

DT 00-024

TOUCH 1 COMMUNICATIONS, INC.

Transfer of Control

**Order Approving Transfer of Control to Z-Tel Technologies,
Inc.**

O R D E R N O. 23,434

March 27, 2000

On January 31, 2000, Touch 1 Communications, Inc. (Touch 1) notified the New Hampshire Public Utilities Commission (Commission) of a proposed transfer of all of Touch 1 stock to Z-Tel Technologies, Inc. (Z-Tel).

The Commission authorized Touch 1 as a Competitive IntraLATA Toll Provider in New Hampshire on October 19, 1995, in Order No. 21,824. The Commission found that the company demonstrated the financial, managerial and technical ability to provide intrastate telecommunications services in New Hampshire.

Z-Tel is a Delaware Corporation and through its wholly owned subsidiary, Z-Tel Communications, Inc. (Z-Tel Communications), provides advanced, integrated telecommunication services. Z-Tel Communications received authority to provide competitive IntraLATA toll service in New Hampshire by Authorization No. IXC 34699, dated March 18, 1999. Z-Tel Communications will continue to provide service

under its existing authorization.

The transaction requires all holders of equity interests in Touch 1 to exchange their interests for corresponding equity interests in Z-Tel. Touch 1 will become a wholly-owned subsidiary of Z-Tel. The parties represent that the customers will not be affected by the transfer, as the transaction will not adversely affect the rates, terms, service or operation of Touch 1 within the State of New Hampshire.

Pursuant to RSA 374:33, the acquisition by a utility or public holding company of more than 10 percent of the stocks or bonds of a public utility or public utility holding company incorporated in or doing business in this state requires Commission approval. The Commission must find the "acquisition is lawful, proper and in the public interest." RSA 374:33.

Based upon the filing we conclude that there is no reason to withhold our approval. Z-Tel is a legal entity, Touch 1 will continue to operate with the same financial, managerial and technical expertise, and New Hampshire consumers will retain the additional choice of telecommunications service that Touch 1 represents. Therefore, we find the transaction is lawful, proper, and in

the public interest pursuant to RSA 374:33.

Based upon the foregoing, it is hereby

ORDERED, that the Petition to transfer stock of
Touch 1 Communications, Inc. to Z-Tel Technologies, Inc. is
APPROVED.

By order of the Public Utilities Commission of New
Hampshire this twenty-seventh day of March, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary