



Agenda Date: 2/19/14  
Agenda Item: IVA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF )  
FIBER TECHNOLOGIES NETWORKS, L.L.C. FOR )  
APPROVAL TO EXPAND ITS FINANCING )  
ARRANGEMENTS ) DOCKET NO. TF14010001

**Parties of Record:**

**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel  
**Dennis C. Linken, Esq.**, Scarinci & Hollenbeck, LLC, on behalf of Petitioner

BY THE BOARD:

On January 7, 2014, Fiber Technologies Networks L.L.C. ("Fibertech" or "Petitioner") submitted a Verified Petition to the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:3-7 and 48:3-9 requesting approval to expand Fibertech's existing authority for financing arrangements by \$70 million to an aggregate amount of up to \$575 million.

**BACKGROUND**

Fibertech, a New York limited liability company, is a subsidiary of Fibertech Networks, LLC ("Fibertech Networks"). Fibertech Networks, through its operating subsidiaries, including Fibertech, has constructed and operates high-capacity metro area networks and fiber rings to meet the communications and broadband needs of telecommunications carriers, business entities, and educational, governmental, and health-care institutions. Fibertech Networks and Petitioner have their principal offices at 300 Meridian Centre, Rochester, New York 14618.

Fibertech is authorized to provide facilities-based and resold telecommunications services in New Jersey. See In the Matter of the Petition of Fiber Technologies Networks, L.L.C., Docket No. TE05080683, Order dated September 14, 2005. Additional information concerning Fibertech's legal, technical, managerial and financial qualifications has been submitted to the Board with various prior submissions with respect to Petitioner's certification and various transactions and is therefore a matter of public record. The Board therefore takes official notice of these descriptions of Fibertech's qualifications and incorporates them herein by reference.

The Board has previously authorized Fibertech to act as a guarantor and to pledge its assets in support of financing arrangements by its parent, Fibertech Networks, up to an aggregate amount of \$505 million. See In the Matter of the Verified Petition of Fiber Technologies Networks, L.L.C. for Approval To Participate in Financing Arrangements, Docket No. TF12110998, Order dated December 20, 2012. By this Petition, Fibertech seeks to increase its existing Board authority by \$70 million for an aggregate amount of \$575 million.

Petitioner expects that any long-term indebtedness incurred as part of the proposed expanded financing arrangements will mature up to seven (7) years after issuance. Interest rate(s) will be set according to market conditions at issuance and will be fixed or floating, or a combination thereof, with floating rates consisting of a base rate plus an agreed upon margin. Some or all of the expanded financing arrangements will be secured with security interests in the assets of Fibertech and with a guaranty from Fibertech. The financing arrangements may be used for working capital to maintain and expand Petitioner's networks and services, a cash dividend, fees and expenses related to the transaction, and other corporate purposes of the Company.

The Petitioner states that approval of the expanded financing arrangements will permit Fibertech to take advantage of favorable debt market conditions that will not negatively affect Fibertech Networks' net debt leverage, which is expected to remain at roughly the same level as it was when the Board approved its existing facilities in December 2012 (i.e., approximately 4.1 times Last Quarter Annualized EBITDA). The Petitioner also states that the arrangements will be conducted in a manner that will not involve any assignment of authorization, result in a change of carrier for customers, or create any other effect perceptible to customers or the public.

The Division of Rate Counsel has reviewed this matter and, by letter dated January 13, 2014, stated that it has no objection to the Board's grant of Petitioner's requests under the Verified Petition.

### **FINDINGS AND CONCLUSIONS**

After careful review of this matter, the Board **FINDS** that the proposed transaction will not have a negative impact on competition, the rates of current customers, or on New Jersey employees. Therefore, after investigation and consideration of the record and information submitted in this proceeding, the Board **FINDS** that the expanded financing arrangements are in accordance with law and in the public interest, and **HEREBY AUTHORIZES** Petitioner to expand its existing financing arrangements by \$70 million up to an aggregate amount of \$575 million, and to take those actions necessary to effectuate such financing arrangements.

This Order is issued subject to the following provisions:

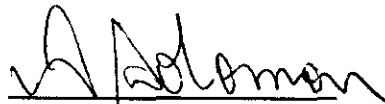
1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioner.
2. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transaction or other supporting documents, a default or assignment under such agreement does not constitute an automatic transfer of Petitioner's assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.

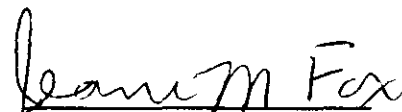
3. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioner.
4. Petitioner shall notify the Board, within five (5) business days, of any material changes in the financing arrangements and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.

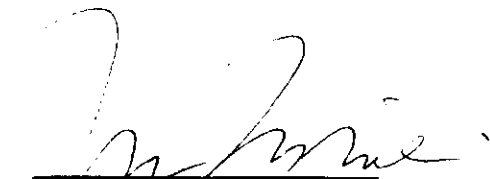
This Order shall be effective March 1, 2014.

DATED: 2/19/14

BOARD OF PUBLIC UTILITIES  
BY:


  
DIANNE SOLOMON  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

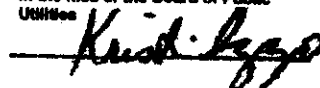
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY-ANNA HOLDEN  
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 the Verified Petition of Fiber Technologies Networks, L.L.C.  
For Approval to Expand Its Financing Arrangements

DOCKET NO. TF14010001

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