

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

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

**ORDER GRANTING APPLICATION FOR TRANSFER OF ASSETS AND
APPROVING TARIFFS**

Issue Date: December 23, 2008

Effective Date: December 31, 2008

The Missouri Public Service Commission grants the amended application for transfer of assets (“amended application”) filed by Consolidated Communications Operator Services, Inc. (“Operator”); Consolidated Communications Public Services, Inc. (“Public”); and Consolidated Communications Network Services, Inc. (“Network”) and approves the revised tariff sheets.

Procedure

On November 14, 2008, Operator, Public, and Network (“the applicants”) jointly filed tariff sheets and a verified application (“original application”) for the Commission’s orders on several matters. Such matters included approval of a transfer of assets and expedited treatment.¹ The Commission issued an order setting the deadline for applications to

¹ In the original application, Network also applied for recognition of a name change, but the amended application omits that request. In both the original application and amended application, Public sought the cancellation of its certificate of service authority to provide private payphone service, which the Commission granted by separate order. In a separate action, Network applied for a certificate of authority to provide payphone services, which the Commission granted. ***In the Matter of the Application of Consolidated Communications Network Service, Inc., for Certificate of Service Authority to***

intervene from any person at December 10, 2008. As of the date of this decision, no person has filed an application to intervene.

On December 15, 2008, applicants filed the verified amended application. On December 16, 2008, applicants withdrew tariff tracking no. YX-2009-0371, and filed revised tariff tracking nos. YX-2009-0373 and YX-2009-0372. On December 18, 2008, the Commission's staff ("Staff") filed its recommendation in favor of approving the revised tariffs, and in favor of granting certain waivers, with a supporting affidavit. On December 18, 2008, the Commission ordered the parties to show cause why the Commission has jurisdiction and should not dismiss the application. Also on that date, the Commission heard the parties' arguments by telephone conference. The parties filed their responses to the show-cause order on December 19, 2008. Like the original application, the amended application seeks a decision no later than December 31, 2008.

The verified amended application and Staff's verified recommendation establish the following facts.

Findings of Fact

1. Consolidated Communications Holding, Inc. ("Holding") is a Delaware corporation. Holding is the parent of Consolidated Communications, Inc. ("CCI"), a corporation that is the parent of each applicant. Each applicant's services are classified as competitive.

2. Each applicant is a corporation authorized to do business in Missouri, organized in the following states, and holding a certificate of service authority to offer the following services in Missouri.

<i>Applicant</i>	<i>State of Organization</i>	<i>Authority to Provide Services in Missouri</i>
Network	Delaware	Intrastate interexchange telecommunications services
Operator	Delaware	Intrastate interexchange telecommunications services and non-switched local exchange telecommunications services, restricted to providing dedicated private line service
Public	Illinois	Intrastate interexchange telecommunications services

3. Each applicant owns no structure, facility, or equipment in the State of Missouri. Within the last three years before the application’s filing, no pending action or final unsatisfied judgment or decision, involving customer service or rates, have occurred in any state or federal agency or court against Holding and the applicants. Holding and the applicants have no overdue annual report or assessments fees.

4. Holding is conducting the transaction as follows.

- Holding will transfer to Network all assets of Operator and Public.
- Operator and Public will cease to exist.
- Network will continue to offer the services of:
 - Operator, under the name “Consolidated Communications Operator Services,” under the same tariffs as Operator has; and
 - Public, under the name “Consolidated Communications Public Services,” under the same tariffs as Public has.

5. The transaction will not be detrimental to the public interest.

Conclusions of Law

1. Staff argues that the Commission has jurisdiction over the transfer of assets subject under § 392.300.²

² Sections are in the 2000 Revised Statutes of Missouri except as otherwise noted.

2. To the extent that § 392.300 requires an order authorizing the transaction, the Commission authorizes the transaction.

3. To any extent necessary the Commission waives the provisions of law for Network's certificate of service authority as recommended by Staff.

4. The Commission approves the revised tariff sheets for tariff tracking nos. YX-2009-0373 and YX-2009-0372.

THE COMMISSION ORDERS THAT:

1. The application for transfer of assets is approved to the extent that any such authorization is required under § 392.300.
2. Application of the following statutes and regulatory rules shall be waived:

Statutes

- 392.210.2 - uniform system of accounts
- 392.240.1 - rates-rentals-service & physical connections
- 392.270 - valuation of property (ratemaking)
- 392.280 - depreciation accounts
- 392.290 - issuance of securities
- 392.300.2 - acquisition of stock
- 392.310 - stock and debt issuance
- 392.320 - stock dividend payment
- 392.330 - issuance of securities, debts and notes
- 392.340 - reorganization(s)

Commission Rules

- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.040 - uniform system of accounts

3. The revised tariff filed by applicants under tariff tracking number YX-2009-0373 is approved as amended to become effective on January 1, 2009.

The tariff approved is:

Missouri Tariff No. 1
Original Adoption Sheet

Revised Sheet 1 replacing Original Sheet 1

4. The tariff filed by applicants under tariff tracking number YX-2009-0372, is approved as amended to become effective on January 1, 2009. The tariff approved is:

**Missouri Tariff No. 2
Original Adoption Sheet
Revised Sheet 1 replacing Original Sheet 1**

5. This order shall be effective on December 31, 2008.
6. This case shall be closed on January 1, 2009.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Jordan, Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 23rd day of December 2008.