



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

August 21, 2000

REFER TO OUR FILE

A-310804F5000

KYLE L DICKSON ESQUIRE
MAXWELL BAKER AND MCFATRIDGE PC
2525 SOUTH SHORE BLVD SUITE 410
LEAGUE CITY TX 77573

Application of dPi-Teleconnect LLC for approval of a transfer of its
control to Rent-Way, Inc.

DOCKETED

SEP 05 2000

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting
on August 17, 2000 has adopted an Order in the above-entitled
proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty
Secretary

Enclosure
Certified Mail
JEP

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held August 17, 2000

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

Application of dPi-Teleconnect, LLC for approval
of a transfer of its control to Rent-Way, Inc.

Docket Number:
A-310804 F5000

ORDER

BY THE COMMISSION:

DOCKETED
SEP 05 2000

On February 2, 2000, dPi-Teleconnect, LLC, (dPi) filed the above-docketed application pursuant to Chapter 11 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1101-1103, for the approval of a transfer of its control to Rent-Way, Inc. (Rent-Way). Rent-Way, a publicly traded company, is the nation's second largest retail purchase company and currently operates in 41 states with 1,144 stores. The applicant provided proof of compliance with our regulations at 52 Pa. Code § 1.54 relating to applications requiring notice.

dPi is authorized to provide resold local exchange services in Pennsylvania pursuant to a certificate of public convenience issued on September 15, 1999, at Docket No. A-310804. At that time, dPi was owned 60% by dPi Holdings, Inc. (Holdings) and 40% by Koch Ventures, Inc. (Koch). On November 24, 1999, pursuant to a Purchase Agreement, Rent-Way, Inc. (Rent-Way) acquired Koch's 40%

interest and 9% of Holdings' interest in dPi, resulting in Holdings and Rent-Way owning 51% and 49% of dPi, respectively.

The Purchase Agreement further provides that upon all regulatory approvals, Rent-Way is to acquire an additional 11% of Holdings' interest in dPi.. That would result in Rent-Way holding a 60% interest in dPi, and Holdings owning 40%. Thus, through the instant application, dPi seeks approval for a transfer of its control from Holdings to Rent-Way. Additionally, under the terms of the Purchase Agreement, Rent-Way will provide dPi an additional \$3 million in working capital on an "as needed" basis.

The proposed transfer of control will not change dPi's operating territories and services. Management of dPi will not change, and dPi will continue to provide the same services pursuant to its tariff on file with this Commission. The transaction will be transparent to Pennsylvania customers.

Applicant avers that the proposed transfer of control is in the public interest in that additional capital will be available to dPi to support its operations; this will insure a quality level of service for its customers which in turn should *benefit* Pennsylvania customers directly in the form of lower prices due to the improved efficiency in the operation. These advantages ensure that the proposed transfer of control provides an affirmative public benefit and satisfies the standard set by City of York v. Pa. P.U.C., 449 Pa. 136, 295 A.2d 825 (1972).

Our review of the subject application leads us to conclude that the proposed transfer of control is necessary or proper for the service accommodation, convenience, *or safety of the public*, and that the application should be approved;
THEREFORE,

IT IS ORDERED:

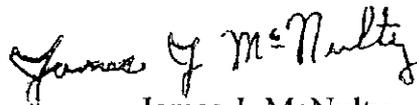
1. That the application of dPi-Teleconnect, L.L.C for approval of the transfer of its control to Rent-Way, Inc., is hereby approved.

2. That within 30 days following the consummation of the transfer of control approved pursuant to Ordering Paragraph No. 1, above, dPi-Teleconnect, L.L.C. shall notify this Commission of the effective date of the transfer.

3. That upon receipt of such notice of consummation as required by Ordering Paragraph No. 2, above, a certificate of public convenience will be issued evidencing the approval granted in Ordering Paragraph No. 1, above.

3. That if the applicants come to determine that the instant transaction will not occur, they shall promptly file with this Commission notice of such determination.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: August 17, 2000
ORDER ENTERED: **AUG 21 2000**