

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Comtel)
Telcom Assets LP for Approval of the) DOCKET NO. 07-2463-01
Indirect Transfer of Control of Comtel) ORDER APPROVING TRANSFER OF
Telcom Assets LP) CONTROL
)

SYNOPSIS

The Commission finds the proposed transfer of control of Comtel Telcom Assets LP to be in the public interest and approves the same.

ISSUED: July 25, 2007

By The Commission:

PROCEDURAL HISTORY

On June 6, 2007, Comtel Telcom Assets LP (“Comtel” or “Applicant”) filed an Application pursuant to *Utah Code Ann.* §§ 54-4-28 and -29 seeking Commission approval of a transaction that will result in an indirect change of control of the Applicant resulting from a minority member acquiring a majority interest in, and control of, an upstream limited liability company four levels above Applicant.

On June 20, 2007, 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

Comtel is a limited partnership organized under the laws of the State of Texas. Comtel provides intrastate, interstate and international long distance service throughout the United States and is authorized to provide local exchange and exchange access services in every

DOCKET NO. 07-2463-01

-2-

state except Alaska, Hawaii, and Virginia. In Utah, pursuant to Commission order issued January 27, 2006, in Docket No. 05-2463-01, Comtel is authorized to provide public telecommunications services excluding those exchanges of less than 5,000 access lines of incumbent telephone corporations with fewer than 30,000 access lines in the state.

As a result of the proposed transaction, two of the three members of a limited liability company that ultimately exercises control over Comtel through several intervening levels of limited partnerships will leave said limited liability company, resulting in the remaining member effectively exercising sole control over Comtel. However, according to Applicant, Comtel will continue to offer service with no change in the rates or terms and conditions of service currently offered to its Utah customers. Furthermore, Comtel will continue to provide service to its customers under the same name, and will continue to be led by an experienced management team. Thus, the proposed transfer of control will be seamless and transparent to customers.

Applicant asserts the proposed transaction will serve the public interest because the proposed structural and management changes to the ultimate controlling investment entity will enable the investing entities to implement an improved business, financial, and management structure. At the same time, Comtel will continue to provide high-quality telecommunications services to customers in Utah.

The Division concludes the change in majority ownership will not affect the services, terms, and conditions offered by Comtel to its retail customers and, therefore, sees no reason to object to the Application.

DOCKET NO. 07-2463-01

-3-

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 in the weeks since filing of the Application 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 Applicant, 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, and to Applicant’s 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 indirect transfer of control of Comtel Telcom Assets LP is approved.
3. The approval granted herein is effective as of 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

DOCKET NO. 07-2463-01

-4-

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 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 25th day of July, 2007.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#54031