



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: April 13, 2016

Re: In the Matter of the Request to Amend the Certificate of Public Convenience and Necessity of Matrix Telecom, Inc. and Petition for Leave to Transfer Customers of TNCI Operating Company, LLC to Matrix Telecom, LLC, Docket Numbers 16-2452-01 and 16-2431-01.

RECOMMENDATIONS

- 1) Acknowledge the Name Change of Matrix Telecom, LLC**
- 2) Allow the Transfer of Control**
- 3) Approve the Cancellation of the CPCN of TNCI Operating Company, LLC**

The Division of Public Utilities (“Division”) recommends that the Commission acknowledge the name change for Matrix Telecom, Inc. to Matrix Telecom, LLC.

The Division has reviewed the joint application between TNCI Operating Company, LLC and Matrix Telecom, LLC and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Control. As a result of the joining of the two Companies, they should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

Based on the information provided in the joint application for the Transfer of Control, the Division recommends that the Commission grant the request of TNCI Operating Company, LLC

to cancel its Certificate of Public Convenience and Necessity (“CPCN”) to provide Local Exchange Services in the State of Utah.

EXPLANATION:

On or about March 23, 2016, TNCI Operating Company, LLC (“TNCI”) and Matrix Telecom, LLC (“Matrix”) notified the Commission of two transactions, which will first, notify the Commission of the name change of Matrix Telecom, Inc. and second, give notice of the internal restructuring that will result in a transfer of control of TNCI to Matrix. After the transfer is complete, the Companies ask that TNCI’s CPCN be cancelled.

Matrix Telecom, Inc. is a Texas corporation headquartered at 433 East Las Colinas Boulevard, Irving, Texas 75039. Matrix is authorized to provide public telecommunications services in the State of Utah by the Commission on November 18, 2005, Docket Number 05-2451-01. On February 03, 2016, Matrix filed an application to change its name to Matrix Telecom, LLC and change its corporation status to a limited liability corporation. Matrix has submitted paperwork showing The Division of Corporations & Commercial Code has accepted these changes.

TNCI Operating Company, LLC is a Delaware limited liability company formed on January 9, 2013. Its principal offices are located at 114 E. Haley Street, Suite 1, Santa Barbara, California 93101. TNCI was authorized to provide public telecommunications services in the State of Utah by the Commission on July 31, 2013, Docket Number 13-2431-01.

Both companies are wholly owned subsidiary of TNCI Impact, LLC.

On or about March 01, 2016 TNCI Impact, LLC began the internal restructuring of its company to combine Matrix and TNCI, with the survivor being Matrix. When the transfer is complete TNCI request that its CPCN be cancelled concurrently with the approval of this transfer.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers.

cc. Thomas M. Forte, Consultant for TNCI Impact, LLC
Alex Valencia, Vice President – Government Affairs & Compliance, Impact Telecom
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah