

BEFORE THE PUBLIC SERVICE
COMMISSION OF UTAH

In the Matter of the
Joint Application of
AmericaTel Corporation; Matrix
Telecom, Inc.; and Impact
Telecom, Inc., for Approval of
the Transfer of Control of
AmericaTel Corporation and
Matrix Telecom, Inc., to
Impact Telecom, Inc.

Docket No. 13-2452-01

Docket No. 13-2474-01

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HEARING  
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TAKEN AT: Heber M. Wells Building
160 East 300 South, Room 451
Salt Lake City, Utah 84111

DATE: Tuesday, April 16, 2013

TIME: 9:00 a.m. to 9:09 a.m.

REPORTED BY: Michelle Mallonee, RPR

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APPEARANCES

HEARING OFFICER:

Melanie Reif

FOR THE JOINT APPLICANTS:

WILLIAM J. EVANS, ESQ.

PARSONS BEHLE & LATIMER

One Utah Center

201 South Main Street

Suite 1800

Salt Lake City, Utah 84111

FOR DIVISION OF PUBLIC UTILITIES:

JUSTIN JETTER, ESQ.

UTAH ATTORNEY GENERAL'S OFFICE

160 East 300 South

5th Floor

Salt Lake City, Utah 84111

RON SLUSHER

DIVISION OF PUBLIC UTILITIES

Utility Technical Consultant

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APPEARING TELEPHONICALLY:
AURORA ARES, ESQ.
Matrix Telecom, Inc. and AmericaTel Corporation
Counsel for Matrix Telecom, Inc. and AmericaTel Corporation

JEFFREY STRENKOWSKI, ESQ.
Outside Counsel for Matrix
Bingham McCutchen, LLP
Washington, DC

BOB BEATY
CEO Impact Telecom

JERRY OU
CEO Matrix AmericaTel

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RON SLUSHER

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EXHIBITS

(None)

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PROCEEDINGS

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THE COURT: Good morning, everyone. I'm

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Melanie Reif, administrative law judge for the Public Service

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Commission. This morning is the hearing in the dockets

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13-2452-01 and 13-2474-01. This is entitled, "In the Matter of

8

the Joint Application of AmericaTel Corporation, Matrix

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Telecom, Inc., and Impact Telecom, Inc., for Approval of the

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Transfer of Control of AmericaTel Corporation and Matrix

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Telecom, Inc., to Impact Telecom, Inc." This hearing is being

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held pursuant to Rule 746-349-7.

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Let's start with taking appearances, please, starting

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with the applicant.

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MR. EVANS: I am William J. Evans of the law firm

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Parsons Behle & Latimer, appearing on behalf of the joint

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applicants.

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MR. JETTER: Justin Jetter for the Division of

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Public Utilities. With me is Ron Slusher.

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THE COURT: Thank you. Welcome, everyone.

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We also have some individuals on the telephone

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joining this hearing. Will those individuals please make their

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appearances.

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MR. STRENKOWSKI: My name is Jeffrey

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Strenkowski, outside counsel for the applicant at the law firm of

1 Bingham McCutchen, Washington DC.

2 MR. BEATY: Robert Beaty, CEO of Impact
3 Telecom.

4 MS. ARES: Aurora Ares, assistant general counsel
5 for the Matrix Telecom and AmericaTel Corporation.

6 MR. OU: Jerry Ou, CEO of Matrix and AmericaTel.

7 THE COURT: Thank you.

8 Mr. Evans, you may proceed. This is your
9 application.

10 MR. EVANS: Okay. Thank you.

11 The joint applicants have filed with the Commission
12 an application to approve the acquisition by Impact Telecom,
13 Inc., of the controlling interest in the parent corporation of
14 AmericaTel and Matrix Telecom, Inc. We have submitted, in
15 connection with that, a description of the transaction and
16 management biographies, which indicate that the management
17 has the technical expertise and the financial ability to conduct
18 business in Utah.

19 The Division has looked at this and approved--
20 recommended the Commission approve the transaction.

21 The transaction will help create a stronger
22 competitor in Utah by bringing together these organizations that
23 have different respective strengths. The proposed transaction
24 will be virtually transparent to customers of these entities. And
25 this does not require a transfer of any operating authority, so

1 that it will be virtually seamless to customers in Utah.

2 Based on the pleadings that have been filed and
3 the Division's recommendation, we would submit it to the
4 Commission and request that the transaction receive approval.
5 Thank you.

6 THE COURT: Thank you, Mr. Evans.

7 I do note that there was an application filed and
8 that it was received by the Commission on February 22, 2013.
9 Is it your wish that the Commission take judicial notice of your
10 application?

11 MR. EVANS: Yes, thank you.

12 THE COURT: Thank you. And we will do so. Thank
13 you.

14 Are there any questions for Mr. Evans?

15 MR. JETTER: I have no questions.

16 THE COURT: Okay. Mr. Jetter, you may proceed.

17 MR. JETTER: Division would call our first witness,
18 Ron Slusher.

19 THE COURT: Mr. Slusher, are you prepared to
20 testify today?

21 MR. SLUSHER: Yes.

22 THE COURT: And will you please raise your right
23 hand.

24 Do you swear that the testimony you are about to
25 give is the truth?

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MR. SLUSHER: Yes, I do.

THE COURT: Thank you.

You may proceed.

RON SLUSHER, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY-MR.JETTER:

Q. Mr. Slusher, would you please state your name and identify your position for the record.

A. My name is Ron Slusher. I'm a utility technical consultant for the Division of Public Utilities.

Q. Thank you. And Mr. Slusher, have you reviewed the applications submitted in this docket?

A. I did.

Q. Excuse me. I believe that's one joint application for two docket numbers.

Have you prepared and submitted a memorandum in this docket?

A. I did.

Q. And are the recommendations made by you in this memorandum, filed March 18, 2013, still accurate today?

A. They are.

Q. Do you believe that approval of the application would be in the public interest and result in just and reasonable rates?

1 A. Yes, I do.

2 Q. Thank you. I have no further questions.

3 THE COURT: Thank you.

4 Any questions of Mr. Slusher, Mr. Evans?

5 MR. EVANS: No, thank you.

6 CROSS-EXAMINATION

7 BY-THE COURT:

8 Q. Mr. Slusher, one question for you, please.

9 In your affidavit, which accompanies your
10 memorandum, you note that the Division expects that this
11 application will be unopposed and uncontested; and therefore,
12 that the request of the applicant can be adjudicated informally.
13 Is that still your understanding?

14 A. Yes, it is.

15 Q. Okay. And have you, in fact, received any
16 oppositions of this application?

17 A. We have not.

18 Q. Okay. Thank you. I have no further questions.

19 MR. STRENKOWSKI: I'm sorry to interrupt, your
20 Honor. I don't know about the other telephone participants, but
21 the volume of the hearing is almost totally cut out for me.

22 THE COURT: I'm sorry about that. Can you hear a
23 little better now?

24 MR. STRENKOWSKI: I can.

25 THE COURT: Could you identify yourself, please.

1 MR. STRENKOWSKI: My name is Jeffrey
2 Strenkowski.

3 THE COURT: Okay. Mr. Strenkowski, I apologize
4 for any volume issue. We are essentially finished.

5 Is there anyone on the telephone who wishes to
6 provide any further comment? I take that as a no.

7 MR. OU: No, thank you.

8 MR. STRENKOWSKI: No, thank you.

9 THE COURT: Thank you. Thank you all for being
10 here. The Commission will issue an order. And, as stated at
11 the beginning of the hearing, this matter is being reviewed
12 pursuant to Rule 746-349-7, in particular Subsection 3, which
13 states:

14 "If no objection to the proposed transaction is
15 submitted in any filed comments or reply comments, the
16 Commission will presume that approval of the transaction is in
17 the public interest and use the information contained in the
18 application and accompanying documents as evidence to
19 support a Commission order."

20 As evidenced in this hearing, there is no objection;
21 and therefore, an order will be issued shortly authorizing the
22 request.

23 Thank you for your time today. This hearing is
24 adjourned.

25 (The hearing concluded at 9:09 a.m.)

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CERTIFICATE

State of Utah)

ss.

County of Salt Lake)

I, Michelle Mallonee, a Registered Professional Reporter in and for the State of Utah, do hereby certify:

That the proceedings of said matter was reported by me in stenotype and thereafter transcribed into typewritten form;

That the same constitutes a true and correct transcription of said proceedings so taken and transcribed;

I further certify that I am not of kin or otherwise associated with any of the parties of said cause of action, and that I am not interested in the event thereof.

Michelle Mallonee, RPR, CSR