

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

In the Matter of the Joint Application of)
Broadweave Networks, Inc., and Veracity) DOCKET NO. 08-2410-01
Communications, Inc., for Expedited) DOCKET NO. 08-2461-01
Approval of a Plan of Merger) ORDER ON JOINT APPLICATION
) APPROVING MERGER

ISSUED: June 30, 2008

By the Commission:

In this matter, Broadweave Networks, Inc. (Broadweave) and Veracity Communications Inc. (Veracity) (together Joint Applicants) seek approval of the merger of Broadweave and Veracity. Hearing on the Application was held June 27, 2008; appearing on behalf of the Joint Applicants was Stephen F. Mecham, of the law firm Callister Nebeker and McCullough, appearing on behalf of the Division of Public Utilities (DPU) was Patricia Schmid, Assistant Attorney General. The Joint Applicants proffered evidence in support of the Joint Application and approval of the merger. The DPU presented its June 24, 2008, Memorandum and the testimony of Shauna Benvegna-Springer, describing the DPU's review and analysis of the Joint Application, supporting documentation and the DPU's recommendation for approval of the merger.

The Joint Application, filed June 2, 2008, describes the proposed merger and the supporting reasons why the merger and its approval are in the public interest. In summary, the merger will result in Broadweave acquiring 100 percent ownership and control of Veracity and Veracity's assets. Broadweave will be the surviving entity, continue operations under Broadweave's certificate and Veracity will cease operations and its certificate is to be cancelled.

Each company currently serves a different market segment, the merger will, therefore not reduce competition, but result in a larger, viable competitor in Utah's telecommunications market, with greater economies of scale, greater depth in management, financial and technical resources, and increased ability to offer a wider selection of products and services to customers. Based upon the information and evidence received, the Commission concludes that the representations made by the Joint Applicants and the DPU are correct. The Commission also agrees and concludes that approving the merger will be in furtherance of the public interest.

At the hearing, the Joint Applicants requested the Commission find that Utah Code §54-8b-18 and Commission Rule 746-349-5 (anti-slamming provisions dealing with the unauthorized change in telecommunications service providers) have no application to the transition of Veracity's customers to the merged entity, or if considered applicable, that the Commission grant a waiver from them in regards to this merger. We have previously considered similar requests, e.g., PSC Docket No.08-049-15, and have concluded that the purposes of this statute and rule do not apply to consolidations such as this one with Broadweave and Veracity. We conclude Section 54-8b-18 has no application to this merger and to the extent Rule 746-349-5 has any application, it is in the public interest to grant a waiver to the Joint Applicants in order to avoid unnecessary customer confusion when, effectively, no change in their service provider will result from this merger.

Based upon the information and evidence submitted by the Joint Applicants, as well as the Division's recommendation and evidence, and pursuant to Utah Code Ann §54-4-28, we find and conclude that the proposed merger will not harm and can provide benefits to the

State of Utah, its citizens, and to the Joint Applicants' Utah customers. We find approval of the merger is in the public interest. We further find and conclude Utah Code. §54-8b-18 has no application and good cause exists to waive the requirements of Commission Rule 746-349-5. Veracity's certificate may be surrendered and canceled upon consummation and conclusion of the proposed merger.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The proposed merger between Broadweave Networks and Veracity Communications is approved. The anti-slamming requirements contained in Utah Code §54-8b-18 do not apply and those of Commission Rule 746-349-5 are waived.

2. The approval granted herein is effective as of the date of this Order.

Pursuant to Utah Code §§63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the effective date of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code §§63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DOCKET NOS. 08-2410-01 AND 08-2461-01

-4-

DATED at Salt Lake City, Utah, this 30th day of June, 2008.

/s/ Sandy Mooy
Commission Hearing Officer

Approved and Confirmed this 30th day of June, 2008, as the Order of the Public
Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#57969 Docket No. 08-2410-01
G#57976 Docket No. 08-2461-01