

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**March 13, 2008**

**IN RE:**

**FILING OF VERTEX COMMUNICATIONS, INC.  
TO TRANSFER ITS CUSTOMER BASE TO  
DPI TELECONNECT, LLC**

)  
) **DOCKET NO.**  
) **07-00181**  
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**ORDER APPROVING TRANSFER OF CUSTOMER BASE**

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This matter came before Chairman Eddie Roberson, Director Tre Hargett and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on February 11, 2008 for consideration of the *Filing* of Vertex Communications, Inc. (“Vertex”) and dPi Teleconnect, LLC (“dPi”) (together, “Petitioners”) made on July 31, 2007.

Vertex is authorized to provide competing facilities-based and resold local exchange telecommunications services in Tennessee and has approximately 2,915 customers.<sup>1</sup>

dPi is authorized to provide resold telecommunications services in Tennessee and has approximately 940 customers.<sup>2</sup>

**The Filing**

In their initial *Filing*, Petitioners submitted a copy of a customer notification letter relating to the transfer of Vertex’s customer base to dPi. In subsequent responses to data

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<sup>1</sup> See *In re: Petition of Vertex Communications, Inc. for a CCN to Provide Competitive Prepaid Local Exchange Services in the State of Tennessee*, Docket No. 03-00492.

<sup>2</sup> See *In re: Application of dPi Teleconnect, LLC for a Certificate of Convenience and Public Necessity*, Docket No. 98-00621.

requests issued by Authority staff, the Petitioners provided the following information regarding the proposed customer base transfer.

The Petitioners seek approval for dPi to acquire the customer base of Vertex as set forth in an Asset Purchase Agreement dated May 24, 2007. According to an October 16, 2007 Data Response, a limited amount of assets and the customer base of Vertex will be transferred to dPi. The Petitioners further state in the October 16, 2007 Data Response that the technical, managerial and financial personnel of dPi will serve both existing dPi and Vertex customers and the transfer will be transparent to Vertex customers as they will continue to receive services at the same rates, terms and conditions. In the same Data Response, the Petitioners included a copy of the Federal Communications Commission ("FCC") self-certification letter as required by Tenn. Comp. R. & Regs. 1220-4-2-.56(2)(d). On January 25, 2008, the Petitioners filed a revised customer notification letter for the Authority's consideration as required by Tenn. Comp. R. & Regs. 1220-4-2-.56(2)(d).

### **Findings and Conclusions**

Tenn. Code Ann. § 65-4-112(a) (2004) states:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights and franchises of other such public utility of like character shall be valid until approved by the authority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

Regarding the transfer of a customer base, Tenn. Comp. R. & Regs. 1220-4-2-.56(2)(d) provides:

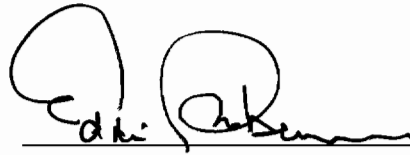
- (d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:

1. The acquiring telecommunications service provider shall provide the Authority a copy of the self-certification letter it shall file with the Federal Communications Commission ("FCC"), as required in CC Docket No. 00-257, certifying that the customer transfer is in compliance with all FCC regulations governing such transactions.
2. A notification letter, pre-approved by the Authority, shall be mailed by the current provider of telecommunications service to its customers describing the customer transfer and explaining that unless the customer selects another telecommunications service provider, the customers' local or long distance service will be transferred to the acquiring telecommunications service provider by a date specified in the notification letter. The notification letter shall be mailed by U.S. First Class Postage, with the logo or name of the current provider displayed on both the letterhead and the exterior envelope, no less than thirty (30) days prior to the actual customer transfer. For good cause shown, the Authority may waive any requirement of this part or order any requirement thereof to be fulfilled by the acquiring provider. Good cause includes, but is not limited to, evidence that the current provider is no longer providing service in Tennessee.
3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.
4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter mentioned in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

At the regularly scheduled Authority Conference held on February 11, 2008, the panel voted unanimously to approve the *Filing* and made the following findings:

1. Existing Vertex customers will continue to receive their existing services at the same rates, terms and conditions with no disruption in service.
2. The Petitioners have filed a FCC self-certification letter as required by Tenn. Comp. R. & Regs. 1220-4-2-.56(2)(d).

2. The revised customer notification letter filed with the Authority on January 25, 2008 is approved.



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Eddie Roberson, Director



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Tre Hargett, Director



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Sara Kyle, Director