

DT 00-019

GE EXCHANGE CORPORATION OF NEW HAMPSHIRE

Corporate Restructuring

Order Approving Acquisition by Parent Company

O R D E R N O. 23,415

February 29, 2000

On February 2, 2000, GE Exchange Corporation of New Hampshire d/b/a GE EXCHANGE (GECCS-NH) filed a letter notifying the New Hampshire Public Utilities Commission (Commission) of a proposed transfer of the assets of GECCS-NH to its parent company, GE Capital Communication Services Corporation (GECCS). GECCS-NH requested approval of the transfer.

GECCS-NH is a New Hampshire corporation; its parent company, GECCS, is a Georgia corporation. Both companies have principal offices located at 6540 Powers Ferry Road, Atlanta, Georgia 30339. The proposed transfer is a matter of administrative convenience. At the time of its authorization to provide intrastate interexchange service in New Hampshire in August, 1994, GECCS established GECCS-NH to satisfy the statutory requirements then in effect. GECCS itself has now received a certificate of authority to do business in New Hampshire from the Secretary of State.

According to GECCS, the transfer will serve the public interest by permitting GECCS to streamline its operations, thus enhancing its competitive position in New Hampshire. GECCS avers that the transaction will be transparent to GECCS-NH's consumers and will have no impact on the services, rates, or terms and conditions the company offers. Nor will the company's ongoing operations be affected. Upon approval of its petition, GECCS will refile its New Hampshire tariff to reflect the removal of the "of New Hampshire" portion of its name.

We find that the acquisition of GECCS-NH by its parent is in the public good, a finding necessitated by RSA 374:30 to approve the transfer of a public utility's franchise, works, or system. This transaction is similar to, but slightly different from, other acquisitions. As in *Re Maxxis Communications, Inc.*, DT 99-110, Order No., 23,323 (October 25, 1999), the system to be transferred consists of customer base and billing systems, *inter alia*. Unlike the transaction in *Re Maxxis*, however, the transfer is to the parent company itself rather than to another long distance carrier. Because the entity providing service will remain the same except for name, there is no issue of slamming here. We note that the same reasoning may not apply to an affiliate.

RSA 374:28-a prohibits slamming, i.e. changes of a customer's service provider without the customer's knowledge or consent. As we stated in *Re Maxxis*, we approve the transfer of a customer base only to the extent that the acquisition of each customer's long distance service is conditioned on notice to the customer of his/her opportunity to choose another long distance carrier, without additional charge, for a period of at least 14 days after the date of the notice.

In the instant situation, while we direct GECCS to provide notice to each customer of the acquisition of GECCS-NH by its parent, we will not require that GECCS provide all customers with an opportunity to change carrier without additional charge. We consider that the administrative benefits of obtaining a certificate of authority to do business within New Hampshire, as now permitted by RSA 374:25, IV, were not intended to come with additional costs.

Based upon the foregoing, it is hereby

ORDERED, that the proposed transfer of GE Exchange Corporation of New Hampshire to GE Capital Communication Services Corporation is hereby APPROVED with the condition that customer notification proceed as directed above.

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

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary