



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: March 26, 2015

Re: In the Matter of the Transfer of Customers of Impact Telecom, Inc. to Matrix Telecom, Inc. Docket No. 15-2452-01.

RECOMMENDATION (Acknowledge):

The Division of Public Utilities (“Division”) has reviewed the joint application between Impact Telecom, Inc. (“Impact”) and Matrix Telecom, Inc. (“Matrix”)(together the “Companies”) and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Customers.

Following the transfer Impact will no longer operate as a telecommunications provider and a request to cancel their Certificate of Public Convenience and Necessity (“CPCN”) will be filed with the Commission at that time.

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.

EXPLANATION:

On or about March 10, 2015, Impact Telecom, Inc. (“Impact”) and Matrix Telecom, Inc. (“Matrix”) notified the Commission of an internal restructuring, which will result in a Transfer of Customers of Impact Telecom, Inc. to Matrix Telecom, Inc. The Division reviewed the notice and found the following:

Impact was incorporated under the laws of the State of Nevada on May 25, 2005. Its principal office is located at 9000 East Nichols Avenue, Suite 230, Englewood, CO 80112. Impact was issued a CPCN for the State of Utah under Docket Number 06-2474-01 on February 8, 2007. Impact provides wholesale services only within the State of Utah.

Matrix was incorporated under the laws of the State of Texas on June 13, 1990. Its principal office is located at 433 East Las Colinas Boulevard, Suite 400, Irving, TX 75039. Matrix was issued a CPCN for the State of Utah under Docket Number 05-2452-01 on December 15, 2005. Matrix is a wholly owned subsidiary of Impact.

The Companies are purposing an internal restructuring of Impact, the parent company of Matrix, that will transfer the customer base of Impact to Matrix. The purpose of the restructuring / transfer is to reduce costs and provide enhanced operational and economic efficiencies for Matrix. The resulting savings will provide greater opportunities to improve the services available to its customers. After the transaction has been completed, Matrix will still be a wholly owned subsidiary of Impact Telecom, Inc.

On November 19, 2014, a written notice was provided to the customers of Impact on informing them of the pending change to their telephone service provider from Impact to Matrix.

The Applicants submit that the transaction described herein will serve the public interest, stating that the proposed customer transfer is an internal corporate reorganization that will reduce costs and provide enhanced operational and economic efficiencies for Matrix. The resulting savings will provide greater opportunities to improve the services available to its customers.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

Cc. Thomas M. Forte, Consultant to the Impact Companies
Alex Valencia, Senior Director – Government Affairs & Compliance, Impact Telecom
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah