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State of Utah

Department of Commerce Division of Public Utilities

CHRIS PARKER
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Director, Division of Public Utilities

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Ron Slusher, Utility Technical Consultant

Date: August 21, 2020

Re: **Docket No. 20-2452-01**, In the matter of the Notification Regarding the Internal Reorganization and Transfer of Customers from Lingo Communications North, LLC. to Matrix Telecom, LLC.

AND

Docket No. 20-2563-01, In the matter of the Request of Lingo Communications North, LLC to cancel its Certificate of Public Convenience and Necessity and Withdraw Tariffs.

Recommendation (Approve)

The Division of Public Utilities (“Division”) has reviewed the joint application between Lingo Communications North, LLC. (“Lingo”) to Matrix Telecom, LLC. (“Matrix”). The public interest will be promoted by the Public Service Commission (“Commission”) approving this Internal Reorganization and Transfer of Customers. As a result of the reorganization, the company should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

The Division also recommends that the Commission cancel Lingo's Certificate of Public Convenience and Necessity ("CPCN") and withdraw its tariff once the reorganization is final.

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

Discussion

On or about July 31, 2020, Lingo Communications North, LLC. and Matrix Telecom, LLC. (together the "Applicants") notified the Commission of a transaction, which will result in an internal reorganization and transfer of Lingo's customers to Matrix. After the reorganization Lingo has requested that it's CPCN be cancelled.

Lingo Communications North, LLC. is a Delaware limited liability company headquartered at 400 East Las Colinas Blvd., Suite 500, Irving, TX 75039. Lingo is a direct subsidiary of Lingo Management, LLC and a wholly owned indirect subsidiary of Lingo Communications, LLC. Lingo is authorized to provide public telecommunications services in the State of Utah by the Commission on April 05, 2013, Docket No. 13-2563-01. Lingo is a direct subsidiary of Lingo Management, LLC and a wholly owned indirect subsidiary of Lingo Communications, LLC.

Matrix Telecom, LLC d/b/a Matrix Business Technologies d/b/a Trinsic Communications d/b/a VarTec Telecom d/b/a Excel Telecommunications d/b/a Startec d/b/a Lingo is a Texas limited liability company headquartered at 400 East Las Colinas Blvd., Suite 500, Irving, TX 75039. Matrix is authorized to provide public telecommunications services in the State of Utah by the Commission on December 15, 2005, Docket No. 05-2452-01. Matrix is a direct subsidiary of Impact Telecom, LLC and a wholly owned indirect subsidiary of Lingo Management, LLC and Lingo Communications, LLC.

The parent company of Lingo and Matrix is proposing a reorganization of its corporate structure that will transfer the customers and other assets of Lingo to Matrix. The purpose of the

reorganization is to provide enhanced operational and economic efficiencies within the company. Following the transfer, Lingo customers will be served by Matrix and Lingo will no longer operate within Utah.

The Applicants assert that approval of its application will serve the public interest by reducing costs and provide enhanced operational and economic efficiencies. The resulting savings will provide greater opportunities to improve the services available to Utah customers. The Applicants further state that customers will not incur any charges or changes in the services that they currently receive under Lingo.

Conclusion

Based on the Division's review of the filing, we conclude the public interest will be promoted by the Commission approving this notice for the transfer of Lingo's customers to Matrix and the cancellation of Lingo's CPCN.

Cc: Charles Griffin, CEO, Lingo Communications, LLC and Lingo Management, LLC
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah