



Agenda Date: 9/18/23
Agenda Item: IVD

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

OFFICE OF CABLE
TELEVISION AND
TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF) ORDER
MANHATTAN TELECOMMUNICATIONS)
CORPORATION OF NEW JERSEY AND MANHATTAN)
TELECOMMUNICATIONS CORPORATION OF NEW)
JERSEY LLC FOR APPROVAL OF AN INTERNAL)
RESTRUCTURING) DOCKET NO. TO22120723

Parties of Record:

Amy J. Blumenthal, on behalf of the Petitioners
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 5, 2022, Manhattan Telecommunications Corporation of New Jersey (“Manhattan NJ Corp”) and Manhattan Telecommunications Corporation of New Jersey LLC (“Manhattan NJ LLC”) (together, “Petitioners”), submitted a verified petition to the New Jersey Board of Public Utilities (“Board”) requesting, to the extent necessary, approval of an internal, pro forma restructuring, pursuant to N.J.S.A. 48:3-7 and 48:3-10 (“Petition”). By this Order, the Board considers the request for approval.

Petition

According to the Petition, the restructuring will result in Manhattan NJ Corp merging with an affiliate entity, Manhattan NJ LLC, with Manhattan NJ LLC being the surviving entity (“Transaction”).¹ The Petitioners stated that the Transaction is part of a conversion of “MetTel operating companies” from corporations to limited liability companies. Following completion of the conversion of all the MetTel operating companies,² an intermediate holding company was

¹ Manhattan NJ Corp. and Manhattan NJ LLC completed the conversion on February 8, 2022.

² MetTel operating companies are each of the individual MetTel entities operating in each of the 50 states, the District of Columbia, Puerto Rico and Canada pursuant to certification, registration or tariff requirements, or on a deregulated basis.

inserted between the Petitioners' parent company, Metropolitan Telecommunications Holding Company LLC ("MetTel Holding"), and their ultimate parent company, MetTel, Inc.³ The Petitioners stated that the Transaction is pro forma in nature, as both entities are under common ownership, control, and management. As such, the Petitioners asserted that the Transaction will not result in any changes in rates, terms, or conditions of services and will be transparent to New Jersey customers.

Manhattan NJ Corp was a privately held corporation authorized by the Board to provide local exchange telecommunications services on June 22, 2000, Docket No. TE99120922.⁴ Manhattan NJ Corp was a wholly owned subsidiary of Manhattan Telecommunications Corporation LLC, and an indirect subsidiary of MetTel Holding, a privately held Delaware holding company. Manhattan NJ Corp's affiliates are authorized to provide facilities-based and/or resold interexchange telecommunications services, and competitive local exchange services in 49 other states, the District of Columbia, Puerto Rico, and Canada, pursuant to certification, registration or tariff requirements, or on a deregulated basis.

Manhattan NJ LLC is a privately held limited liability company, organized pursuant to the laws of Delaware, formed solely for purposes of the Transaction. Manhattan NJ LLC is a wholly owned subsidiary of Manhattan Telecommunications Corporation LLC, and an indirect subsidiary of MetTel Holding, which, through its subsidiaries, provides a suite of voice and data solutions as well as telecommunications consulting services to businesses nationwide. Manhattan NJ LLC has the same ownership and management as Manhattan NJ Corp.

The Petitioners asserted that, as a result of the Transaction, there would be no change in Manhattan NJ Corp's ownership, management, operation, rates or service offerings or responsibility for regulatory obligations. Manhattan NJ LLC would continue to invoice customers of Manhattan NJ Corp under the name "MetTel," as was the practice of Manhattan NJ Corp.

The Petitioners stated that, upon approval, Manhattan NJ LLC would file updated tariffs replacing Manhattan NJ Corp's tariffs. The Petitioners affirmed that the updated tariffs would reflect the change in the name of the issuing entity only. All other rates, terms, and conditions will remain the same as those in Manhattan NJ Corp's current tariffs. Manhattan NJ LLC's managerial, technical, and financial qualifications are the same as those that resulted in the Board's grant of authority to Manhattan NJ Corp to provide Local Exchange Telecommunications Services.

Upon completion of the conversion of all MetTel operating companies, an intermediate holding company, MetTel PI, LLC, a Delaware limited liability company, was inserted between Petitioners' parent company, MetTel Holding, and their ultimate parent company, MetTel, Inc. The Petitioners stated that this entity would be controlled by MetTel, Inc. and would be structured to permit other individuals or entities to obtain purely economic rights, such as the right to participate in distributions above a certain amount; however, these members will have no voting or management rights and after the Transaction all control would remain with MetTel, Inc.

The Petitioners asserted that the Transaction is in the public interest because it would have no

³ As part of the conversion of MetTel entities, MetTel Holding also converted from a corporation to a limited liability company.

⁴ In re the Petition of Manhattan Telecommunications Corporation of New Jersey for Authority to Provide Local Exchange Services Throughout New Jersey, BPU Docket No. TE99120922, Order Dated June 22, 2000.

impact on customers and will promote the Petitioners' corporate objectives. The Petitioners stated that the corporate restructuring is necessary and appropriate, and would not impair Manhattan NJ LLC's ability to offer telecommunication services to the public. The Petitioners further stated that the Transaction will not involve an assignment of the authority granted by the Board, or a change in the day-to-day operations of the certificated company. In addition, there would be no change in the services offered to Manhattan NJ Corp's customers, or the rates for Manhattan NJ Corp's regulated services. The Petitioners asserted that the transaction would be completely transparent to Manhattan NJ Corp customers.

On April 28, 2023, the New Jersey Division of Rate Counsel ("Rate Counsel") filed a letter with the Board indicating it did not oppose approval of the proposed restructuring *nunc pro tunc* as the Petitioners have already taken the actions identified in the Petition. Rate Counsel also stated that, because the Transaction does not involve a change in control, Board approval is only required for a merger under N.J.S.A. 48:3-7 and not for a change in control under N.J.S.A. 48:3-10. Rate Counsel supported the contemplated continued provision of innovative, high-quality telecommunications services to the public and the promotion of robust competition in the New Jersey telecommunications market, affirmed by Petitioners in their filing. Accordingly, Rate Counsel did not oppose a Board grant of approval, subject to the Board's determination that the transaction connected thereto yields positive benefits to New Jersey customers and is in the public interest.

DISCUSSION AND FINDINGS

The record reflects that MetTel, Inc. controlled the Petitioners before the Transaction and continues to control the Petitioners after the Transaction. As such, this matter does not involve a request for approval of a transfer of control over regulated utilities pursuant to N.J.S.A. 48:3-10, N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14(c). The Petitioners only require Board approval for their merger under the Transaction, and thus, this matter is governed by N.J.S.A. 48:3-7.

After a careful review of this matter, the Board **FINDS** that the Transaction is consistent with the applicable law, is not contrary to the public interest, and will have no material impact on the rates of current customers or on New Jersey employees. The Board also **FINDS** that the Transaction will have no impact on the provision of safe, adequate and proper service. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **HEREBY AUTHORIZES**, *nunc pro tunc*, the Petitioners to complete the proposed Transaction as described in the Petition.

This order is subject to the following provisions.

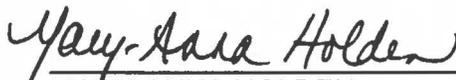
1. This Order shall not affect or in any way limit the exercise of the authority of the Board or of the State in any future petition with respect to rates, franchises, services, financing, accounting, capitalization, depreciation, or any other matters affecting the Petitioners.

This Order shall be effective on September 25, 2023.

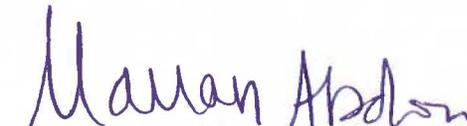
DATED: September 18, 2023

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUIL-SADOVY
PRESIDENT


MARY-ANNA HOLDEN
COMMISSIONER


DR. ZENON CHRISTODOLOU
COMMISSIONER


MARIAN ABDOU
COMMISSIONER

ATTEST: 
SHERRI L. GOLDEN
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 MANHATTAN TELECOMMUNICATIONS
CORPORATION OF NEW JERSEY AND MANHATTAN TELECOMMUNICATIONS
CORPORATION OF NEW JERSEY LLC FOR APPROVAL OF AN INTERNAL
RESTRUCTURING - DOCKET NO. TO22120723

SERVICE LIST

Amy Blumenthal
Kutak Rock LLP
Two Logan Square
100 N. 18th Street, Suite 1920
Philadelphia, PA 19103
amy.blumenthal@kutakrock.com

Joseph Farano
General Counsel, MetTel
BellWorks
101 Crawfords Corner Road, #4-311
Holmdel, NJ 07733
jfarano@mettel.net

Michael P. Donahue
Marashlian & Donahue, PLLC
1430 Spring Hill Road, Suite 310
McLean, VA 22102
mpd@commlawgroup.com

New Jersey Division of Rate Counsel
140 Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0350

Brian O. Lipman, Esq., Director
blipman@rpa.nj.gov

Robert Glover, Esq.
Assistant Deputy Rate Counsel
rglover@rpa.nj.gov

Emily Smithman, Esq.
Assistant Deputy Rate Counsel
esmithman@rpa.nj.gov

Tara Dickerson, Senior Legal Assistant
tdickerson@rpa.nj.gov

NJ Department of Law and Public Safety
Richard J. Hughes Justice Complex
Public Utilities Section
25 Market Street, P.O. Box 112
Trenton, NJ 08625

Pamela Owen, DAG, Assistant Section Chief
pamela.owen@law.njoag.gov

Terel Klein, DAG
terel.klein@law.njoag.gov

Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Sherri L. Golden, Secretary
board.secretary@bpu.nj.gov

Stacy Peterson, Deputy Executive Director
stacy.peterson@bpu.nj.gov

Lawanda R. Gilbert, Director
lawanda.gilbert@bpu.nj.gov

Rocco Della Serra
rocco.DellaSerra@bpu.nj.gov

John Borrmann
john.borrmann@bpu.nj.gov

Carol Artale, Deputy General Counsel
carol.artale@bpu.nj.gov

Steven Athanassopoulos, Legal Specialist
steven.athanassopoulos@bpu.nj.gov