

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

In the matter of the Application of)	
Consolidated Communications Operator Services, Inc.)	
and)	
Consolidated Communications Public Services, Inc.)	
and)	Case No. XN-2009-0196
Consolidated Communications Network Services, Inc.)	
For Approval of a Transfer of Assets Related to an)	
Internal Reorganization and Related Approvals)	
)	

AMENDED APPLICATION

Pursuant to Section 392.300 of the Missouri Revised Statutes, 4 CSR 240-2.060 and 4 CSR 240.3.520, Consolidated Communications Operator Services, Inc. (“CCOS”), Consolidated Communications Public Services, Inc. (“CCPS”) and Consolidated Communications Network Services, Inc., (“CCNS”) (collectively, the “Applicants”), request approval of transfers of assets related to an internal reorganization. Applicants request that such approval be granted on or before December 31, 2008 in order to allow the planned reorganization to take effect on January 1, 2009. In support of this Amended Application, CCOS, CCPS, and CCNS state as follows:

A. Summary of Application

1. CCNS, a sister company of CCOS and CCPS, currently provides interexchange services in the state of Missouri pursuant to Certificate No. XA-2004-0020, issued by the Missouri Public Service Commission on August 22, 2003. CCOS, a sister company of CCNS and CCPS, currently provides interexchange services and alternative operator services in the state of Missouri pursuant to Certificate No. XA-2003-0456, issued by the Missouri Public Service Commission on May 28, 2003. CCPS, a sister company of CCNS and CCOS, currently provides interexchange services, alternative operator services and

private payphone service in the state of Missouri pursuant to Certificate No. TA-96-249, issued by the Missouri Public Service Commission on March 22, 1996.

2. CCOS, CCPS and CCNS are all indirect subsidiaries of Consolidated Communications Holding, Inc. (“CCH”), a publicly-traded corporation organized under the laws of the State of Delaware.

3. In order to simplify its internal corporate structure for accounting, financial and internal management reasons, CCH is planning to combine a number of its existing direct and indirect subsidiaries. Under the proposed reorganization, which is further described below, the business and assets of CCOS and CCPS will be transferred to CCNS, and both CCOS’s and CCPS’s corporate existences will cease.

4. In all states where CCNS does not have authority to provide telecommunications services and where permitted by law, CCOS and CCNS are seeking authorization to transfer assets from CCOS to CCNS. In the same way, in all states where they operate, CCPS and CCNS are seeking appropriate authorizations to transfer assets from CCPS to CCNS.

5. Following the internal reorganization, CCNS will assume CCOS’s and CCPS’s operations. CCNS would thereafter carry on the telecommunications business and provide the telecommunications services currently provided by CCOS and CCPS in Missouri and other states. CCNS plans to offer the same services currently offered by CCOS and CCPS in Missouri, at the same prices, terms and conditions as currently offered by CCOS and CCPS. At the time of filing of the original application, CCNS had the authority to offer all of these services with the exception of private pay telephone service. Accordingly, it was necessary for CCNS to obtain issuance of a Certificate to provide private payphone service in its own name. As described in Section E below, the Commission in Case Number PA-2009-0200 granted CCNS a certificate of service authority to provide private pay telephone service in the state of Missouri via customer-owned pay telephone equipment effective December 20, 2008.

B. Information Required Under 4 CSR 240.2060(1)

6. As required by 4 C.S.R. 240-2.060(1)(A), CCOS states that it was incorporated under the laws of the State of Delaware, and a copy of CCOS’s articles of incorporation is attached as Exhibit 1. As

required by 4 C.S.R. 240-2.060(1)(C), CCOS states that it obtained authority to do business in the State of Missouri, and a copy of CCOS's certificate of authority to do business is attached as Exhibit 2. CCOS's mailing address is 350 South Loop 336 West, Conroe, Texas 77304. CCOS's contact information is Telephone: 1-936-788-7421; Fax: 936-788-1229; e-mail: bill.terry@consolidated.com.

7. As required by 4 C.S.R. 240-2.060(1)(H), CCOS states that it is (and CCNS will be) a switchless, non-facilities-based toll reseller in Missouri, with telecommunications services provided over the networks of the underlying carrier Paetec and other wholesale providers. Specifically, in Missouri CCOS is engaged (and after the transfer, CCNS will be engaged) in the provision of operator services and directory assistance. In Missouri, CCOS received its certificate of service authority to provide intrastate interexchange telecommunications services and non-switched local exchange telecommunications services, restricted to providing dedicated private line services, in Certificate No. XA-2003-0456, issued on May 28, 2003.

8. As required by 4 C.S.R. 240-2.060(1)(K), CCOS states that it does not have any pending actions or final unsatisfied judgments or decisions against it in any state or federal agency or court which involve customer service or rates, which action, judgment, or decision occurred within the last three years as of the date of this Amended Application. As required by 4 C.S.R. 240-2.060(1)(L), CCOS further states, to the best of its knowledge, that it has no annual report or assessments fees that are overdue.

9. As required by 4 C.S.R. 240-2.060(1)(A), CCPS states that it was incorporated under the laws of the State of Illinois, and a copy of CCPS's articles of incorporation is attached as Exhibit 3. As required by 4 C.S.R. 240-2.060(1)(C), CCPS states that it obtained authority to do business in the State of Missouri, and a copy of CCPS's certificate of authority to do business is attached as Exhibit 4. CCPS's mailing address is 350 South Loop 336 West, Conroe, Texas 77304. CCPS's contact information is Telephone: 1-936-788-7421; Fax: 936-788-1229; e-mail: bill.terry@consolidated.com.

10. As required by 4 C.S.R. 240-2.060(1)(H), CCPS states that it is certificated to resell interexchange telecommunications services in Missouri pursuant to Certificate No. TA-96-249, issued on

March 22, 1996. Specifically, in Missouri CCPS is engaged (and after the transfer CCNS will be engaged) in the provision of inmate telecommunications services to correctional facilities.

11. As required by 4 C.S.R. 240-2.060(1)(K), CCPS states that it does not have any pending actions or final unsatisfied judgments or decisions against it in any state or federal agency or court which involve customer service or rates, which action, judgment, or decision occurred within the last three years as of the date of this Amended Application. As required by 4 C.S.R. 240-2.060(1)(L), CCPS further states, to the best of its knowledge, that it has no annual report or assessments fees that are overdue.

12. As required by 4 C.S.R. 240-2.060(1)(A), CCNS states that it was incorporated under the laws of the State of Delaware, and a copy of CCNS's articles of incorporation is attached as Exhibit 5. As required by 4 C.S.R. 240-2.060(1)(C), CCNS states that it obtained authority to do business in the State of Missouri, and a copy of CCNS's authority to do business is attached as Exhibit 6. CCNS's mailing address is 350 South Loop 336 West, Conroe, Texas 77304. CCNS's contact information is Telephone: 1-936-788-7421; Fax: 936-788-1229; e-mail: bill.terry@consolidated.com.

13. As required by 4 CSR 240-2.060(1)(H), CCNS states that it received its certificate of service authority to provide intrastate interexchange telecommunications services in Missouri in Certificate No. XA-2004-0020, issued on August 22, 2003.

14. As required by 4 C.S.R. 240-2.060(1)(K), CCNS states that it does not have any pending actions or final unsatisfied judgments or decisions against it in any state or federal agency or court which involve customer service or rates, which action, judgment, or decision occurred within the last three years as of the date of this Amended Application. Pursuant to 4 C.S.R. 240-2.060(1)(L), CCNS further states, to the best of its knowledge, that it has no annual report or assessments fees that are overdue.

15. As required by 4 C.S.R. 240-2.060(1)(I), Applicants state that the designated contacts for questions and other correspondence concerning this Amended Application are:

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C. Description of Internal Reorganization Necessitating Transfer of Assets

16. All of the physical and intangible assets of CCOS and CCPS, including property, plant, equipment, contracts, leases, customers accounts receivable and other assets will be transferred to their sister corporation CCNS, so as to permit CCNS to provide all of CCOS's and CCPS's intrastate telecommunications services. Upon such transfer, the corporate existences of CCOS and CCPS will be terminated. CCNS seeks to accomplish this transfer and to begin service on January 1, 2009.

17. CCNS has six sister corporations, all of which are direct wholly-owned subsidiaries of Consolidated Communications, Inc. ("CCI"). CCI, in turn, is a wholly-owned subsidiary of CCH. CCH also owns two other sets of subsidiaries in addition to CCI: (1) Consolidated Communications Acquisition Texas, Inc., which in turn directly owns five companies providing telecommunications services primarily in Texas, and indirectly owns partial interests in three additional companies providing telecommunications

services primarily in Texas; and (2) North Pittsburgh Systems, Inc., which in turn directly owns three companies providing telecommunications services primarily in Pennsylvania. Exhibit 7 shows CCH and its current direct and indirect subsidiaries.

18. In order to simplify the overall CCH corporate structure, and to reduce and streamline internal and external management, financial, tax and regulatory accounting, recordkeeping and reporting requirements, it is planned that on January 1, 2009, the businesses and assets of a number of the existing direct and indirect subsidiaries of CCH will be combined. As a result of this internal corporate restructuring, CCH will have one direct subsidiary, CCI. CCI in turn will have five directly-owned subsidiaries. Exhibit 8 shows the corporate structure of CCH and its direct and indirect subsidiaries following the planned internal corporate restructuring.

19. The internal reorganization will be for the most part transparent to customers. CCNS will provide the same services in Missouri that are presently provided by, and in the same manner as provided by CCOS and CCPS. Additionally, CCNS will use the same tariffs currently on file for CCOS (for the services formerly provided by CCOS) and CCPS (for the services formerly provided by CCPS), with no change in prices, terms and conditions. Copies of the adoption notices to be filed by CCNS and the revised title sheets for the tariffs of CCOS and CCPS are attached as Exhibits 9 and 10.

D. Information Required Under 4 C.S.R. 240-3.520

20. With respect to 4 C.S.R. 240-3.520(2)(A), and as further described above, this Amended Application seeks the authorization to transfer all of the assets of CCOS and CCPS to CCNS pursuant to an internal reorganization. Upon such transfer, the corporate existences of CCOS and CCPS will be terminated, and CCNS will assume CCOS's and CCPS's operations.

21. With respect to 4 C.S.R. 240-3.520(2)(B), Applicants state that this is an internal reorganization, and there are no written agreements concerning the proposed transfer.

22. Under the term of the certificates of service authority issued to them by the Commission, CCOS, CCPS, and CCNS are classified as competitive telecommunications companies. Therefore, pursuant to 4 C.S.R. 240-3.520(1), they are exempt from 4 C.S.R. 240-3.520(2)(C).

23. As required by 4 C.S.R. 240-3.520(2)(D), the Applicants submit, in good faith, that the asset transfers requested herein and the internal reorganization they will facilitate are consistent with the public interest because they will simplify the overall corporate structure and streamline internal and external management, financial, tax and regulatory accounting, and recordkeeping and reporting requirements. The internal reorganization involves no change in the ultimate ownership or control of the Applicants' operations. Nor will the asset transfers, nor the internal reorganization affect customers, who will continue to receive the same quality services they currently receive from CCOS and CCPS without any changes to the service offerings, rates, or terms and conditions. CCNS is fit and able properly to perform the services authorized by the certificates and to comply with all rules, regulations, and requirements of the Commission. CCNS, as a sister corporation of CCOS and CCPS, has the managerial, technical, and financial qualifications to acquire the assets of CCOS and CCPS, and to provide the services that CCOS and CCPS previously provided.

24. Under the term of the certificates of service authority issued to them by the Commission, CCOS, CCPS, and CCNS are classified as competitive telecommunications carriers. Therefore, pursuant to 4 C.S.R. 240-3.520(1), they are exempt from 4 C.S.R. 240-3.520(2)(E).

25. As required by 4 C.S.R. 240-3.520(2)(F), the Applicants state they do not believe or anticipate the proposed transaction will have any impact on the tax revenues of the political subdivisions in which any structures, facilities, or equipment of the Applicants are located. The Applicants further state they do not have any structures, facilities, or equipment in the State of Missouri.

26. As required by 4 C.S.R. 240-3.530(2)(G), the Applicants have attached a copy of the notifications to be provided to customers as Exhibit 11 with respect to the transfers of the assets of CCOS and CCPS to CCNS.

E. Application for Private Pay Telephone Authority

27. On November 21, 2008, CCNS filed an Application for Authority to Provide Private Pay Telephone Service in Missouri in Case Number PA-2009-0200. On December 10, 2008, the Commission in Case Number PA-2009-0200 granted CCNS a certificate of service authority to provide private pay telephone service in the state of Missouri via customer-owned pay telephone equipment effective December 20, 2008. A copy of that order is attached as Exhibit 12.

F. Conclusion

28. For the reasons stated herein, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Amended Application. Accordingly, the Applicants respectfully request that the Commission approve the transfer of assets from CCOS and CCPS to CCNS, and grant any and all other relief as necessary and appropriate to effect the transfer of assets and internal reorganization described herein, on or before December 31, 2008.

Respectfully submitted this 15th day of December, 2008.

Consolidated Communications Operator Services, Inc.,
Consolidated Communications Public Services, Inc. and
Consolidated Communications Network Services, Inc.

By: /s/ Sarah J. Read

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