



Agenda Date: 1/11/23  
Agenda Item: IVA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

OFFICE OF CABLE  
TELEVISION AND  
TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF )  
SPECTROTEL OF NEW JERSEY, LLC, SPECTROTEL, )  
INC., AND SPECTROTEL ULTIMATE HOLDINGS, LLC )  
FOR APPROVAL OF A CHANGE OF CONTROL OF )  
SPECTROTEL OF NEW JERSEY, LLC )  
ORDER  
DOCKET NO. TM22100628

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Michael A Gruin, Esq., Stevens and Lee** on behalf of Spectrotel NJ and Spectrotel, Inc.  
**Matthew S. DeNero, Esq., and Corey Walker, Esq., Covington & Burling LLP** on behalf of Spectrotel Ultimate Holdings, LLC

BY THE BOARD:

On October 12, 2022, Spectrotel of New Jersey, LLC (“Spectrotel NJ”), Spectrotel, Inc. (“Transferor”) and Spectrotel Ultimate Holdings, LLC (“Transferee”) (together, “Petitioners”), submitted a verified petition (“Petition”), requesting that the New Jersey Board of Public Utilities (“Board”) approve a transaction (“Transaction”) wherein Transferee would acquire all outstanding equity interests of Transferor. If approved by the Board, upon consummation of the Transaction, there would be a change of control of Spectrotel NJ from the Transferor to the Transferee, pursuant to N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14. As a result of the Transaction, Spectrotel NJ would become an indirect subsidiary of the Transferee.

Spectrotel NJ is a Delaware limited liability company authorized by the Board to provide facilities-based and resold local and interexchange telecommunications services in New Jersey.<sup>1</sup> Spectrotel NJ maintains its headquarters in Neptune, New Jersey, and is a majority-owned subsidiary of Transferor, a Delaware corporation that maintains its corporate headquarters at the same address.

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<sup>1</sup> In re Spectrotel of New Jersey LLC’s Verified Petition to Provide Resold and Facilities-Based Local Exchange and Interexchange Telecommunications Services throughout New Jersey, BPU Docket No. TE12100948, Order dated December 19, 2012.

Transferor provides resold voice and IP-based data services to small and medium-sized businesses and enterprise customers across the United States through various subsidiaries. Transferor was previously authorized by the Board to provide facilities-based competitive local exchange and exchange access telecommunications services in New Jersey.<sup>2</sup> Transferor has since surrendered its authority to the Board after Spectrotel NJ obtained equivalent authority.<sup>3</sup>

Transferee is organized under the laws of the state of Delaware, with its primary office located in Washington, DC. Transferee is managed by Grain Management, LLC (“Grain Management”), which invests in and manages communications businesses in North America and South America. Grain Management’s private equity funds focus on investing in communications infrastructure and services, including fiber, towers, spectrum, small cells, satellites, and other telecommunications services.

Pursuant to an October 4, 2022 Equity Purchase Agreement (“Agreement”), the Transferee will indirectly purchase all of the outstanding equity interests in Transferor, thereby acquiring indirect ownership and control of Spectrotel NJ. As part of the Transaction, the Transferor will convert from a corporation to a limited liability company prior to closing. The Petitioners asserted that the Transaction will not affect the day-to-day management or operations of Spectrotel NJ, and will not involve an assignment of operating authority, assets, or customers. Additionally, the Petitioners contended that the Transaction will serve the public interest by providing Spectrotel NJ with additional management expertise and financial resources that will enhance its ability to maintain and improve its networks and services and, in turn, enable it to better serve its customers and compete in the communications marketplace. The Petitioners asserted that the Transaction will not result in the discontinuance of service or change in provider and that the Transaction will be seamless to customers as they will receive the same services and rates, and are subject to the same terms and conditions.

By letter dated November 15, 2022, the New Jersey Division of Rate Counsel (“Rate Counsel”), acknowledges that Board approval of any sale or merger must be based on the Board’s satisfaction that the transaction will result in positive benefits and is in the public interest. Rate Counsel states that the Petitioners have provided information required under N.J.S.A. 48:2-51.1 et seq., and N.J.S.A. 48:3-10 regarding a petition for approval of a transfer of control/merger. The Petitioners asserted that the transfer of control will not negatively impact operations, or affect management, technological or financial capabilities. Furthermore, Petitioners represented that the Transaction will be transparent to customers, and will occur without discontinuance, reduction, loss or impairment of service to customers and services will continue under the same rates, terms and conditions. Rate Counsel supports the contemplated continued provision of innovative, high quality telecommunications services to the public in the New Jersey telecommunications market for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel indicated that it does not oppose a Board grant of Petitioners’ requests under the Petition.

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<sup>2</sup> In re the Petition for an Order Authorizing ADVAMTEL, LLC d/b/a Plan B Communications, Inc. to Provide Local Exchange and Exchange Access Telecommunications Services, BPU Docket No. TE00020117, Order dated November 28, 2000.

<sup>3</sup> In re the Verified Joint Petition of Spectrotel, Inc. and Spectrotel of New Jersey, LLC for Approval of a Transfer of Assets, BPU Docket No. TM12100947, Order dated December 19, 2012.

**DISCUSSION AND FINDINGS**

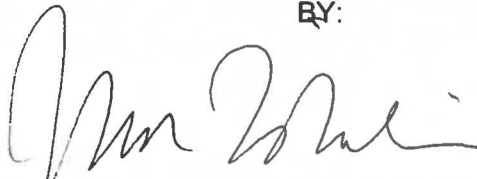
In considering a request for change of control, the Board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates, pursuant to N.J.S.A. 48:2-51.1 and N.J.S.A. 48:3-10. The Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1. N.J.A.C. 14:1-5.14(c).

After a careful review of this matter, the Board **FINDS** that the change in control under the proposed 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 proposed change of control under the Transaction will have no impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board **HEREBY AUTHORIZES** the Petitioners to complete the proposed Transaction as described in the Petition.

This Order shall be effective on January 18, 2023.

DATED: January 11, 2023

BOARD OF PUBLIC UTILITIES  
BY:



JOSEPH L. FIORDALISO  
PRESIDENT



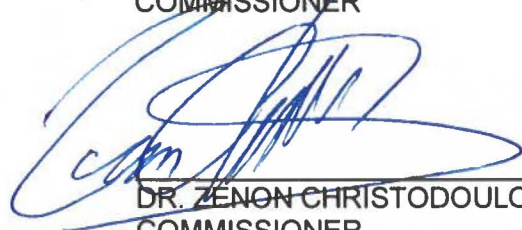
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COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER

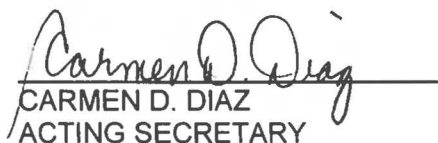


ROBERT M. GORDON  
COMMISSIONER



DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:



CARMEN D. DIAZ  
ACTING SECRETARY

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AND SPECTROTEL ULTIMATE HOLDINGS, LLC FOR APPROVAL OF A CHANGE OF CONTROL OF  
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