

DT 00-008

VITTS NETWORKS, INC.

Transfer of Stock to Holding Company

Order Approving Holding Company Reorganization

O R D E R N O. 23,390

January 19, 2000

On December 7, 1999, Vitts Networks, Inc.(Vitts) notified the New Hampshire Public Utilities Commission (Commission) of a proposed transfer of all of Vitts stock to Vitts Networks Group, Inc.(the Holding Company).

The Commission authorized Vitts as a Competitive Local Exchange Provider in New Hampshire on May 1, 1997, in Order No. 22,583. The Commission found that the company demonstrated the financial, managerial and technical ability to offer switched and non-switched intrastate local exchange telecommunication services in the service area of Bell Atlantic.

The Holding Company is a Delaware Corporation which was recently formed to acquire the stock of Vitts in order to conform to industry practice and provide increased flexibility in the operation of its business. The transaction requires all holders of equity interests in Vitts to exchange their interests for corresponding equity interests in the Holding Company. Vitts will become a wholly-owned subsidiary of the

Holding Company. 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 Vित्स 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. The Holding Company is a legal entity, Vित्स 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 Vित्स 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 Vित्स Networks, Inc. to Vित्स Networks Group, Inc. is **APPROVED.**

By order of the Public Utilities Commission of New
Hampshire this nineteenth day of January, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary