

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. C-2125  
of Matrix Telecom, Inc. of Fort )  
Worth, Texas; AvTel Communications, )  
Inc. of Santa Barbara, California; ) GRANTED  
and Matrix Acquisition Holdings )  
Corp. of Fort Worth, Texas, seek- )  
ing approval of a stock purchase )  
agreement and related transactions. ) Entered: November 16, 1999

BY THE COMMISSION:

By application filed September 23, 1999, Matrix Telecom, Inc. (Matrix) of Fort Worth, Texas; AvTel Communications, Inc. (AvTel) of Santa Barbara, California; and Matrix Acquisition Holdings Corp. (Matrix Acquisition) of Fort Worth, Texas, seek approval of a stock purchase agreement and related transactions. Notice of the application was published in The Daily Record, Omaha, Nebraska, on September 24, 1999. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

Matrix is a corporation organized under the laws of the state of Texas. Matrix received authority from this Commission to operate as a reseller of interexchange telecommunications services on February 19, 1991, pursuant to Application No. C-865. Matrix is a wholly-owned subsidiary of AvTel.

Matrix Acquisition is a Delaware corporation and a wholly-owned subsidiary of Energy TRACS Acquisition Corp. (ETAC), which is a wholly-owned subsidiary of Platinum Equity Holdings, LLC (Platinum). Neither Matrix Acquisition nor any of its corporate parents possess a certificate of operating authority from this Commission.

The stock purchase at issue in this application will result in AvTel selling 100 percent of the issued and outstanding shares of Matrix to Matrix Acquisition. Following the transaction, Matrix will continue to provide service to its residential customers as it currently does in all aspects, and these customers will experience no inconvenience or disruption of service because of the transaction. Business customers will continue to receive service from Matrix for the time being as well; however, this customer base will, in time, be transferred to AvTel. The Commission notes that prior to providing service to the former business customers of Matrix, AvTel must obtain authority to provide service from this Commission and must obtain approval of the transfer of the business customer accounts.

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The transaction satisfies the Commission's standards of financial, technical and managerial ability. Platinum, the corporate parent of Matrix Acquisition, possesses extensive financial resources and technical expertise through serving commercial and government clients around the world. Matrix Acquisition's access to these resources will allow Matrix to achieve significant efficiencies in the provision of its services, with the benefits ultimately extending to its customers.

Upon consideration of the application, the governing statutes and rules and being fully informed, the Commission is of the opinion and finds the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2125 be, and it is hereby, granted and the stock purchase agreement between Matrix Telecom, Inc.; AvTel Communications, Inc. and Matrix Acquisition Holdings Corporation is approved.

IT IS FURTHER ORDERED that prior to providing service to the former business customers of Matrix Telecom, Inc., AvTel Communications, Inc. obtain from this Commission authority to provide such service and obtain approval of the transfer of said business customers.

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of November, 1999.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

  
Chairman

ATTEST:

  
Executive Director

//s//Lowell C. Johnson  
//s//Frank E. Landis  
//s//Daniel G. Urwiller