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VIA ELECTRONIC MAIL ONLY

April 28, 2023

Ms. Sherri L. Golden, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O the Verified Joint Petition of Manhattan Telecommunications Corporation of New Jersey and Manhattan Telecommunications Corporation of New Jersey LLC for Approval of an Internal Restructuring
BPU Docket No.: TO22120723 – Rate Counsel Comments

Dear Board Secretary:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above referenced Verified Joint Petition of Manhattan Telecommunications Corporation of New Jersey (“Manhattan Telecommunications Corporation NJ”) and its affiliate Manhattan Telecommunications Corporation of New Jersey LLC (“Manhattan Telecommunications NJ LLC”) (collectively, the “Petitioners”) filed on December 5, 2022 (the “Petition”) with the New Jersey Board of Public Utilities (“BPU” or the “Board”) seeking Board approval, pursuant to pursuant to N.J.S.A. 48:3-7 and 48:3-10, of a reorganization transaction that will result in Manhattan Telecommunications of NJ LLC as the surviving entity (the “Transaction”). Rate Counsel submits the within comments for the Board’s consideration. Rate Counsel is only filing electronically. **Please acknowledge receipt of this filing electronically for Rate Counsel’s records.** For the reasons that follow, Rate Counsel does not oppose Board approval *nunc pro tunc* of Petitioners’ requests in this matter.

Petitioners

Transferor, Manhattan Telecommunications Corporation NJ was a privately held corporation organized under the laws of New Jersey, wholly owned by Manhattan Telecommunications Corporation LLC, and indirect subsidiary of Metropolitan Telecommunications Holding Company LLC (“MetTel Holding”).¹ Manhattan Telecommunications Corporation NJ was authorized by the Board to provide local exchange telecommunications services on June 22, 2000, in BPU Docket No. TE99120922 (the “NJ CPCN”).²

Transferee, Manhattan Telecommunications NJ LLC is a privately held limited liability corporation organized under the laws of Delaware and formed solely for purposes of the Transaction, wholly owned subsidiary of Manhattan Telecommunications Corporation LLC, and indirect subsidiary of MetTel Holding.³

Transaction

Petitioners state the Transaction is part of a conversion of MetTel, Inc. operating companies from corporations to limited liability companies.⁴

Petitioners have common ownership, control, and management.⁵ While Petitioners’ ultimate parent company is MetTel, Inc.,⁶ they are also indirect subsidiaries of MetTel Holding, a

¹ Petition, p. 2.

² Ibid.

³ Ibid.

⁴ Id. p. 1.

⁵ Id. p. 2.

privately held Delaware holding company that provides a suite of voice and data solutions as well as telecommunications consulting services to businesses nationwide.⁷ As part of converting MetTel, Inc. operating companies from corporations to limited liability companies, Petitioners are pursuing the merger of Manhattan Telecommunications Corporation NJ with and into its newly formed affiliate, Manhattan Telecommunications NJ LLC, with Manhattan Telecommunications NJ LLC being the surviving entity.⁸

Upon approval of the Petition, Manhattan Telecommunications NJ LLC plans to file updated tariff(s) replacing Manhattan Communications Corporation NJ's tariffs.⁹ Petitioners state the only change in the updated tariffs will be the change in the name of the issuing entity.¹⁰

Petitioners state approval of the Transaction is in the public interest.¹¹ Petitioners state the Transaction will have no impact on customers, will promote Petitioners' corporate objectives, and will not impact the managerial, technical, and financial qualifications that supported the Board's grant of the CPCN to Manhattan Telecommunications Corporation NJ to provide Local Exchange Telecommunications Services.¹² Further, Petitioners state the Transaction will not result in any changes, other than the name of the issuing entity, in Manhattan Telecommunications Corporation NJ's rates, terms, or conditions of service, and will be

⁶ Id. p. 1.

⁷ Id. p. 2.

⁸ Id. p. 4.

⁹ Ibid.

¹⁰ Id. p. 5.

¹¹ Ibid.

¹² Ibid.

transparent to New Jersey customers.¹³ Petitioners also state the Transaction will help them structure and manage their operations, obtain funding on favorable terms, support ongoing and expanded service offerings, and respond to changes in the marketplace.¹⁴ These benefits will enable Manhattan Telecommunications NJ LLC to continue to provide existing and new high-quality, competitively priced services to New Jersey customers.¹⁵

Rate Counsel relies on the above assertions provided by Petitioners and supports expanded service offerings and the continued provision of high quality, competitively priced services to New Jersey customers.

N.J.S.A. 48:3-7 requires Board approval when a public utility merges with any other public utility. Here, petitioner Manhattan Telecommunications Corporation NJ was authorized to provide local exchange telecommunications service in New Jersey and has merged into petitioner Manhattan Telecommunications NJ LLC, which was formed in order to provide service to the customers of Manhattan Telecommunications Corporation NJ. Therefore, Board approval is required for the merger.

N.J.S.A. 48:3-10 requires Board authorization for any public utility incorporated under the laws of New Jersey to transfer control of any shares of stock to any other public utility. Here, MetTel, Inc. is the ultimate parent company of Petitioners¹⁶ and “MetTel, Inc.’s current shareholders will remain in control of [Manhattan Telecommunications NJ LLC]” after the

¹³ Id. at 2.

¹⁴ Response to Board Staff Discovery Request 1.

¹⁵ Ibid.

¹⁶ Petition at 2.

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transfer is completed.¹⁷ Therefore, the Transaction will not result in a change in control that requires Board authorization.

Although N.J.S.A. 48:3-7 requires prior Board approval, it appears that Petitioners have already taken the actions identified in the petition. Accordingly, after reviewing the information provided by Petitioners regarding the Transaction, Rate Counsel does not oppose a grant of approval herein *nunc pro tunc*, so long as the Board determines that the Transaction yields positive benefits to New Jersey customers and is in the public interest.

Thank you for your attention to this matter.

Very truly yours,

BRIAN O. LIPMAN, ESQ.
DIRECTOR
DIVISION OF RATE COUNSEL

/s/ Robert Glover

RG/td
c: Service List

Robert Glover, Esq.
Assistant Deputy Rate Counsel

¹⁷ Response to Board Staff Discovery Request 1.