

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Joint Application for) DOCKET NO. 06-2299-01
of Integra Telecom Holdings, Inc., and)
Electric Lightwave, LLC, for Approval of)
a Transfer of Control of Electric) ORDER APPROVING TRANSFER OF
Lightwave, LLC) CONTROL

SYNOPSIS

The Commission finds the proposed transfer of control of Electric Lightwave, LLC, to be in the public interest and approves the same.

ISSUED: April 17, 2006

By The Commission:

PROCEDURAL HISTORY

On March 6, 2006, Integra Telecom Holdings, Inc. (“Integra”) and Electric Lightwave, LLC (“Electric Lightwave”) (hereinafter jointly referred to as “Applicants”) filed a Joint Application for Approval of a Transfer of Control of Electric Lightwave, LLC (“Application”) pursuant to *Utah Code Ann.* §§ 54-4-28 and -29. The Application states the proposed transaction would result in Integra acquiring direct control and ownership of Electric Lightwave. Applicants request expedited treatment of the Application to permit consummation of the proposed transaction as soon as possible.

On March 27, 2006, the Division of Public Utilities (“Division”) filed a memorandum of its investigation of the proposed transfer recommending approval of the same.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Integra is an Oregon corporation with principal offices located in Portland, Oregon. Through its state-specific operating subsidiaries, Integra provides local telephone service, intrastate long distance calling, and high-speed Internet access to small and mid-sized businesses in Minnesota, North Dakota, Oregon, Utah, and Washington. Integra is a facilities-based service provider, operating its network from various switching centers throughout its operating regions. Integra's operating subsidiaries are authorized to provide telecommunications services in Idaho, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wisconsin. In Utah, Integra's subsidiary, Integra Telecom of Utah, Inc. ("Integra-UT"), is authorized to provide competitive local exchange services pursuant to authority granted by the Commission in Docket No. 99-2299-01 on April 21, 2000, as amended in Docket No. 02-2299-01 on March 6, 2002. Integra-UT also provides intrastate interexchange telecommunications services, which have been deregulated by the Commission.

Electric Lightwave is a limited liability company organized under the laws of Delaware. Its current principal place of business is in Vancouver, Washington. Electric Lightwave's sole member is CU Capital, LLC ("CU Capital"), a Delaware limited liability company. Electric Lightwave is an integrated communications provider of local telephone, data, network, and long distance services to small and medium enterprise businesses, carriers, and the growing e-commerce market. In parts of the western United States, Electric Lightwave is a full-service telecommunications provider, offering business customers a suite of integrated products and services, including local telephone service, switched and dedicated long distance services,

private networks, and advanced data and Internet access services. Salt Lake City is one of Electric Lightwave's current full service markets. In Utah, Electric Lightwave is authorized to provide local exchange and other telecommunications services pursuant to a Certificate of Public Convenience and Necessity granted by the Commission in Docket No. 94- 2202-01 on August 15, 1995.

Pursuant to Applicants' Membership Interest Purchase Agreement

("Agreement"), Integra will purchase from CU Capital all of the issued and outstanding membership interests in Electric Lightwave, and will thereby become the sole controlling member of Electric Lightwave. Following this transaction, Electric Lightwave will continue to operate as a separate subsidiary of Integra. The proposed transaction will not affect Electric Lightwave's assets, nor will it result in a change of carrier for end user customers. These customers will continue to receive service under the same rates, terms, and conditions as they do now.

Applicants assert the proposed transaction will provide each company access to the other's advanced network capabilities, technical and financial strengths and complementary services, all of which should strengthen Applicants' ability to provide expanded, more advanced telecommunications services to a broader customer base in Utah, strengthening Applicants' competitive positions in Utah to the benefit of Utah consumers. The Division concurs.

Utah Administrative Code Rule 746-110-1, authorizes the Commission to adjudicate a matter informally under *Utah Code Ann.* § 63-46b-5 when the Commission "determines that the matter can reasonably be expected to be unopposed and uncontested." We

note that more than a month has passed since Applicants filed their Application yet no party has sought intervention in this matter. We therefore view this matter as unopposed and uncontested and conclude it is in the public interest to proceed informally without hearing. Pursuant to Rule 746-110-2, we conclude good cause exists to waive the 20-day tentative period for an order issued in an informally adjudicated proceeding. Accordingly, this order will become effective on the date of issuance.

Based upon the evidence submitted by Applicants, as well as the Division's recommendation, and pursuant to *Utah Code Ann.* §§ 54-4-28 and -29, we find and conclude that the proposed transfer of control will not harm and can provide benefits to the State of Utah, its citizens, or to Applicants' Utah customers and is in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. This matter be, and it is, converted to an informal proceeding pursuant to §63-46b-4(3), UCA 1953, as amended.
2. The proposed transfer of control of Electric Lightwave, LCC, is approved.
3. The transfer herein effected be, and it is, effective the date of this Order.

Pursuant to Utah Code §§63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the effective date 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

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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 §§63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 17th day of April, 2006.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

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