

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Joint Application of Garrison TNCI LLC; TNCI Operating Company LLC; Impact Telecom, Inc.; and Matrix Telecom, Inc. for Approval of the Proposed Transfer of Indirect Control of Matrix Telecom, Inc. to Garrison TNCI LLC and Related Transactions

DOCKET NOS. 15-2431-01,
15-2474-01, and 15-2452-02

ORDER APPROVING JOINT
APPLICATION

ISSUED: December 10, 2015

This matter is before the Public Service Commission of Utah (Commission) on a joint application filed by Garrison TNCI LLC; TNCI Operating Company LLC; Impact Telecom, Inc.; and Matrix Telecom, Inc. (the Applicants). In brief, the Applicants request Commission approval of a restructuring and purchase agreement that will transfer Impact Telecom, Inc. to Garrison TNCI LLC. Therefore, control of Matrix Telecom, Inc., which is a subsidiary of Impact Telecom, Inc., will be indirectly transferred to Garrison TNCI LLC. Thereafter, Applicants propose to change the corporate status of Impact Telecom, Inc. and Matrix Telecom, Inc. so as to operate both entities as limited liability corporations.

On November 23, 2015, in response to a Commission action request, the Division of Public Utilities (Division) recommended that the application be approved. In recommending approval, the Division stated:

The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. 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[.]

The Division also noted that no participant in the transaction operates as an ILEC in the State of Utah.

The Commission issued notices of application and hearing on November 24, 2015. The Administrative Law Judge for the Commission held a hearing on December 9, 2015. William Evans appeared for the Applicants, joined telephonically by Alex Valencia of Impact Telecom, Inc./Matrix Telecom, Inc. and Brian McClintock of TNCI Operating Company LLC. Justin Jetter appeared for the Division, joined by Ron Slusher, utility analyst.

At hearing, the joint application and the Division's written comments were entered into the record, as were the following exhibits:

Applicants' Supplemental Exhibit 1: Domestic and International Section 214 Joint Application of Impact Telecom, Inc., Matrix Telecom, Inc., Matrix Telecom of Virginia, Inc., and Garrison TNCI LLC filed with the Federal Communications Commission (FCC), dated November 5, 2015.

Applicants' Supplemental Exhibit 2: Public Notice from the FCC establishing a streamlined pleading cycle for the Domestic Section 214 Application identified in Supplemental Exhibit 1, dated November 20, 2015.

Applicants' Supplemental Exhibit 3: Public Notice from the FCC establishing streamlined processing procedures for the International Section 214 Application for Transfer of Control of Impact Telecom, Inc., Matrix Telecom, Inc., and Matrix Telecom of Virginia, Inc. to Garrison TNCI LLC, dated December 4, 2015.

Applicants' Supplemental Exhibit 4: Joint Petition of Garrison TNCI, et al., filed with the New York Public Service Commission, dated November 5, 2015, produced to the Utah Division of Public Utilities in response to DPU Data Request Set 1.

Applicants' Supplemental Exhibit 5: Correspondence from the Georgia Public Service Commission to Brett Ferenchak, regarding Georgia PSC Docket No. 36928, the Joint Application for Approval of the Proposed Transfer of Control of Matrix, Inc. to Garrison TNCI LLC and Related Transactions, dated November 19, 2015.

Mr. McClintock and Mr. Valencia testified that there has been no opposition to the Applicants' petition with the FCC for approval of the proposed transaction, and that an order of approval is anticipated on or around December 21, 2015. They further testified that the Applicants have filed parallel dockets in other states; that the joint application filed in the State of Georgia was approved on November 19, 2015; and that the Applicants have found it necessary to correct minor non-compliance issues in the State of Louisiana, but have otherwise experienced no opposition to the joint application, either from a state regulatory body or from any other interested person.

Mr. Slusher testified on behalf of the Division that the transactions described in the application appear to be in the public interest. No one appeared at the hearing to object to the application.

Pursuant to Utah Admin. Code R746-349-7(A)(3):

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

There is no objection to the granting of the application. Therefore, under Utah Admin. Code R746-349-7(A)(3) and in light of the Division's comments and testimony, the Commission presumes the application to be in the public interest.

ORDER

Given the foregoing, the Commission approves the joint application of Garrison TNCI LLC; TNCI Operating Company LLC; Impact Telecom, Inc.; and Matrix Telecom, Inc. to transfer indirect control of Matrix Telecom, Inc. to Garrison TNCI LLC. The Commission also approves all related transactions and orders the Applicants to notify the Commission upon completing any transaction that would necessitate amendment to, or cancelation of, an affected Certificate of Public Convenience and Necessity.

DATED at Salt Lake City, Utah, this 10th day of December, 2015.

/s/ Jennie T. Jonsson
Administrative Law Judge

Approved and confirmed this 10th day of December, 2015 as the Report and Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#270892

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance 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 Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 10th day of December, 2015, a true and correct copy of the foregoing was served upon the following as indicated below:

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