

Decision 89 06 063 JUN 30 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Dial-Net, Inc. to)
purchase assets and operating)
authority of BizTel, Ltd. (U-5078-C))
and for BizTel, Ltd. (U-5078-C) to)
sell and transfer its assets and)
operating authority to Dial-Net, Inc.)

Application 89-04-006
(Filed April 5, 1989)

Mailed

JUN 30 1989

OPINION

This is an application in which BizTel, Ltd. (BizTel) seeks authority to sell and transfer its assets and operating authority to Dial-Net, Inc. (Dial-Net).

Notice of the filing of the application appeared in the Commission's Daily Calendar on April 10, 1989. There are no protests.

The Commission makes the following findings and conclusion.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. BizTel (U-5078-C) is a California limited partnership. The general partner of BizTel is BizTel, Corporation, a California corporation. BizTel holds a certificate of public convenience and necessity authorizing it to provide interLATA intrastate service which was granted in Decision (D.) 85-03-020, in Application (A.) 84-11-038. BizTel primarily serves the San Jose area.
3. Dial-Net is a South Dakota corporation which is qualified to do business in California. It is a non-facilities based carrier offering residential and commercial long-distance telephone services. Dial-Net currently provides telecommunication services in South Dakota, Nebraska, and Minnesota.

4. BizTel and Dial-Net have entered into an asset acquisition agreement under which Dial-Net intends to purchase all of the BizTel assets and operating authority for a total purchase price of \$925,000. The assets include: the BizTel name, BizTel operating authority, customer lists, existing telecommunications switching equipment, carrier agreements, and office furniture and equipment. The present management of BizTel will continue to operate the system as employees of Dial-Net for an initial three-year term.

5. As of December 31, 1988, Dial-Net had property, plant, and equipment, less depreciation, of \$1,903,395. Its operating revenues for 12 periods ending December 31, 1988 was \$17,691,213.

6. Dial-Net's acquisition of BizTel's assets and operating authority will permit Dial-Net to achieve its business goal of establishing its long-distance telecommunication service in California. California customers could benefit from the acquisition because the consolidation of Dial-Net's long-distance services would permit more efficient utilization of its transmission facilities and a general repositioning of resources to best serve all of Dial-Net's customers.

7. Dial-Net has the ability, including financial ability, to acquire the operating authority and assets of BizTel and continue its operations.

8. The proposed sale and transfer by BizTel to Dial-Net of BizTel's operating authority and assets is not adverse to the public interest.

9. Dial-Net proposes to adopt the rates, rules, and regulations presently governing the operations of BizTel.

10. BizTel and Dial-Net are telephone corporations which are nondominant telecommunications carriers.

11. Ordering Paragraph 1 of D.85-01-008 in Application 85-03-092, dated January 3, 1985, provides that:

"1. On and after the effective date of this order, public utility resellers of telecommunications services are exempted from the requirements of PU Code §§ 816-830."

12. Ordering Paragraph 7 of D.87-04-017, dated April 8, 1987, provides in part that:

"...in noncontroversial applications for authority to transfer assets or control under PU Code §§ 851-855, such authority may be granted by the Commission's Executive Director as specified in D.86-08-057."

13. Since the ensuing order primarily affects the parties to this application, it should be made effective on the date of issuance.

Conclusion of Law

The application should be granted.

This authorization is not a finding of the value of the rights and properties to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order BizTel, Ltd., a California limited partnership (BizTel), may sell and transfer to Dial-Net, Inc., a South Dakota corporation qualified to do business in California (Dial-Net), the certificate of public convenience and necessity granted in D.85-03-020 and the assets set forth in the application in accordance with the terms of the application.

2. Within 10 days after transfer, BizTel shall write the Commission stating the date of transfer and the date when Dial-Net began operating the system. A copy of the transfer documents shall be attached.

3. Dial-Net shall either file a statement adopting BizTel's tariffs or refile those tariffs under its own name as prescribed in General Order Series 96. Rates shall not be increased unless done in accordance with law.

4. Within 90 days after actual transfer, Dial-Net shall file, in proper form, an annual report on BizTel's operations from the first day of the current year through date of transfer.

5. When this order has been complied with, BizTel shall have no further public utility obligations in connection with the operating authority and facilities transferred.

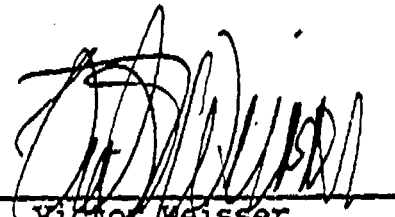
6. The corporate identification number assigned to BizTel (U-5078-C) shall be retained by Dial-Net and should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

7. Within 60 days after acquiring the operating authority and assets authorized in Ordering Paragraph 1, Dial-Net shall comply with PU Code § 708, Employee Identification Cards, and notify, in writing, the Chief of the Telecommunications Branch of the Commission Advisory and Compliance Division of compliance.

8. The authority granted in Ordering Paragraph 1 shall expire unless it is exercised before July 31, 1990.

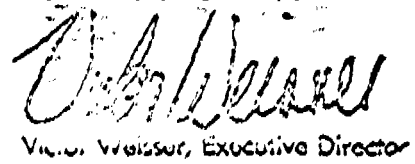
This order is effective today.

Dated JUN 30 1989, at San Francisco, California.



Victor Weissler
Executive Director

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.



Victor Weissler, Executive Director