

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

In the Matter of the Application of)
Chariton Valley Telephone Corporation)
and Chariton Valley Broadband, LLC) Case No. _____
for an Order Authorizing the Transfer (or)
Grant) of Certificate of Public Convenience)
and Necessity and Designation as Eligible)
Telecommunications Carrier.)

**APPLICATION TO TRANSFER (OR GRANT) CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY AND FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER AND REQUEST FOR WAIVER**

Comes now Chariton Valley Telephone Corporation (hereinafter “CVTC”) and Chariton Valley Broadband, LLC (hereinafter “CVBB”) (collectively “Applicants”) pursuant to Sections 392.410, 392.611 and 392.248, RSMo., and Commission Rules 20 CSR 4240-2.060, -28.011, -31.015 and -31.016 and for their Application to Transfer (or Grant) Certificate of Public Convenience and Necessity and Designation as an Eligible Telecommunications Carrier, and Request for Waiver of Commission Rule 20 CSR 4240-4.017(1)(D), state to the Missouri Public Service Commission (“Commission”) as follows:

The Applicants

1. Chariton Valley Telephone Corporation is a Missouri corporation with its principal office and place of business located at 1213 E. Briggs Dr., Macon, MO 63552-1916. A copy of a Certificate of Corporate Good Standing from the Missouri Secretary of State’s Office is attached hereto as Exhibit 1. CVTC is an “interexchange telecommunications company” (IXC) and “Incumbent local exchange telecommunications company” (ILEC) as those terms are defined in Section 386.020, RSMo.

2. In Missouri PSC Case No. TA-88-45, CVTC applied for and received from the Commission a Restatement of its Certificate of Public Convenience and Necessity (“CPCN”). In

relevant part, the Commission's September 19, 1987, Order stated that, "Chariton Valley Telephone Corporation be, and is, hereby authorized to provide telephone service to the public within those areas in the State of Missouri depicted by its exchange boundary maps . . . and within those areas that, as a result of lawfully approved revisions in exchange boundary maps, may be redefined in the future." A copy of the Commission's Order is attached as Exhibit 2. CVTC later obtained authorization to provide interexchange services in Case No. IA-2006-0159.

3. In Commission Case No. TO-98-49, CVTC (among other ILECs) applied for and received from the Commission designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 254 of the Telecommunications Act of 1996. In relevant part, the Commission's December 4, 1997, Order Approving Stipulation and Designation of Eligible Telecommunications Carriers stated, "[E]ach of the Applicants (to include CVTC) is designated an Eligible Telecommunications Carrier for purposes of federal universal service support pursuant to 47 U.S.C. §§214(e) and 254(e). Each applicant's certificated Missouri service area shall be its service area for purposes of federal universal service support. Each applicant's service area shall be equivalent to its 'study area' pursuant to 47 C.F.R. §54.207(b)." A copy of the Commission's Order is attached as Exhibit 3.

4. On June 27, 2019, CVTC elected to participate in the Federal Communications Commission's ("FCC") Alternative Connect America Cost Model II ("A-CAM II") support program (*see* Wireline Competition Bureau Announces Alternative Connect America Cost Model II Support Amounts Offered To Rate-Of-Return Carriers To Expand Rural Broadband, Public Notice, 34 FCC Rcd 2868 (2019)), and on August 22, 2019, the FCC authorized CVTC (among other entities) to receive A-CAM II support (*see* Wireline Competition Bureau Authorizes 171 Rate-of-Return Companies to Receive \$491 Million Annually in Alternative

Connect America Cost Model II Support to Expand Rural Broadband, Public Notice, 34 FCC Rcd 7271 (2019)). A-CAM II is a voluntary path for Rate-of-Return Carriers, such as CVTC, to elect to receive model-based support for a 10-year term in exchange for extending broadband service to a predetermined number of eligible locations (*see Connect America Fund*, Report and Order, 33 FCC Rcd 11893 (2018)). In July 2023, the FCC adopted the Enhanced Alternative Connect America Cost Model (“Enhanced A-CAM”) program, a voluntary program to replace A-CAM II to promote widespread deployment of broadband access at speeds of 100/20 Mbps, and to extend the support period (*see Connect America Fund: A National Broadband Plan for Our Future High-Cost Universal Service Support, et al.*, Report and Order, WC Docket Nos. 10-90, 14-58, 09-197, 16-271, RM-11868, FCC 23-60 (rel. July 24, 2023) (“*Enhanced A-CAM Order*”). The FCC, however, determined that if a minimum carrier participation level was not reached, the FCC would not proceed with the Enhanced A-CAM program (*see Enhanced A-CAM Order*, ¶101). On September 28, 2023, CVTC elected to participate in the Enhanced A-CAM program. On October 4, 2023, the FCC issued a Public Notice listing the carriers that have accepted Enhanced A-CAM support, including CVTC, and noting that “based on election letters received, the number of acceptances has exceeded the participation threshold set by the Commission in the Enhanced A-CAM Order.” *See* Public Notice, *Wireline Competition Bureau Announces Carriers That Have Accepted Enhanced Alternative Connect America Cost Model Support To Expand Rural Broadband*, WC Docket No. 10-90, DA 23-920 (rel. Oct. 4, 2023). On October 30, 2023, the FCC's Wireline Competition Bureau issued a Public Notice announcing that 368 companies, including CVTC, have been authorized to receive Enhanced A-CAM support and confirming that the threshold for establishing the Enhanced A-CAM program has been met. *See* Public Notice, *Wireline Competition Bureau Authorizes 368 Companies in 44*

States to Receive Enhanced Alternative Connect America Cost Model Support to Expand Rural Broadband, WC Docket No. 10-90, DA 23-1025 (rel. Oct. 30, 2023). Accordingly, CVTC (or CVBB as its successor-in-interest) will begin to receive Enhanced A-CAM support beginning January 1, 2024. If there is a delay or unforeseen problem in the implementation of the Enhanced A-CAM program, then CVTC (or CVBB as its successor-in-interest) will continue to receive A-CAM II support until Enhanced A-CAM support begins.

5. Chariton Valley Broadband, LLC, is a Missouri limited liability company with its principal office and place of business at 1213 E. Briggs Dr., Macon, MO 63552-1916. A copy of a Certificate of Good Standing from the Missouri Secretary of State's Office is attached hereto as Exhibit 4. CVTC is the sole member of this limited liability company, thus, CVBB is a wholly-owned subsidiary of CVTC.

6. Neither CVTC or CVBB has any pending action or final, unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment, or decision has occurred within three (3) years of the date of this Application.

7. Neither CVTC or CVBB has any delinquent or overdue annual reports or assessment fees.

8. The name, title, address and telephone number of the person(s) to whom correspondence, communications, and orders and decisions of the Commission are to be sent, in addition to the undersigned counsel, are as follows:

Ryan Johnson, President and CEO
Chariton Valley Telephone Corporation
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Stephanie Chrisman, Finance Manager
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The Proposed Reorganization

9. Effective January 1, 2024, CVTC proposes to transfer all of its assets (including customer accounts) and liabilities relating to its telecommunications and broadband operations to CVBB. CVBB will not assume any new debt as part of this proposed transaction. After this transfer, CVBB will be the entity solely responsible for providing telecommunications and broadband services to CVTC's customers (and CVTC will cease providing those services).

10. From a federal regulatory perspective, because the nature of the transaction is a corporate restructuring that does not result in a change in ultimate ownership or control of the carrier's lines or authorization to operate, the transfer of operations from CVTC to CVBB is considered *pro forma* by the FCC and does not require approval by, or notice to the FCC. See 47 C.F.R. §§63.03(d)(1) and 63.24(d) Note 2. In order for CVBB to receive the Enhanced A-CAM support funding, CVTC and CVBB must request that the Universal Service Administrative Company ("USAC"), an independent not-for-profit entity designated by the FCC to administer Universal Service Fund ("USF") support, process the change of the ETC receiving USF support from CVTC to CVBB after the Commission has approved the ETC designation for CVBB. In order to do so, CVBB must demonstrate to USAC that CVBB is an ETC, and thereby eligible to receive the USF support previously received, or to be received, by CVTC. CVBB must also agree to be bound by the broadband buildout requirements associated with the Enhanced A-CAM support or the broadband buildout requirements associated with the A-CAM II support,

should there be a delay or unforeseen problem with the implementation of the Enhanced A-CAM support.

11. The transfer of the telecommunications and broadband operations from CVTC to CVBB will have no substantive impact on the customers, as the employees responsible for providing these services will remain the same, as will the rates, terms and conditions for the services. As part of the transfer, CVBB will adopt: (1) CVTC's intrastate tariffs for telecommunications on file with the Commission; and (2) CVTC's rates, terms and conditions for broadband services. The only difference the customers will see is a new name on their bill.

12. The proposed transfer will have no impact on the ultimate ownership of the telecommunications and broadband operations. CVTC is a telephone cooperative as defined by Section 386.020(55) and is owned by its members/customers. Inasmuch as CVBB is a wholly-owned subsidiary of CVTC, CVBB's ultimate ownership will remain with the members/customers of CVTC.

Transfer of Certificate of Public Convenience and Necessity

13. As noted above, CVTC obtained a Certificate of Public Convenience and Necessity from the Commission in Case No. TA-88-45. This Certificate of Public Convenience and Necessity was issued in September, 1987, and pre-dates subsequent statutory changes implementing Certificates of Service Authority (*See*, Section 392.410, RSMo.).

14. CVTC and CVBB seek a "transfer" of CVTC's Certificate of Public Convenience and Necessity so that CVBB has the same, state-issued Certificate of Public Convenience and Necessity as CVTC and to ensure that CVBB is a "successor in interest" to CVTC and, thus, an ILEC. More specifically, Section 386.020(22), RSMo., defines "Incumbent Local Exchange Telecommunications Company" as:

“a local exchange telecommunications company authorized to provide basic local telecommunications service in a specific geographic area as of December 31, 1995, or a successor in interest to such a company.”

As “transferee” of CVTC’s Certificate of Public Convenience and Necessity, CVBB believes there is no question that CVBB is a “successor in interest” to CVTC and, thus, an ILEC.

Alternatively, if the Commission decides to issue a new Certificate of Service to CVBB, then Applicants request the Commission’s order specifically recognize CVBB as a successor in interest to CVTC and, therefore, an ILEC as defined in Section 386.020(22), RSMo.

15. As transferee of the Certificate of Public Convenience and Necessity, CVBB will have the identical service and study area as CVTC; provide the same telecommunications and broadband services pursuant to the same rates, terms and conditions as CVTC; and make the same filings with the Commission, as well as maintain and update its contacts in EFIS, as CVTC. In further support of this request, an officer of CVBB has executed an Affidavit required of Applicants for Certificates of Service and is attached hereto as Exhibit 5.

16. If the Commission decides not to transfer the Certificate of Public Convenience and Necessity from CVTC to CVBB, but rather to issue a new Certificate of Service to CVBB, then CVTC requests that the Commission terminate its Certificate of Public Convenience and Necessity as CVTC will no longer provide telephone service to the public.

Transfer of ETC Designation

17. As noted previously, CVTC has been designated as an Eligible Telecommunications Carrier by the Commission in Case No. TO-98-49. As an ETC, CVTC has received funding from the federal Universal Service Fund (USF) through the A-CAM II support program and absent the proposed reorganization, CVTC will receive funding from the federal USF through the Enhanced A-CAM support program. Until the implementation of the Enhanced

A-CAM program, CVTC will continue to receive federal USF through the A-CAM II support program, but beginning January 1, 2024, CVBB (as the successor-in-interest to CVTC) will receive federal USF through the Enhanced A-CAM support program. CVTC also participates in the federal and state Lifeline programs, the federal Affordable Connectivity Program (ACP), and the Missouri Disability program. CVTC is current with Commission-related filings, assessments and fees, and has made the necessary filings with the Commission enabling the Commission to annually certify CVTC as an ETC. A copy of the Commission's September 21, 2023, letter certifying CVTC (among others) as an ETC is attached as Exhibit 6.

18. As a transferee of all the assets and liabilities of CVTC's telecommunications and broadband operations, CVBB's key management will remain the same as CVTC.

CVBB will continue to offer the essential telecommunications services that CVTC currently offers to its customers and these services will be provided at the same rates, terms and conditions as CVTC.

19. There have been no matters brought in the last ten (10) years by any state, federal or law enforcement agency involving fraud, deceit, perjury, stealing or omission, or misstatement of fact against CVTC or any affiliated company under common management or ownership (to include CVBB). Neither CVTC nor CVBB has obtained any waivers of ETC-related requirements from the FCC.

20. CVBB will comply with the ETC requirements established by the Commission in 4 CSR 4240-31.015.

21. CVBB will continue to offer the Lifeline and Missouri Disabled services that CVTC currently offers. In addition, CVBB intends to seek support from the Missouri USF and participate in its Disabled Program.

22. CVBB will adopt CVTC's tariff rates, terms and conditions for the supported services and those rates will be reasonably comparable to rates offered in urban areas. CVBB will offer the supported services in the same exchanges where CVTC currently offers those services. (Those exchanges are listed in Affidavit attached as Exhibit 5.)

23. CVBB will advertise the supported services in the same matter as CVTC currently advertises those services.

24. CVBB will have the ability to remain functional in emergency situations in the same manner that CVTC currently does.

25. CVBB will satisfy all applicable customer protection and service quality standards.

26. CVBB commits to notify the Commission of any changes to CVBB's contact information.

27. CVBB will comply with all reporting and assessment obligations of the Commission.

28. CVBB will comply with the contribution obligations to the federal and Missouri USF.

29. If the Commission decides not to transfer the ETC designation from CVTC to CVBB, but rather to issue a new ETC designation to CVBB, then CVTC requests that it be permitted to relinquish its ETC designation, as all of CVTC's customers, including those receiving Lifeline, ACP and Missouri Disabled Support, will continue to be served (without interruption) by CVBB.

REQUEST FOR WAIVER

30. Rule 20 CSR 4240-4.017(1) provides that “(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” A notice was not filed 60 days prior to the filing of this Application, and Applicant seeks a waiver of the 60-day notice requirement.

31. Rule 20 CSR 4240-4.017(1) provides that a waiver may be granted for good cause. Good cause exists in this case. Company declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(10) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed of record. Accordingly, for good cause shown, Company moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application.

WHEREFORE, Applicants respectfully request that the Commission enter an Order to be effective before January 1, 2024:

- (1) authorizing a transfer of CVTC’s Certificate of Public Convenience and Necessity to CVBB or, alternatively, issuing CVBB a Certificate of Service Authority to provide basic local telecommunications service in the exchanges listed in the Affidavit attached as Exhibit 5;
- (2) acknowledging CVBB is a “successor in interest” to CVTC and, therefore, is an ILEC as defined by Section 386.020(22), RSMo.;
- (3) authorizing a transfer of CVTC’s ETC designation to CVBB for purposes of receiving federal and state universal support or, alternatively, designating CVBB as an ETC for purposes of receiving federal and state universal support;

- (4) authorizing CVTC to relinquish its designation as an ETC in the event the Commission decides not to authorize a transfer of CVTC's ETC designation to CVBB, but rather issues a "new" ETC designation to CVBB;
- (5) authorizing CVBB to adopt the intrastate tariffs of CVTC on file with the Commission contemporaneous with the transfer (or grant) of Certificate of Public Convenience and Necessity and designation as an ETC; and
- (6) Such other relief as necessary and appropriate in the circumstances.

Respectfully submitted,

/s/ W.R. England, III
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by electronic mail this 1st day of November, 2023, to counsel of record:

Missouri Public Service Commission
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/s/ W.R. England, III

