

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on April 16, 2026

COMMISSIONERS PRESENT:

Rory M. Christian, Chair  
James S. Alesi  
David J. Valesky  
John B. Maggiore  
Uchenna S. Bright  
Denise M. Sheehan  
Radina R. Valova

CASE 25-M-0326 - Joint Petition of Alteva of Warwick LLC;  
Archtop Fiber LLC; Archtop Fiber Parent, LLC;  
Germantown Telephone Company, Inc. d/b/a GTel  
Teleconnections; Hancock Telephone Company;  
Hancock Long Distance, Inc.; Valstar, Inc. dba  
GTel Teleconnections; Hilltop Communications,  
Inc.; and Han Cel, Inc. for Approval of an  
Internal Reorganization and Participation in  
Certain Financing Transactions.

ORDER APPROVING JOINT PETITION SUBJECT TO CONDITIONS

(Issued and Effective April 20, 2026)

BY THE COMMISSION:

INTRODUCTION

By Joint Petition filed June 2, 2025, and supplemented  
April 7 and 9, 2026, Archtop Fiber LLC (Archtop Fiber), Archtop  
Fiber Parent, LLC (Archtop Parent), and their affiliates, Alteva  
of Warwick LLC (Alteva); Germantown Telephone Company, Inc.  
d/b/a GTel Teleconnections (GTel); Hancock Telephone Company  
(HTC); Valstar, Inc. dba GTel Teleconnections (Valstar); Hilltop  
Communications, Inc. (Hilltop); Hancock Long Distance, Inc.  
(HLD); and Han Cel, Inc. (Han Cel) (with Alteva, GTel, HTC,  
Valstar, Hilltop, Han Cel, and Archtop Fiber, the NY OpCos; and

collectively with Archtop Parent, the Petitioners), request Commission approval pursuant to Public Service Law (PSL) §§99, 100, and 101 to transfer indirect control of the NY OpCos through the insertion of a newly formed intermediate holding company, Archtop Parent (Internal Restructuring) and to participate in certain financing arrangements (Financing Arrangements) (together with the Internal Restructuring, the Transaction).

By this Order, the Commission determines, pursuant to PSL §§99, 100, and 101, that the Transaction is in the public interest, provided the Petitioners unequivocally accept all conditions outlined below, including but not limited to, the commitments to invest at least \$125 million in New York to improve infrastructure, extend their high-speed broadband network, and improve customer services over a four-year period. Through these expenditures the Petitioners shall extend high-speed broadband internet access to no less than 94,800 new addresses in New York; perform upgrades to switches, firewalls, and other electronics at local market offices and hubsites; perform data center upgrades that will benefit all Archtop Fiber customers; and deploy new interconnection facilities that will eliminate Archtop Fiber's reliance on third-party circuits. The Commission further finds that any potential risks or detriments associated with the Transaction can be mitigated by the financial conditions discussed below.

#### BACKGROUND

##### Archtop Fiber LLC

Archtop Fiber is a Delaware limited liability company with its principal place of business located at 300 Enterprise Drive, Kingston, New York 12401. Archtop Fiber is authorized to operate as a facilities-based provider and reseller of telephone

services, with authority to provide local exchange service in New York, through a Certificate of Public Convenience and Necessity (CPCN) granted by the Commission.<sup>1</sup> Archtop Fiber also operates in New York through its subsidiary Incumbent Local Exchange Carriers (ILECs) GTel, HTC, and Alteva (together, the NY ILECs).<sup>2</sup>

Archtop Fiber Parent, LLC

Archtop Parent is a Delaware holding company, with its principal place of business located at 300 Enterprise Drive, Kingston, New York 12401. Archtop Parent is wholly owned by Archtop Fiber Holdings LLC (Archtop Holdings) and was created solely for the purpose of the Financing Arrangements. Archtop Parent is not authorized to provide telecommunications services in New York.

Alteva of Warwick LLC

Alteva, a New York ILEC, is a New York limited liability company with its principal place of business at 47 Main Street, Warwick, New York 10990. Alteva is a wholly owned subsidiary of Alteva, Inc., a New York corporation and wholly owned subsidiary of Archtop Fiber. Alteva provides service to residential and business customers in the Towns of Warwick,

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<sup>1</sup> Matter 22-00750, Petition of Archtop Fiber LLC for an Original Certificate of Public Convenience and Necessity, Letter approving CPCN by Operation of Law (dated June 21, 2022).

<sup>2</sup> The Commission approved prior transactions involving the Petitioners, creating the current ownership structure, in the following Commission Orders: Case 22-M-0698, Archtop Fiber LLC et al. - Transfer of Control, Order Granting Joint Petition Subject to Conditions (issued July 21, 2023) (July 2023 Order); Case 23-M-0042, Archtop Fiber LLC et al. - Transfer of Control, Order Granting Joint Petition Subject to Conditions (issued September 15, 2023) (September 2023 Order); and Case 23-C-0290, Archtop Fiber LLC et al. - Transfer of Control, Order Granting Joint Petition Subject to Conditions (issued December 19, 2023) (December 2023 Order) (together, the 2023 Orders).

Goshen, and Wallkill in Orange County and also operates a Competitive LEC (CLEC), serving residential and business customers in Middletown and Scotchtown, Orange County and portions of Northern New Jersey. The Commission approved Archtop Fiber's acquisition of Alteva in December 2023.<sup>3</sup> As of December 31, 2025, Alteva served 2,335 access lines in New York.<sup>4</sup>

Germantown Telephone Company, Inc. d/b/a GTel Teleconnections

GTel is a New York corporation with its principal place of business located at 210 Main Street, Germantown, New York 12526. Also a New York ILEC and wholly owned subsidiary of Archtop Fiber, GTel serves customers in the Towns of Clermont, Gallatin, Germantown, Livingston, and Taghkanic in Columbia County. The Commission approved Archtop Fiber's acquisition of GTel in July 2023.<sup>5</sup> As of December 31, 2025, GTel served 944 access lines.

Hancock Telephone Company

HTC is a New York corporation with its principal place of business at 34 Read Street, Hancock, New York 13873. HTC is a New York ILEC and wholly owned subsidiary of Archtop Fiber. The Commission approved Archtop Fiber's acquisition of HTC in September 2023.<sup>6</sup> As of December 31, 2025, HTC served 720 access lines.

Hilltop Communications, Inc.

Hilltop is a New York corporation with its principal place of business at 210 Main Street, Germantown, New York 12528. Hilltop is a wholly owned subsidiary of GTel and offers cable video service and holds Certificates of Confirmation

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<sup>3</sup> December 2023 Order.

<sup>4</sup> Access line count data is self-reported by the Petitioners.

<sup>5</sup> July 2023 Order.

<sup>6</sup> September 2023 Order.

(Certificates) granted by the Commission to provide cable television service to subscribers in the Towns of Clermont, Gallatin, Germantown, Livingston, and Taghkanic in Columbia County. As of December 31, 2025, Hilltop served 430 cable subscribers.<sup>7</sup> As such, it is designated as a small cable company in New York.<sup>8</sup>

Valstar, Inc. dba Gtel Teleconnections

ValStar, a New York CLEC, is a New York corporation with its principal place of business at 210 Main Street, Germantown, New York, 12526. Valstar is a wholly owned subsidiary of GTel and is authorized as a facilities-based reseller of telecommunications service, including local exchange service through a CPCN granted by the Commission.<sup>9</sup> Valstar serves customers over broadband facilities in all or parts of the Towns of Claverack, Clermont, Gallatin, Germantown, Greenport, Hillsdale, Livingston, and Taghkanic in Columbia County.

Hancock Long Distance, Inc.

HLD is a New York corporation with its principal place of business at 34 Read Street, Hancock, New York 13873. HLD is a New York CLEC and an indirect wholly owned subsidiary of HTC. HLD is authorized to operate in New York as a reseller of

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<sup>7</sup> Matter 09-01904, In the Matter of Cable Company Filings of Annual Financial Reports and Customer Service Reports, Hilltop Communications, Inc. Exemption Filing (filed February 24, 2026).

<sup>8</sup> Pursuant to 16 NYCRR §890.61(n), a small cable television system shall mean any cable television system with fewer than 1,000 subscribers.

<sup>9</sup> Case 99-C-0638, Petition of Valstar Inc. for an Original Certificate of Public Convenience and Necessity, Letter Approving Certificate by Operation of Law (dated July 5, 2000) and Letter Approving Amended CPCN by Operation of Law (dated June 19, 2001).

telephone service, without authority to provide local exchange service, through a CPCN granted by the Commission.<sup>10</sup>

Han Cel, Inc.

Han Cel is a New York corporation with its principal place of business at 34 Read Street, Hancock, New York, 13873. Han Cel is a cable television provider and wholly owned subsidiary of HTC. Han Cel offers video service and holds Certificates granted by the Commission to provide cable television service to subscribers in the Towns of Hancock and Tompkins and the Village of Hancock in Delaware County. As of December 31, 2025, Han Cel served 320 cable subscribers.<sup>11</sup> As such, Han Cel is designated as a small cable company in New York.

JOINT PETITION AND SUPPLEMENT

The Petitioners request Commission approval pursuant to PSL §§99, 100, and 101 for a proposed transaction that would insert a newly created entity, Archtop Parent, into the NY OpCos' ownership structure as the direct parent of Archtop Fiber Intermediate LLC (Archtop Intermediate) and as a wholly owned subsidiary of Archtop Holdings.<sup>12</sup> The Petitioners state that the Internal Restructuring is necessary to facilitate the Financing Arrangements and will have no effect on the ultimate ownership

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<sup>10</sup> Case 06-C-1562, Petition of Hancock Long Distance, Inc. for an Original Certificate of Public Convenience and Necessity, Letter Approving Certificate by Operation of Law (dated February 23, 2007).

<sup>11</sup> Matter 09-01904, In the Matter of Cable Company Filings of Annual Financial Reports and Customer Service Reports, Small Company Exemption Status (filed February 24, 2026).

<sup>12</sup> Pre- and post-Transaction organizational charts are attached hereto as Attachment A.

and control of the NY OpCos as Archtop Holdings will remain their ultimate parent company.

As stated in the Joint Petition, although Hilltop and Han Cel operate certificated video service in municipalities through Certificates and franchise agreements approved by the Commission, PSL §222 approval is not required, because both companies have fewer than a combined 1,000 subscribers and have filed requisite affirmations with the Commission attesting to their status as an exempt small company under PSL §213(2). Therefore, each company is exempted from the requirements of PSL §222 for purposes of the Internal Restructuring.<sup>13</sup>

The Petitioners also seek Commission approval to participate in certain Financing Arrangements in which Archtop Intermediate will enter into a five-year term loan (Five-Year Credit Facility). The Five-Year Credit Facility will be in the amount of \$190 million, which includes a \$75 million initial term loan and up to an additional \$115 million of delayed draw term loans, with an additional \$60 million in discretionary funding.<sup>14</sup> According to the Joint Petition, the Five-Year Credit Facility will be provided by a syndicate of financial institutions led by Monroe Capital LLC and its affiliates (collectively, the Lenders).<sup>15</sup>

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<sup>13</sup> See n. 7 and n. 11, supra.

<sup>14</sup> On April 9, 2026, the Petitioners advised that the \$60 million discretionary funds will not be drawn down. Accordingly, the total amount available under the five-year term loan is \$115 million.

<sup>15</sup> The Joint Petition states that Archtop Intermediate and Archtop Parent entered into a Credit Agreement on April 1, 2025, in which the Lenders have provided a 360-day term loan on terms substantially similarly to those of the Five-Year Credit Facility, except that the Credit Agreement has an initial term of less than one year.

According to the Joint Petition, Archtop Intermediate will be the borrower under the Five-Year Credit Facility, with the loans guaranteed by Archtop Parent, which will pledge the equity of the Petitioners, including that of the NY ILECs, Alteva, GTel, and HTC. The Petitioners add that the Five-Year Credit Facility will also be guaranteed by the equity and assets of Archtop Holdings' various other subsidiaries that are not regulated by the Commission. According to the Joint Petition, those Petitioners that are regulated by the Commission will not be direct borrowers under the Five-Year Credit Facility, but instead the Petitioners will guarantee the loans through a pledge of assets to secure the Five-Year Credit Facility.

The Petitioners assert that nothing in the PSL requires Commission consent for the issuance of debt by cable television companies. However, the Commission's July 2023 Order, September 2023 Order, and December 2023 Order prohibit Han Cel and Hilltop from pledging their assets in support of Archtop's further acquisitions. Accordingly, the Petitioners seek Commission consent for the two cable companies to participate in the Financing Arrangements in the instant case.

Public Interest Statement

The Petitioners state that the Transaction will serve the public interest by providing the Petitioners with the capital necessary to improve and expand their broadband networks to deliver high-speed internet access services to their customers within New York and the Northeast. The Petitioners add that the capital will promote growth, development, and innovation in New York's telecommunications markets to the benefit of New York consumers.

According to the Joint Petition, the Internal Restructuring will pose no harm to consumers, will not affect the ultimate ownership or control of the Petitioners, nor will

it result in the assignment of the Petitioners' licenses, assets, or customers. Furthermore, the Petitioners state that the Internal Restructuring will have no impact on the Petitioners' day-to-day operations and that existing customer rates and contracts will be unaffected by the Transaction. The Petitioners add that the Internal Restructuring will not cause a reduction or impairment of service and will be imperceptible and transparent to their customers, while not adversely affecting the employment markets in the areas served by the Petitioners.

The Petitioners indicate that the proceeds from the Financing Arrangements will be applied toward the extension of the Petitioners' core fiber network in the Northeast for the provision of broadband and ancillary communications services. Moreover, Petitioners state they may also use the initial term loan proceeds to refinance up to \$1 million per year of capital lease expense pursuant to a capital lease agreement between Archtop and Enterprise Fleet Leasing, as well as to pay transaction fees and expenses. Further, to the extent approved by the Commission, Petitioners state Archtop Fiber may use the Initial Term Loan to fund acquisitions of other communications companies in substantially similar lines of business as Archtop Fiber (e.g., fiber-to-the-home providers). Lastly, the Petitioners state that the Financing Arrangements will not result in a change in the ultimate ownership of the Archtop Fiber operating entities or a change in the management or day-to-day operations of the Petitioners; nor will it adversely affect the Petitioners' current or planned operations in New York.

Supplement to the Joint Petition

On April 7, 2026, the Petitioners filed the Supplement to the Joint Petition (Supplement) to make additional commitments which will serve the public interest if the

Transaction is approved by the Commission, as stated by the Petitioners. According to the Supplement, the Petitioners will commit to extending their broadband network in New York to approximately 94,800 addresses during the four-year period from the start of 2026 through the end of 2029, including through overbuilds that will bring effective competition to New York residents, based on current cost structures and economic conditions, the availability of access to rights of way, the receipt of necessary licenses from pole owners, and other factors relevant to construction of facilities. Moreover, the Petitioners commit to certain capital expenditures to improve and expand service in New York. Specifically, the Petitioners will expend no less than \$125,152,895 in New York to improve their infrastructure, extend their network, and improve customer services during the four-year period from the start of 2026 through the end of 2029. The Petitioners state that they will undertake these expenditures to facilitate the successful expansion of their network to the 94,800 addresses set forth above, and will include additional expenditures for the following purposes: upgrading switches, firewalls, and other electronics at local market offices and hubsites; performing data center upgrades benefitting all Archtop Fiber customers; and deploying new interconnection facilities to interconnect New York markets without the need to rely on third-party circuits.

LEGAL AUTHORITY

Under PSL §§99, 100, and 101 the Commission must find that a transaction is in the public interest in order to grant its approval. PSL §99(2) requires the consent of the Commission for any proposed transfer of a telephone corporation's "works or system." As the Commission has noted, "[a]lthough PSL §99(2) does not specify a standard of review, all such utility

transfers have been interpreted as requiring an affirmative public interest determination by the Commission."<sup>16</sup>

PSL §100(1) and (3) require the Commission's consent for the acquisition of the stock of a telephone corporation. Unlike §99(2), however, these provisions expressly bar the Commission from giving its consent unless the applicant has shown, in the first instance, that the acquisition is within the public interest. PSL §101 also requires the Commission's authorization before a telephone corporation issues stock, bonds, notes or other evidences of indebtedness payable at periods of more than twelve months unless authorized by the Commission.

According to PSL §§99 and 100, an application is deemed approved within 90 days unless the Commission or its designee notifies a petitioner in writing that the public interest requires the Commission's review and its written order. According to PSL §101, an application is deemed approved within 45 days unless the Commission or its designee notifies a petitioner in writing that the public interest requires the Commission's review and its written order. The Petitioners were notified by letter dated June 16, 2025, that the public interest required a more detailed review of the Joint Petition and that the Commission will review and issue a written response in this proceeding.<sup>17</sup>

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<sup>16</sup> Case 05-C-2337, Joint Petition of Verizon Communications Inc., Order Asserting Jurisdiction and Approving Merger Subject to Conditions (issued November 22, 2005), n. 46.

<sup>17</sup> Case 25-M-0326, Directors Joint Letter Stopping the Clock (filed June 16, 2025).

DISCUSSION

To approve a proposed transfer of control of a telephone company and related Financing Arrangements under PSL §§99, 100, and 101, the Commission must find that the transaction is in the public interest. The public interest standard will be determined in a manner designed to benefit and protect ratepayers without unduly restricting the flow of capital. That, in turn, will also translate into maintaining a minimum level of credit quality, or reasonable financial strength, to ensure that customers are protected.<sup>18</sup>

Here, the Commission finds that the Transaction presents potential risks and detriments, as described below. However, provided the Petitioners unconditionally accept all the conditions discussed in this Order, including the capital structure conditions and the commitment to invest at least \$125 million in New York to extend their high-speed broadband network, as defined below, to no less than 94,800 new addresses, among other capital investment commitments, the Commission expects the Transaction to produce an incremental net benefit to New York customers, while mitigating those identified risks and detriments associated with the Transaction.

The Petitioners state that the Transaction is in the public interest because it will facilitate infrastructure improvements, expand the Petitioners' high-speed broadband network, and improve customer services. Moreover, according to the Petitioners, the Transaction will be generally transparent to customers and will not result in any change or interruption in the operation of the Petitioners or the services provided to New York customers. The Petitioners assert that they will

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<sup>18</sup> See, e.g., Case 14-C-0308, Joint Petition of Brick Skirt Holdings, et al., Order Approving Transfer of Control with Conditions (issued December 12, 2014).

continue to provide such services at the same rates and on the same terms and conditions as are currently in effect.

Notwithstanding the foregoing, however, the potential business risks to the NY ILECs associated with the pledging of their assets as security for the loan must be considered here. Moreover, while the Supplement includes incremental public benefits, in order to ensure that the Petitioners fulfill these commitments, the Commission must also condition its approval as explained herein.

#### Financial Integrity

The Commission reviewed historical financial statements for the years 2024 and 2025 and projected financial statements for the years 2026 through 2030 for the three NY ILECs, as well as Archtop Fiber (the immediate parent of the three NY ILECs), and Archtop Intermediate (the borrower). These financial statements were used to better understand the financial condition, performance, and future prospects of these entities. This analysis indicates that both Alteva and HTC's balance sheets reflect 100 percent common equity ratios on a historical basis and are projected to remain stable through 2030. GTel, on the other hand, reflects a lower, but still strong, common equity ratio of approximately 84 percent in 2024, which increased to approximately 96 percent in 2025. That ratio is projected to remain within the historical levels through 2030. Nevertheless, in order to maintain financial stability for the three NY ILECs, certain financial conditions are warranted as described below.

With respect to Archtop Fiber, the Petitioners indicate that, on a historical basis, Archtop Fiber had levels of common equity that are strong. After reviewing Archtop Fiber's confidential projected financials, however, further revisions were warranted that raised potential concerns.

Accordingly, specific financial conditions will also be implemented for Archtop Fiber.

Notably, the NY ILECs and their immediate parent, Archtop Fiber, are not currently rated by any credit rating agencies, including Standard & Poor's (S&P) and Moody's Investors Service (Moody's). Due to Archtop Fiber's weak financial performance, it may be perceived as having a higher level of business risk if S&P and Moody's were to rate it. To the extent Archtop Fiber is perceived as having significant business risks, credit rating agencies would likely assign it a speculative-grade rating, which is generally considered indicative of weak financial integrity. Similarly, if the NY ILECs were to be rated, they would most likely be assigned a speculative grade rating due to their weak business risk profiles, particularly in light of the significant access line losses experienced in recent years.<sup>19</sup> Given the significant level of business risk faced by both Archtop Fiber and the three NY ILECs, as well as the inherent limitations of financial forecasts in capturing all factors that may affect costs, demand, revenues, cash flow, and financing activities, the Commission further finds that a minimum common equity ratio for the three NY ILECs and Archtop Fiber is necessary, as discussed below, to safeguard the interests of their New York customers.<sup>20</sup>

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<sup>19</sup> A speculative-grade rating is one in which the credit rating is lower than "Baa3" from Moody's and/or lower than "BBB-" from S&P.

<sup>20</sup> See, e.g., Case 22-M-0698, Joint Petition of Archtop Fiber LLC, et al., Order Approving Transfer of Control with Conditions (issued July 21, 2023); Case 20-C-0548, Joint Petition of Ontario Telephone Company, Inc. et al., Order Approving Transfer of Control with Conditions (issued March 23, 2021); and Case 21-C-0064, Joint Petition of Tammy Krisher et al., Order Approving Transfer of Control with Conditions (issued July 16, 2021).

Risk Mitigation Conditions

Based on the foregoing, it appears that the Transaction could result in some potential harm. The Commission concludes that any potential harm can be mitigated by the commitments made by the Petitioners in their Joint Petition and Supplement, and by imposing specific financial conditions, as follows.

To ensure that the three NY ILECs remain financially sound, the Commission shall require that each NY ILEC maintain a minimum common equity ratio of 50 percent through December 31, 2029, or the completion of the capital infrastructure projects, whichever date is later.<sup>21</sup> Within 30 days after each calendar quarter, the Chief Financial Officer (or equivalent officer) of each of the NY ILECs shall file a letter of certification with the Secretary to the Commission confirming compliance with this requirement. In the event any of the NY ILECs' common equity ratios fall below the 50 percent minimum common equity ratio requirement, the Petitioners shall be required to file, as part of the Chief Financial Officer's (or equivalent officer) certification, the necessary steps, including but not limited to an equity infusion, that Petitioners shall take to ensure each NY ILEC will reach the required minimum common equity ratio established herein. The NY ILEC shall restore the common equity ratio within 120 days in the event they fail to achieve this minimum common equity ratio requirement.

This capital structure condition does not bind the Commission to any specific regulatory capital structure for any of the three NY ILECs. The precise regulatory capital structure

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<sup>21</sup> The common equity ratio is calculated as the book value of common equity divided by the sum of the book value of common equity and total debt. The calculation of the actual equity ratio will be based on the audited balance sheet and financial statements of each company.

of any of the three NY ILECs will be considered by the Commission here or in future rate cases.

With regard to Archtop Fiber, the Commission requires it to maintain a minimum common equity ratio of 40 percent through December 31, 2029, or the completion of the capital infrastructure projects, whichever date is later. Within 30 days after each calendar quarter, the Chief Financial Officer (or equivalent officer) of Archtop Fiber shall file a certification letter with the Secretary to the Commission confirming compliance with this requirement. In the event that Archtop Fiber's common equity falls below the 40 percent minimum common equity ratio requirement, calculated on a 12-month rolling average basis, it shall be required to file, as part of the Chief Financial Officer's (or equivalent officer) certification letter, the necessary steps, including but not limited to an equity infusion, the Petitioners shall take to reach the minimum common equity ratio requirement. Archtop Fiber shall restore the common equity ratio to at least 40 percent within 120 days in the event that Archtop Fiber fails to maintain the minimum common equity ratio requirement.

Moreover, within 60 days after the end of every calendar year, Archtop Fiber shall provide the calculation of its common equity ratio along with supporting documentation, in Microsoft Excel spreadsheet format with all formulas intact, to the Secretary of the Commission.

The Credit Agreement associated with the Financing Arrangements includes a financial covenant that establishes maximum allowable net leverage ratios that Archtop Intermediate must not exceed to avoid default. These ratios decrease progressively over time, beginning in the first quarter of 2026 and continuing every quarter through December 31, 2029, resulting in multiple step-down levels. Accordingly, to protect

ratepayers against potential default, once the Transaction has closed and for the term of the Credit Agreement, for the duration of time that the assets of the three NY ILECs are pledged or otherwise used to secure debt, Archtop Intermediate shall maintain a Leverage Ratio that does not exceed a level that is at most 0.50 below the maximum allowable limit for the applicable period. For illustrative purposes, if the Credit Agreement specifies a maximum Leverage Ratio of 5.00 to 1.00 for a given period, Archtop Intermediate would be required to maintain, for compliance purposes, a Leverage Ratio of 4.50 to 1.00.

Archtop Intermediate shall notify the Secretary to the Commission within 30 days after each calendar quarter, through a letter of certification by the Chief Financial Officer (or equivalent officer), confirming compliance with this Leverage Ratio requirement. For any quarter in which Archtop Intermediate is not in compliance with this Leverage Ratio requirement, Archtop Intermediate shall provide the calculation of the Leverage Ratio, together with supporting documentation, in Microsoft Excel spreadsheet format with all formulas intact, as part of this compliance filing. The filing shall include a mitigation plan the Petitioners will undertake to prevent further deterioration of the Leverage Ratio in subsequent quarters.

Notwithstanding the foregoing, for the life of the Credit Agreement, Archtop Intermediate shall provide to the Secretary to the Commission, within 60 days after the end of each calendar year, its actual Leverage Ratio calculation as of the end of the most recent quarter, together with supporting documentation for each line item, in Microsoft Excel spreadsheet format with all formulas intact, for so long as the assets of

the three NY ILECs remain pledged or otherwise used to secure debt.

Risk-Benefit Analysis of the NY ILECs' Asset Pledge

The Petitioners indicate that the assets of the three NY ILECs would be pledged as part of the collateral securing the proposed financing, resulting in the risks associated with the loan being shared across the parent company and its affiliated entities. In order to assess whether the risk associated with the pledge of these assets is reasonably proportionate to the expected benefits, Department of Public Service (Department) staff obtained additional information regarding the distribution of the pledged assets among the affiliated entities and the allocation of planned investments to be funded by the proposed loan. Based on this review, the Commission finds that the relative share of planned investments to be funded by the loan that are expected to benefit New York operations compares favorably to the share of assets from those entities proposed to be pledged as collateral and that the level of planned investment associated with NY ILECs' operations exceeds the relative share of pledged assets attributable to those entities.

Public Interest Conditions

The Petitioners assert that benefits will accrue to the operating subsidiaries' customers as a result of the Transaction. While the Petitioners did not put forward specific enforceable public interest benefits in the Joint Petition, they did provide some concrete benefits in the Supplement. Therefore, the Commission's approval is conditioned upon the specific enforceable conditions as discussed below to bring the Transaction into alignment with the Commission's public interest standard.

Broadband Deployment Commitment

As a condition of the Commission's approval, the Petitioners are required to extend their high-speed broadband network (defined for purposes of this commitment as an internet access service with minimum speeds of 100 Megabytes-per-second (Mbps) download and 10 Mbps upload) to at least 94,800 incremental addresses during the four-year period from the start of 2026 to the end of 2029. The Petitioners shall pass 25 percent of the 94,800 addresses by the end of year one; 50 percent by the end of year two; 75 percent by the end of year three; and 100 percent by the end of year four, subject to the good cause exceptions described below.

These addresses may include unserved, underserved and/or overbuild locations.<sup>22</sup> An address is considered passed if the network facilities can provide high-speed broadband:

(a) located in or on the public right-of-way (i.e., road) that the address abuts, or (b) located in or on a public right-of-way into which the private right-of-way that the address abuts, terminates, or intersects; provided that with respect to an address described in (b) above, if such address is within 150 feet from the network facilities of the Petitioners or any of their affiliates in the public right-of-way, the Petitioners or any of their affiliates shall not impose a special construction charge for such construction and shall complete such construction and provide service within seven business days of a

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<sup>22</sup> In terms of broadband service, according to the New York State Broadband Map (<https://mapmybroadband.dps.ny.gov>), "Unserved" generally means there is no internet access at a location, or speeds are below 25 Mbps download and 3 Mbps upload. "Underserved" means there is some internet service at a location, but it is below 100 Mbps download and 10 Mbps upload. "Served" means the location has access to broadband service with speeds at or exceeding 100 Mbps download and 10 Mbps upload.

request for service at such address after securing any necessary private easements or rights.

Further, for purposes of determining whether good cause exists for an extension of the above timeframes, the Commission shall consider: (a) force majeure events, including but not limited to severe weather events, labor shortages, and delays caused by third parties, including pole or conduit owners or their contractors, and (b) any other factor relevant to such request.

Notwithstanding the foregoing, an address is considered ineligible if that address is currently passed by any of the NY OpCos' fiber, selected for network expansion in compliance with any of the Commission's 2023 Orders, or designated for inclusion in the Federal Communications Commission's Broadband Equity, Access, and Deployment (BEAD) Program outside of any BEAD grant to the NY OpCos. Within 60 days of the issuance of this Order, the Petitioners shall file with the Secretary to the Commission a list of at least 23,700 unserved, underserved, and/or overbuild addresses to which the Petitioners commit to expand their broadband network during calendar year 2026. Thereafter, on or before December 1, 2026, 2027, and 2028, the Petitioners shall file with the Secretary to the Commission a list of at least 23,700 unserved, underserved, and/or overbuild addresses to which the Petitioners commit to expand their broadband network during calendar years 2027, 2028, and 2029, respectively. All addresses will be subject to Department staff's review and acceptance.

During the four-year period from the start of 2026 to the end of 2029, the Petitioners shall be required to improve customer services, and improve their infrastructure, including capital expenditures that upgrade switches, firewalls, and other electronics at local market offices and hubsites; upgrade data

centers; and deploy new interconnection facilities to interconnect New York markets without the need to rely on third-party circuits to benefit customers.

To accomplish the foregoing capital investments, the Petitioners shall invest no less than \$125,152,895 in New York to improve their infrastructure, improve customer services, and extend their network to pass the number of addresses set forth above. To ensure that the Petitioners are meeting their build-out and other capital investment obligations in a timely manner, the Commission requires the Petitioners to file with the Secretary to the Commission compliance reports every six months, beginning six months from the date of the issuance of the Order, indicating the number and location of the unserved, underserved and/or overbuild addresses passed and the amount and description of other capital expenditures invested during the reporting cycle, along with supporting documentation.

Miscellaneous Conditions

As in similar proceedings of this type, costs of the Transaction shall be excluded from the rate base, expenses, and capitalization in the determination of rates and earned returns of the NY ILECs. For New York State intrastate regulatory accounting and reporting purposes, no costs related to the Transaction shall be recovered from the ratepayers of the three NY ILECs.

In addition, Department staff shall have unrestricted access to all financial books and records of the Petitioners and their affiliates. The Petitioners shall continue to maintain separate financial books and records for the NY ILECs. The books and records of Archtop's three NY ILECs shall not be removed from New York State without prior Commission approval.

As a condition in each of the 2023 Orders, the Commission required Archtop Fiber to extend high-speed internet

service to unserved, underserved and/or overbuild addresses in and around the respective ILEC service territories. The Commission reiterates herein that the Petitioners remain obligated to comply with all the existing commitments set forth in the 2023 Orders, including the build-out conditions, and emphasizes that those existing commitments are not relieved, amended or modified in any way herein.<sup>23</sup>

For the reasons stated above, the Commission determines that the conditions being established are necessary to satisfy the public interest. At the same time, however, the Commission is aware that the Petitioners may have pursued approval in other state and federal jurisdictions, and that these jurisdictions may require commitments that would also be beneficial to New York. To ensure that New York gains the benefits of these commitments, the Commission requires the Petitioners agree to a most favored State clause. If, in obtaining approval of the Transaction in other jurisdictions, the Petitioners commit to additional benefits, they shall, within 30 days following such commitments, notify the Commission of those benefits and their commitment to provide those benefits in New York. Notwithstanding the foregoing, the Petitioners shall comply with all the conditions delineated in this Order in

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<sup>23</sup> The July 2023 Order required Archtop Fiber to extend high-speed broadband service to at least 70 unserved or underserved addresses and overbuild to 800 addresses in or around GTel's footprint within two years of the close of the transaction; the September 2023 Order required Archtop Fiber to extend high-speed broadband service to at least 227 incremental unserved or underserved addresses in and around HTC's footprint within two years of the close of the transaction; and the December 2023 Order required Archtop Fiber to extend high-speed broadband service to at least 2,500 addresses to which Alteva does not offer high-speed broadband service within two years of the closing of the transaction.

addition to any benefit that results from any other state or federal action regarding the Transaction.

Acceptance of Conditions and Enforcement

The Petitioners and their successors in interest shall unconditionally accept and agree to comply with the conditions and commitments set forth in the body of this Order. If the Petitioners do not unconditionally accept such, within seven business days of the issuance of this Order, this Order shall constitute a denial of the Joint Petition and Supplement.

The conditions and commitments adopted in this Order shall be binding and enforceable by the Commission upon the Petitioners. Section 25 of the PSL requires that the Petitioners "comply with ... every order or regulation ... adopted" pursuant to the PSL,<sup>24</sup> and that any failure to comply with this Order may result in Petitioners to "forfeit to the people of the state of New York a sum not exceeding one hundred thousand dollars constituting a civil penalty for each and every offense and, in the case of a continuing violation, each day shall be deemed a separate and distinct offense."<sup>25</sup>

In the event that the Petitioners fail to comply with the conditions contained herein, pursuant to PSL §26, "the [C]ommission may direct counsel to the [C]ommission to commence an action or special proceeding in the supreme court in the name of the [C]ommission for the purpose of having such violations or threatened violations stopped and prevented."<sup>26</sup>

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<sup>24</sup> PSL §25(1).

<sup>25</sup> PSL §25(2).

<sup>26</sup> PSL §26.

CONCLUSION

Based on the foregoing, the Commission finds that with the enforceable conditions and commitments adopted herein, approval of the Transaction is in the public interest pursuant to PSL §§99, 100, and 101. The Commission notes, however, that its conditional approval is based upon the specific and unique set of facts presented in the instant case. The Commission will continue to evaluate all future mergers, acquisitions, and financing petitions on a case-by-case basis.

The Commission orders:

1. The Joint Petition and Supplement to the Joint Petition of Alteva of Warwick LLC; Archtop Fiber LLC; Archtop Parent, LLC; Germantown Telephone Company d/b/a GTel Teleconnections; Hancock Telephone Company, Inc.; Hancock Long Distance, Inc.; Valstar, Inc. dba GTel Teleconnections; Hilltop Communications, Inc.; and, Han Cel, Inc. (together, the Petitioners), requesting Commission approval of an internal restructuring that would result in the indirect transfer of the Petitioners through the insertion of a newly formed intermediate holding company, Archtop Parent, LLC, into the control and ownership structure of the Petitioners (Internal Restructuring); and for Archtop Parent, LLC to participate in certain financing arrangements (Financing Arrangements) (together with the Internal Restructuring, the Transaction) is conditionally approved, as discussed in the body of this Order, pursuant to Public Service Law §§99, 100, and 101.

2. Within seven days of the issuance of this Order, and consistent with the discussion herein, the Petitioners shall file a letter with the Secretary to the Commission that acknowledges unconditional acceptance and agreement to comply

with the conditions and commitments set forth in the body of this Order.

3. Within seven days of the issuance of this Order, and consistent with the discussion herein, the Petitioners shall file a letter with the Secretary to the Commission that acknowledges the continued commitment to uphold the existing requirements set forth in the Commission's Orders issued July 21, 2023, September 15, 2023, and December 20, 2024, in Cases 22-M-0698, Case 23-M-0042, and Case 23-C-0290, respectively.

4. Each Incumbent Local Exchange Carrier (ILEC), Alteva of Warwick LLC; Germantown Telephone Company d/b/a GTel Teleconnections; and, Hancock Telephone Company, Inc. (collectively, the NY ILECs) shall maintain a minimum common equity ratio of 50 percent through December 31, 2029, or the completion of the capital infrastructure projects, whichever date is later. Within 30 days after each calendar quarter, the Chief Financial Officer (or equivalent officer) of the ILECs shall file a certification letter with the Secretary to the Commission confirming compliance with this requirement. In the event that any NY ILEC's common equity ratio falls below the 50 percent minimum requirement, it is required to file, as part of the Chief Financial Officer's (or equivalent officer) certification letter, the necessary steps, including but not limited to an equity infusion, the Petitioners shall take to reach the minimum common equity ratio requirement. The ILEC shall restore the common equity ratio within 120 days in the event it fails to achieve the minimum common equity ratio requirement.

5. Archtop Fiber, LLC shall maintain a minimum common equity ratio of 40 percent through December 31, 2029, or the completion of the capital infrastructure projects, whichever

date is later. Within 30 days after each calendar quarter, the Chief Financial Officer (or equivalent officer) of Archtop Fiber LLC shall file a letter of certification with the Secretary to the Commission confirming compliance with this requirement. In the event that Archtop Fiber, LLC's common equity falls below the 40 percent minimum requirement, calculated on a 12-month rolling average basis, it is required to file, as part of the Chief Financial Officer's (or equivalent officer) certification letter, the necessary steps, including but not limited to an equity infusion, the Petitioners shall take to reach the minimum common equity ratio requirement. Archtop Fiber, LLC shall restore the common equity ratio within 120 days in the event that Archtop Fiber, LLC fails to achieve the minimum common equity ratio requirement.

6. Within 60 days after the end of every calendar year, the Petitioners shall provide the calculation of its common equity ratio along with supporting documentation, in Microsoft Excel spreadsheet format with all formulas intact, to the Secretary of the Commission.

7. Archtop Fiber Intermediate LLC shall maintain a Leverage Ratio requirement that does not exceed a level that is at most 0.50 below the maximum allowable limit for the applicable period. Archtop Fiber Intermediate LLC shall notify the Secretary to the Commission within 30 days after each calendar quarter, confirming compliance with this Leverage Ratio requirement. If Archtop Fiber Intermediate LLC is not in compliance with this Leverage Ratio requirement, Archtop Fiber Intermediate LLC shall provide the calculation of the Leverage Ratio, together with supporting documentation, in Microsoft Excel spreadsheet format with all formulas intact, in its compliance filing within 30 days after each calendar quarter. The filing shall include a mitigation plan the Petitioners will

undertake to prevent further deterioration of the Leverage Ratio in subsequent quarters.

8. For the life of the Credit Agreement, Archtop Fiber Intermediate LLC shall provide to the Secretary to the Commission, within 60 days after the end of each calendar year, its actual Leverage Ratio calculation as of the end of the most recent quarter, together with supporting documentation for each line item, in Microsoft Excel spreadsheet format with all formulas intact, for so long as the assets of the three NY ILECs remain pledged or otherwise used to secure the debt.

9. The Petitioners shall make demonstrable incremental capital investments of at least \$125,152,895 in New York using the loan proceeds to pass at least 94,800 incremental addresses subject to the deployment schedule discussed in the body of this Order, and upgrade switches, firewalls, and other electronics at local market offices and hubsites; upgrade data centers; and deploy new interconnection facilities to interconnect New York markets without the need to rely on third-party circuits to benefit customers within the Petitioners' New York service territories for the years 2026-2029.

10. The Petitioners shall pass 25 percent of the 94,800 addresses by the end of year one; 50 percent by the end of year two; 75 percent by the end of year three; and 100 percent by the end of year four, subject to the good cause exceptions discussed in the body of this Order.

11. Within 60 days of the issuance of this Order, the Petitioners shall file with the Secretary to the Commission a list of at least 23,700 unserved, underserved, and/or overbuild addresses to which the Petitioners commit to expand their broadband network during calendar year 2026. Thereafter, on or before December 1, 2026, 2027, and 2028, the Petitioners shall file with the Secretary to the Commission a list of at least

23,700 unserved, underserved, and/or overbuild addresses to which the Petitioners commit to expand their broadband network during calendar years 2027, 2028, and 2029, respectively. All addresses will be subject to Department staff's review and acceptance, consistent with the discussion in the body of this Order.

12. The Petitioners shall file with the Secretary to the Commission compliance reports every six months, beginning six months from the date of the issuance of the Order, indicating the number and location of the unserved, underserved and/or overbuild addresses passed and the amount and description of other capital expenditures invested during the reporting cycle, along with supporting documentation.

13. Within 30 days after the consummation of the Internal Restructuring, the Petitioners shall notify the Secretary to the Commission in writing that the Internal Restructuring has been consummated.

14. Within 30 days after the consummation of the Financing Transaction under the Five-Year Credit Facility, the Petitioners shall notify the Secretary to the Commission in writing of such transaction.

15. No costs associated with the Transaction shall be recovered by the Petitioners from the customers of Alteva of Warwick LLC; Germantown Telephone Company d/b/a GTel Teleconnections; and Hancock Telephone Company, Inc.

16. The Petitioners shall not provide any financial guarantees to facilitate any other future transactions of any kind without Commission's prior approval.

17. The authorization provided by this Order is subject to a Most Favored State clause consistent with the discussion in the body of this Order. If, in obtaining approval of the Transaction in other jurisdictions, the Petitioners

commit to additional benefits, they shall within 30 days following such commitments, notify the Commission of those benefits and their commitment to provide those commitments in New York.

18. To the extent the Transaction is not consummated within one year of the date of this Order, the Commission may rescind the approval granted herein.

19. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, include a justification for the extension, and be filed at least three days prior to the affected deadline.

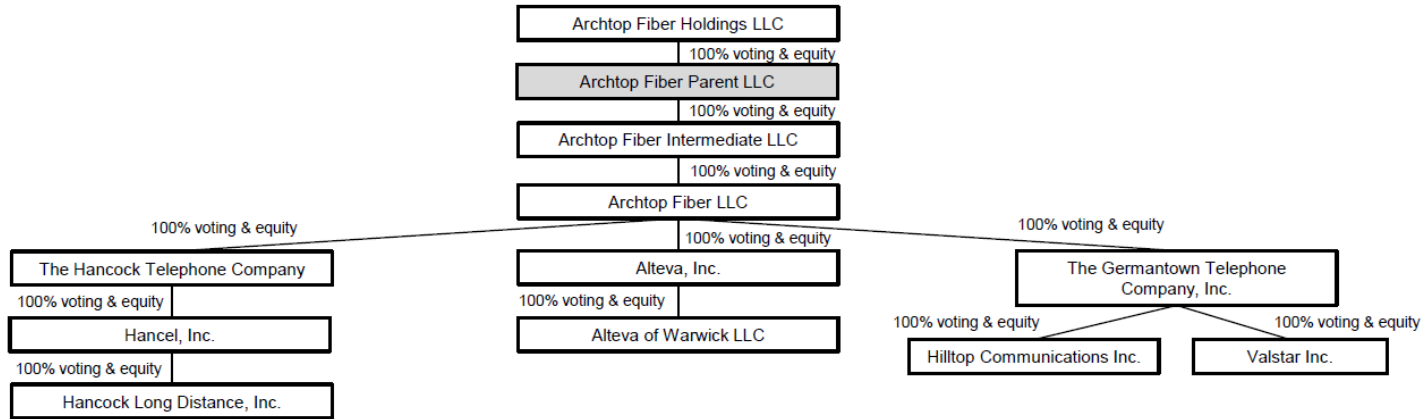
20. This proceeding is closed pending compliance with Ordering Clauses 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, and 14.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS  
Secretary

PRE-TRANSACTION ORGANIZATIONAL CHART



POST-TRANSACTION ORGANIZATIONAL CHART

