

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1738
of McLeod USA, Inc. for Authority)
to Transfer the Certificate of)
Public Convenience and Necessity) GRANTED
issued to Consolidated Communica-)
tions Telecom Services, Inc. to)
McLeod USA Telecommunications)
Services, Inc.) Entered: February 24, 1998

BY THE COMMISSION:

On January 16, 1998, an application was filed by McLeod USA, Inc. of Cedar Rapids, Iowa, seeking approval to transfer the Certificate of Public Convenience and Necessity issued to Consolidated Communications Telecom Services, Inc. (CCTS) of Mattoon, Illinois, to McLeod USA Telecommunications Services, Inc. (McLeod USA Telecom). Notice of the application was published in The Daily Record, January 22, 1998. No protests were filed; therefore, we process this application pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

McLeod USA is a publicly-traded Delaware corporation with its principal offices in Cedar Rapids, Iowa. McLeod USA, formerly McLeod, Inc., is the parent company of McLeod USA Telecom, an interexchange carrier certificated to operate in Nebraska. McLeod USA Telecom received certification from this Commission in Application C-1194 on August 14, 1995.

McLeod USA is also the parent company of CCTS, an interexchange carrier authorized to provide services in Nebraska pursuant to Applications C-1000 and C-1313. McLeod USA received authority to acquire CCTS in Application C-1577 on August 5, 1997.

McLeod USA requests authority to combine the operations of its two subsidiaries, McLeod USA Telecom and CCTS. McLeod USA requests to reorganize to take advantage of significant economic, marketing and administrative efficiencies. McLeod USA will notify CCTS customers of the planned restructuring. McLeod USA Telecom will incorporate the CCTS rate plans into its tariff and will continue to offer such rates for a twelve-month period. The reorganization will not cause a disruption of service for customers.

After CCTS is merged with and into McLeod USA Telecom, CCTS will cease to exist. At the conclusion of the merger, the certificate of authority previously issued to CCTS should be revoked.

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Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1738 be, and it is hereby, granted.

IT IS FURTHER ORDERED that McLeod USA Telecommunications Services, Inc. file an updated and revised tariff consistent with the terms herein within thirty days from the date of this order.

IT IS FURTHER ORDERED that the Certificate of Public Convenience and Necessity previously issued to Consolidated Communications Telecom Services, Inc. in Application Nos. C-1000 and C-1313 be, and it is hereby, revoked.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of February, 1998.

COMMISSIONERS CONCURRING:

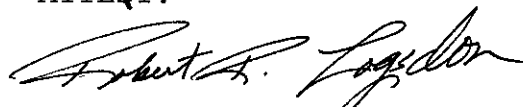
NEBRASKA PUBLIC SERVICE COMMISSION



//s//Lowell C. Johnson
//s//Frank E. Landis


Chairman

ATTEST:


Executive Director