

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

I/M/O Verified Petition of
Xtel Communications, Inc.
for Approval to Incur Debt

Docket No. _____

VERIFIED PETITION FOR APPROVAL

Xtel Communications, Inc. (“Xtel” or “Petitioner”), by undersigned counsel and pursuant to N.J.S.A. 48:3-7, N.J.S.A. 48:3-9, and the regulations of the Board of Public Utilities (“Board”), requests Board approval to incur new indebtedness needed to fund Petitioner’s continued expansion and growth.

In support of this Petition, Petitioner provides the following information:

I. DESCRIPTION OF THE PETITIONER

Xtel is a New Jersey corporation. Xtel’s principal offices are located at 10000 Midlantic Drive, Suite 410E, Mount Laurel, New Jersey 08054.

In New Jersey, Xtel is authorized to provide facilities-based and resold telephone service with authority to provide local exchange service pursuant to authority granted by the Board in *I/M/O Petition of Xtel Communications, Inc. for Approval to Provide Interexchange and Local Exchange Services*, Docket No. TE99020058 (Order of Approval August 18, 1999). Xtel is also authorized by the Federal Communications Commission (FCC) to provide interstate telecommunications services.

II. DESIGNATED CONTACTS

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

James H. Laskey
Laura Miller
Norris McLaughlin, PA
400 Crossing Blvd, 8th Floor
Bridgewater, New Jersey 08807-5933
908-252-4221 (tel)
908-722-0755 (fax)
jlasky@norris-law.com
lmiller@norris-law.com

with a copy to:

John J. West, CPA
Vice President of Finance & Billing
Xtel Communications, Inc.
10000 Midlantic Drive | Suite 410E |
Mount Laurel, NJ 08054
jwest@xtel.net

III. DESCRIPTION OF THE PROPOSED INDEBTEDNESS

Xtel seeks to borrow \$7,500,000.00 (the "Indebtedness") and to pledge its assets as security for the Indebtedness, in accordance with the following tentative terms.

| | |
|--------------------------|------------------|
| Principal Amount: | \$7.5 million |
| Debt Instrument: | Term Note |
| Maturity: | December 1, 2027 |
| Interest Rate: | 4.5% |

The Indebtedness will be used to pursue acquisitions and other investments, such as adding to Xtel's existing network infrastructure, working capital requirements (including the development and expansion of distributed network systems), and general corporate purposes of Petitioner.

IV. PUBLIC INTEREST CONSIDERATIONS

Approving this Petition to allow Petitioner to incur the proposed Indebtedness will serve the public interest. Among other things, the proceeds of the Indebtedness will be used to fund some, or all, of the purchase price from future acquisitions, to support strategic growth initiatives, to provide for ongoing working capital, and for other corporate purposes. The Indebtedness will provide access to financial resources that will allow Petitioner to become a more effective competitor in the communications industry. The Indebtedness is necessary and appropriate, will not impair Petitioner's ability to provide its services, and will promote its corporate purposes. Petitioner fully expects to be able to repay the Indebtedness in accordance with its terms, and without any disruption of service or customer confusion or inconvenience.

V. CONCLUSION

For the foregoing reasons, Petitioner submits that the public interest, convenience and necessity would be furthered by grant of this Petition and for the Board to authorize the Petitioner to participate in the Additional Financing Arrangements described above.

Respectfully submitted,



James H. Laskey
Laura Miller
Norris McLaughlin, PA
400 Crossing Blvd, 8th Floor
Bridgewater, New Jersey 08807-5933
908-252-4221 (tel)
908-722-0755 (fax)
jaskey@norris-law.com
lmiller@norris-law.com

Dated: August 24, 2021

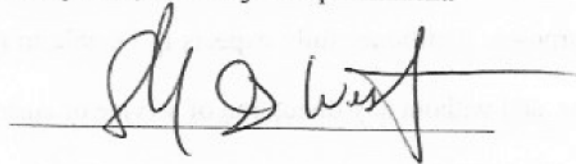
VERIFICATION

I, John J. West, CPA, verify the foregoing petition as follows:

1. I am employed as Vice President of Finance & Billing Xtel Communications, Inc. ("Xtel") and am authorized to sign this verification on behalf of Xtel.

2. I have read the foregoing petition and verify that the facts contained therein relating to Xtel are true to the best of my knowledge, and the opinions contained therein relating to Xtel are correct to the best of my belief.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

A handwritten signature in black ink, appearing to read "John J. West", is written over a horizontal line.

Dated: August 24, 2021