

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application     ) Application No. C-2842  
of Frontier Communications of         )  
America, Inc. and Citizens            )  
Telecommunications Company, both     ) GRANTED  
of Burnsville, Minnesota,            )  
seeking approval of a merger.        ) Entered: January 14, 2003

BY THE COMMISSION:

On November 13, 2002, an application was filed by Frontier Communications of America, Inc. (Frontier) and Citizens Telecommunications Company (Citizens), both of Burnsville, Minnesota, seeking approval of a merger. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 13, 2002. No protests were filed; therefore, this application is processed 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

The Parties:

Citizens is a Minnesota corporation with its headquarters in Burnsville, Minnesota. Citizens was granted authority to provide local exchange service by this Commission. In addition, Citizens provides intrastate and interstate long distance service to local telephone service customers of Citizens Telecommunications Company of Nebraska, Inc. that select Citizens as their long distance provider.

Frontier is a Minnesota corporation with its headquarters in Burnsville, Minnesota. Frontier was granted authority to provide interexchange service by this Commission on July 19, 1994, in Application No. C-1066.<sup>1</sup> Frontier currently serves 600,000 access lines across the country.

The Transaction:

Citizens will acquire all of the outstanding shares of capital stock of Frontier. As of the effective date of the merger, all of the issued and outstanding shares of Frontier shall be cancelled and cease to exist. Citizens will be the

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<sup>1</sup> The Certificate of Public Convenience and Necessity in Application No. C-1066 was granted to RCI Long Distance, which was subsequently permitted to change its name to Frontier Communications through the granting of Application No. C-1139.

surviving entity in the transaction. However, separate preferred carrier codes will be retained and utilized for existing Frontier and Citizens customers. Simultaneously with the completion of the transaction, Frontier will relinquish its interexchange carrier certificates and Citizens will change its name to "Frontier Communications of America."

Citizens seeks to continue to operate under the terms and conditions included in the long distance certificate of authority issued to Citizens by the Commission. In addition, the pricing, terms and conditions included in Frontier's current Nebraska tariff approved by the Commission will be incorporated into the Citizen's tariff. There will be no rate changes as a direct result of this transaction.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2842 be, and it is hereby, granted.

IT IS FURTHER ORDERED that the requested name change to "Frontier Communications of America" should be, and it is hereby, granted.

IT IS FURTHER ORDERED that the applicant file an updated tariff with the Commission within thirty (30) days reflecting the authorized name change.

IT IS FURTHER ORDERED that the Certificates of Public Convenience and Necessity granted to Frontier authorizing it authority to operate as an interexchange carrier in Application Nos. C-1066 and C-1139 and as subsequently amended be, and they are hereby, relinquished.

MADE AND ENTERED at Lincoln, Nebraska, this 14th day of  
January, 2003.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director