

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of AT&T)
COMMUNICATIONS OF THE MOUNTAIN)
STATES, INC., for Approval to Acquire Certain)
Assets of NorthPoint Communications)

DOCKET NO. 01-087-03
REPORT AND ORDER

ISSUED: April 30, 2001

SYNOPSIS

No detriment to the public interest appearing, the Commission approved the proposed acquisition.

By The Commission:

PROCEDURAL HISTORY

On April 7, 2001, AT&T Communications of the Mountain States, Inc. (Applicant), filed its Application seeking approval for its acquisition, as part of bankruptcy proceedings, of part of the assets in bankruptcy of Northpoint Communications. The matter was referred for analysis and recommendation to the Division of Public Utilities, Utah Department of Commerce (DPU), which filed its memorandum recommending approval April 25, 2001. As our findings of fact in this matter, we adopt to findings contained in the DPU memorandum, which is annexed hereto and incorporated herein by this reference.

CONCLUSIONS OF LAW

No detriment to the public interest appearing, the proposed acquisition should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

- Applicant's acquisition of certain assets in bankruptcy of Northpoint Communications be, and it is, approved effective the date of this Order.
- Any person aggrieved by this Order may petition the Commission for review within 20 days of the date of this Order. Failure so to do will forfeit the right to appeal to the Utah Supreme Court.

Dated at Salt Lake City, Utah, this 30th day of April, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

[DPU LETTERHEAD]

April 20, 2001

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Lowell Alt, Director
Ingo Henningsen, Manager, Telecommunications
Judith Hooper, Rate Analyst
Bart Croxford, Regulatory Analyst

Re: Application of AT&T Communications of the Mountain States, Inc. for Approval to Acquire Certain Assets of NorthPoint Communications in Docket No. 01-087-03

Issues:

AT&T Communications of the Mountain States ("AT&T") filed the above-mentioned application on April 17, 2001, pursuant to *Utah Code §54-4-30*. NorthPoint received its Certificate of Public Convenience and Necessity on December 16, 1999 in Docket No. 99-2288-01.

AT&T Corp. provides service to its Utah customers through its operating subsidiary, AT&T Communications of the Mountain States, Inc. The Commission granted AT&T its certification to provide local and interexchange telecommunications services in Docket Nos. 83-087-01, 92-087-01, and 96-087-01.

NorthPoint filed for Chapter 11 bankruptcy protection on January 16, 2001. On March 22, 2001, the Bankruptcy Court approve the sale of NorthPoint assets to AT&T after AT&T emerged as the successful bidder in a Bankruptcy Court auction of selected assets of NorthPoint. The assets to be purchased include allocation space, operating support systems and various DSL equipment in Utah and other states. AT&T anticipates that the asset purchase will close within 60 days and, accordingly, requests that the Commission expedite this application.

NorthPoint has not retail customers; its only customers are businesses that resell NorthPoint DSL services. AT&T is advised that, except to the extent necessary to wind down the business in accordance with federal Bankruptcy Court's forthcoming order, NorthPoint will cease all operation.

AT&T believes that the acquisition is in the public interest because "it will enable existing facilities and equipment that otherwise would be dismantled or be left dormant to be put to use in providing Utah consumers with competitive alternatives for advanced services."

Recommendation:

The Division believes that the information that AT&T has provided is sufficient for the Division to recommend approval and should be considered under R746-110, which permits uncontested matters to be adjudicated informally.

cc: Robert L. Dughi, Esq., AT&T
Richard S. Wolters, Esq., AT&T
Mary B. Tribby, Esq., AT&T
Division of Public Utilities
Michael Ginsberg, Assistant Attorney General
Committee of Consumer Services