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***Also admitted in New York, Illinois and Washington, D.C.

OF COUNSEL
VINCENT T. EARLY
THOMPSON BENNETT
JOSEPH J. BURGIE
(1926 - 1992)

August 26, 1999

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

991236-TI

RE: Transfer of Control of International Telephone Group, Inc. to NUI Corporation

Dear Sir:

International Telephone Group, Inc. ("ITG"), by its attorneys, hereby notifies the Florida Public Service Commission ("Commission") of the proposed transfer of control of ITG from its current shareholders to NUI Acquisition Corp.¹ It is our understanding that under the circumstances set forth below, no formal approval of the Commission is required for this transaction.

ITG, a New Jersey corporation, is currently authorized to provide intrastate toll telecommunication services in Florida.² In addition, ITG is currently authorized as a reseller of intrastate, interexchange telecommunications services in an additional 14 states. It also is authorized by the Federal Communications Commission to resell interstate and international service.

On August 13, 1999, ITG and the shareholders entered into an Agreement and Plan of Merger with NUI Acquisition Corp., and NUI Corporation, whereby NUI Acquisition Corp. shall merge into ITG (the "Merger"). ITG shall become the surviving corporation in the Merger, and shall continue its corporate existence and operations. The purpose of the proposed transaction will be to cause this Merger with the surviving corporation (ITG) structured as a wholly owned subsidiary of NUI Capital Corp., which itself is a wholly owned and unregulated subsidiary of NUI Corporation.

¹ A wholly owned subsidiary of NUI Corporation.

² ITG was authorized by the Commission to provide intrastate telecommunications services as a reseller in Case No. 961406-TI.

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The transfer of control of ITG from its current shareholders to NUI Corporation is in the public interest. The addition of ITG to NUI Corporation's other interests will enhance both NUI Corporation and ITG's ability to compete in the market for telecommunication services in Florida and elsewhere. The benefit from increased economies of scale will permit ITG to operate more efficiently and thus to compete more effectively.

In addition, ITG will have access to the financial resources it needs to introduce new products and services and to respond to competition in the competitive telecommunications environment in Florida. Over time, consumers in Florida will benefit from a greater number of products and service options, as well as lower prices.

After the transfer of control, ITG will continue to operate as it has in the past, using the same name and operating authority. NUI Corporation intends to retain all key ITG personnel, including certain senior management personnel. Thus, the transfer of control will be transparent to, and will have no adverse impact upon ITG's customers.

ITG's current address is:

International Telephone Group, Inc.
1300 Mount Kemble Avenue
Morristown, NJ 07960

NUI Corporation's address is as follows:

NUI Corporation
550 Route 202-206
P.O. Box 760
Bedminster, NJ 07921

Questions concerning this matter should be directed to Patrick D. Crocker at the address indicated below:

Patrick D. Crocker
EARLY, LENNON, PETERS & CROCKER, P.C.
900 Comerica Building
Kalamazoo, MI 49007

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Finally, please stamp the enclosed duplicate copy of this letter and return it to our firm using the self-addressed, stamped envelope provided.

Respectfully submitted,

International Telephone Group, Inc.

By: 

Patrick D. Crocker
EARLY, LENNON, PETERS & CROCKER, P.C.
Attorney for International Telephone Group, Inc.