Telegraph Co. v. Board of Public Utility Commissioners*, 84 NJL 184 (Sup. Ct. 1913), wherein the court interpreted the 'approval of the purpose' provision to empower the Board with the authority to withhold approval if in its judgment the purpose of the debt incurred will have doubtful benefit to the applicant.

<sup>7</sup> Petition, p. 4. See also, Petitioner's responses dated October 28, 2019, provided under seal, to Board Staff's data requests propounded in connection with this matter.

**Manhattan  
Telecommunications  
Corporation of New Jersey**

**BPU Docket No. TF19091206  
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