STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
August 20, 1998

CASE NO: TM-98-~~411~~ 444

General Counsel
Missouri Public Service Commission
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Enclosed find certified copy of ORDER in the above-numbered cases(s).

Sincerely,

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

Kent Bliss
Fidelity Telephone Company
64 North Clark
Sullivan, MO 63080

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 20th day of August, 1998.

In the Matter of the Joint Application of Bourbeuse Telephone Company and Fidelity Telephone Company for Permission to Merge, With Fidelity Telephone Company Becoming the Surviving Corporation.	)	**Case No. TM-98-444**

ORDER APPROVING MERGER

Bourbeuse Telephone Company (Bourbeuse) and Fidelity Telephone Company (Fidelity) filed a Joint Application on April 9, 1998 asking the Commission to approve a merger between them. Bourbeuse and Fidelity are both Missouri corporations with principal offices at 64 North Clark, Sullivan, Missouri 63080. Both are local exchange telecommunications companies and public utilities subject to Commission jurisdiction. Bourbeuse provides basic local telecommunications services in the Gerald exchange. Fidelity provides basic local telecommunications services in the Berger, Japan, Lyon, New Haven, Owensville, Spring Bluff, Stanton, and Sullivan exchanges. Fidelity is a Primary Toll Carrier (PTC) pursuant to the Missouri PTC Plan and provides intrastate intraLATA interexchange telecommunications services to customers in its exchanges and in the Gerald exchange served by Bourbeuse.

The parties wish approval for a plan whereby Bourbeuse would merge into Fidelity, with Fidelity being the surviving corporation. To effectuate the merger each share of the capital stock of Bourbeuse will be exchanged for one share of Fidelity stock. The application states that the proposed merger will result in no change in the ownership or control of Bourbeuse or of Fidelity, and will not be detrimental to the public interest in that it will not adversely affect either company's operations or ratepayers. Fidelity, as the surviving company, will continue to provide telecommunications services to the former end users served by Bourbeuse. The parties wish to cancel Bourbeuse's existing tariff and amend Fidelity's existing tariff to include the Gerald exchange. The applicants state that the proposed merger should be transparent from the standpoint of current customers, and that the merger will simplify the existing corporate structure and eliminate duplications in operations. Finally, the applicants state that the merger will not result in the relocation of any property subject to taxation and, therefore, will not have an adverse impact on the tax revenues of any political subdivision. In support of their application, Bourbeuse and Fidelity submitted the Plan of Merger, the Resolutions of their respective Boards of Directors, and their financial statements.

The Staff of the Commission (Staff) filed a Memorandum on August 7 recommending approval of the merger. Staff stated that the application meets the requirements of the Commission's rule, 4 CSR 240-2.060(6), and that Staff has no objections to the merger. Staff recommended that the Commission issue an order approving the merger of Bourbeuse into Fidelity, directing Fidelity to make the necessary tariff filings, and canceling Bourbeuse's certificate of service authority and tariff simultaneously with the effective date of Fidelity's revised tariff.

The Commission has reviewed the Joint Application and Staff's recommendation and finds that the proposed merger would not be detrimental to the public interest. The Commission finds that the merger will be transparent to customers and that Fidelity, as the surviving corporation, will continue to serve the customers now served by Bourbeuse under existing tariffs. The Commission also finds that the proposed merger will eliminate certain duplications in operations and streamline Fidelity's corporate structure. The Commission notes that the merger will result in an expansion of the local calling scope of both companies' customers.

IT IS THEREFORE ORDERED:

1. That the Joint Application filed by Bourbeuse Telephone Company and Fidelity Telephone Company on April 9, 1998 is approved.

2. That Bourbeuse Telephone Company is authorized to merge into Fidelity Telephone Company, leaving Fidelity Telephone Company as the surviving corporation.

3. That the parties are authorized to undertake any and all actions necessary to effectuate the proposed merger.

4. That once the merger has taken place, Fidelity Telephone Company shall serve former customers of Bourbeuse Telephone Company under Fidelity Telephone Company's existing tariff.

5. That Fidelity Telephone Company shall file revised tariff sheets designed to include the Gerald exchange in the exchanges it serves no later than September 11, 1998.

6. That Bourbeuse Telephone Company's certificate of service authority and tariff shall be canceled simultaneously with the effective date of the revised tariff Fidelity Telephone Company files in compliance with Ordered Paragraph 5.

7. That Fidelity Telephone Company shall notify the Commission and all customers of Fidelity Telephone Company and Bourbeuse Telephone Company of the merger no later than ten days after the transaction is completed.

8. That this order shall become effective on September 1, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer,
Murray and Schemenauer, CC.,
concur.

Wickliffe, Regulatory Law Judge

ALJ/Sec'y: Wickliffe / Pope

8-11 Date Circulated

TM-98-444 CASE NO.

Lumpe, Chair

Crumpton, Commissioner

Murray, Commissioner

Schemenauer, Commissioner

Drainer, Vice-Chair

8-18 Agenda Date

5-0 AS

Action taken: Cont'd to Aug 20

Must Vote Not Later Than ________________

STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 20th day of August, 1998.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge