

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Joint Notification by Iowa            )  
Telecommunications Services, Inc. d/b/a Iowa            )  
Telecom, Windstream Corporation, and Buffalo        ) **File No. IM-2010-0186**  
Merger Sub, Inc, of Agreement and Plan of Merger;) )  
And the Application of Buffalo Merger Sub, Inc.        )  
For Issuance of Certificates of Service Authority     )  
And Waiver of Commission Rules.                        )

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission and for its recommendation states as follows:

1. On December 18, 2009, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, Windstream Corporation, and Buffalo Merger Sub, Inc. (“NewCo”) filed a Joint Notification of Agreement and Plan of Merger, and an Application for Certificates of Service Authority and Waiver of Commission Rules. The filing notified the Commission that Windstream would acquire Iowa Telecom. Iowa Telecom would merge into Newco, a Delaware corporation, and Iowa Telecom would cease to exist as a separate corporate entity. As Newco does not have a Certificate of Service Authority, the joint filing asks that basic local telecommunications service authority be granted to Newco in the three exchanges presently served by Iowa Telecom, that Newco be granted interexchange service authority and that the waivers set forth in §392.420 RSMo Supp. 2008 be granted. In addition, in order to make the transition to this new corporate entity less disruptive to customers, the joint filing asks that the 45-day requirement for Newco’s adoption of Iowa Telecom’s existing tariffs for local and interexchange service be waived and that 4 CSR 240-33.150, Verification of Orders for Changing Telecommunications Service Provider, to the extent it applies, be waived.

2. Iowa Telecom’s service to Missouri customers is unusual in that those customers are served by exchanges that are based in Iowa. The switching equipment used to serve Missouri customers is located in Iowa. Although the Commission exerts jurisdiction over the company, it works closely with the Iowa Commission, which regulates the company more extensively. In this transaction, Missouri customers will see little or no change in their telecommunications service

beyond the change in their provider's name. No changes are anticipated in the rates, terms or conditions of service to customers or to other carriers.

3. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Commission grant Newco the authority to provide basic local telecommunications service, local exchange telecommunications service, and interexchange service in the listed exchanges. The Commission shall grant an application for a certificate of telecommunications service authority upon a finding that the grant of authority is in the public interest. §§392.430 and 392.440 RSMo 2000. The Staff believes Newco possesses sufficient technical, managerial and financial resources to adequately serve the proposed service territory.

4. The Staff supports the grant of all waivers to Newco that are provided for in §392.420 RSMo Supp. 2008, which have already been granted to Iowa Telecom.

5. Staff recommends that the tariff to be filed in this matter, an adoption of the existing Iowa Telecom tariffs, be approved on an expedited basis.

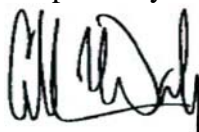
6. The Applicant is not delinquent in filing an annual report, paying the PSC assessment, MoUSF, and Relay Missouri.

7. As the applicants have already notified customers of the change from Iowa Telecom to Newco, the Staff supports the waiver of 4 CSR 240-33.150, Verification of Orders for Changing Telecommunications Service Provider, to the extent it applies.

8. Staff requests that the Order in this matter require the applicants to complete Newco's application by submitting a copy of the authorization to transact business in the State of Missouri issued by the Secretary of State prior to providing service in Missouri.

**WHEREFORE**, Staff recommends that the Commission grant Newco a certificate of service authority to provide basic local telecommunications, local exchange telecommunications service, and interexchange telecommunications service in the listed exchanges; grant the requested §392.420 RSMo Supp. 2008 waivers; grant expedited tariff approval, grant the waiver of 4 CSR 240-33.150, to the extent it applies, and require Newco to complete its application as discussed in Paragraph 8 prior to providing service in Missouri.

Respectfully submitted,



Colleen M. Dale

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**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 13th day of January, 2010.

A handwritten signature in black ink, appearing to read "Dale Cully", is centered below the text of the certificate.

## Memorandum

To: Missouri Public Service Commission Official Case File  
Case No. IM-2010-0186

From: Sara Buyak, Telecommunications Department

William Voight            1-15-10  
Utility Operations Division/Date

**Subject: Staff Recommendation for Application Seeking Commission Approval of Joint Notification and Application For Certificate to Provide Basic Local and Interexchange Telecommunications Service.**

Date: January 12, 2010

On December 18, 2009, Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom (Iowa), Windstream Corporation (Windstream), and Buffalo Merger Sub, Inc. (NewCo), filed a Joint Notification of Agreement and Plan of Merger, Application for Certificates of Service Authority, and Waiver of Commission Rules.

NewCo requests a Certificate of Service Authority to provide basic local exchange and Interexchange telecommunications service and requests a waiver of 4 CSR 240-3.510(1)(C). As the result of the merger, NewCo, a wholly owned subsidiary of Windstream, will acquire Iowa. The stockholders of Iowa will exchange their stock for Windstream stock. NewCo will provide the same safe, reasonable, and adequate services provided by Iowa to 70 customers in the rate centers of Athens, South Braddyville, and South Seymour. After the merger, NewCo will change its name to Windstream Iowa Communications, Inc.

- The Secretary of State Certificate allowing NewCo to operate as a foreign corporation was not submitted with the application pursuant to Commission Rule 4 CSR 240-2.060. Pursuant to 4 CSR 2.060(2), if any of the items listed under this rule is not available at the time the application is filed, the applicant shall furnish the document prior to the granting of the authority sought.
- Tariff was not submitted with application. Pursuant to 4 CSR 240-3.510(1)(C), the applicant cannot lawfully provide service until tariffs are effective.

Based on the information provided to Staff, Staff does not believe this particular transaction will be detrimental to the public interest for the following reason(s) (check all that apply):

- Customers have/will receive advance notice.
- Customers can switch to another provider.
- Customers will continue to receive service at the same rates, terms and conditions.
- Other: This case involves granting a Basic Local and Interexchange certificates to allow Iowa Telecom to be absorbed into a new corporate shell, created in Delaware. The customers will see no change in services, rates, etc., but will receive notice of the change. To customers, this will appear to be a name change.

The following chart summarizes this transaction.

Companies Involved in Transaction	Customer Served By ("X", if applicable)		Sale of Assets ("X", if applicable)		Certificates* (If applicable, indicate "C" to cancel, "A" to approve)			Tariffs* (If applicable, indicate Tariff PSC MO Nos.)	
	Before	After	Seller	Buyer	IXC	Local	Basic Local	Cancel	Approve
Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom	X		X						
Buffalo Merger Sub, Inc.		X		X	X	X	X		

**Merger, Consolidation, Sell or Transfer Assets**

Will affected customers be switched to a different company?

No

Yes

Customers have been notified.

Customers will be notified at least 30 days prior to being switched to a different company. (4 CSR 240-3.525)

**Company Name Change Notification**

Company has notified its customers of the name change.

Staff recommends the Commission order the Company to notify its customers at or before the next billing cycle of the name change and file a copy of the notice with the Commission.

Does this transaction involve a company in bankruptcy?  Yes  No

If yes, a copy of the bankruptcy order is attached.

No pending or final judgments/decisions described in 4 CSR 240-2.060(1)(K).

A statement that no annual report or assessment fees are overdue for any applicant.

**Are there additional recommendations or special considerations?**

No

Yes

If yes, explain in an attachment.

The Company is not delinquent in filing an annual report, and paying the PSC assessment, MoUSF, and Relay Missouri.

The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.

( No annual report  Unpaid PSC assessment. Amount owed:

Unpaid MoUSF  Unpaid Relay Missouri)

The applicant has met Staff's review of requirements for obtaining a certificate of service authority. Therefore, Staff recommends the applicant be granted a certificate for basic local and interexchange telecommunications service.

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d/b/a Iowa Telecom, Windstream )  
Corporation and Buffalo Merger Sub, Inc. )  
of Agreement and Plan of Merger; and the )  
Application of Buffalo Merger Sub, Inc. )  
for Issuance of Certificates of Service )  
Authority and Waiver of Commission )  
Rules )

**AFFIDAVIT OF Sara Buyak**

STATE OF MISSOURI            )  
  ) ss:  
COUNTY OF COLE            )

Sara Buyak, employee of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that she has participated in preparing the accompanying staff recommendation and that the facts therein are true and correct to the best of her knowledge and belief.

  
\_\_\_\_\_  
SARA BUYAK

Subscribed and affirmed before me this 12th day of January 2010.

  
\_\_\_\_\_  
NOTARY PUBLIC



CASSIE M. MELLOWAY  
My Commission Expires  
October 30, 2011  
Cole County  
Commission #07337959