

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. C-3570
Application of Integra Telecom)
Holdings, Inc., Portland,)
Oregon, seeking approval of a) GRANTED
transfer of control of)
Electric Lightwave, LLC,)
Vancouver, Washington.) Entered: May 10, 2006

BY THE COMMISSION:

On March 16, 2006 an application was filed by Integra Telecom Holdings, Inc. ("Integra") of Portland, Oregon, seeking approval of a transfer of control of Electric Lightwave, LLC ("Electric") of Vancouver, Washington. Notice of the application was published in The Daily Record, Omaha, Nebraska, on March 22, 2006. 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

I. The Parties:

Integra is an Oregon corporation headquartered in Portland, Oregon. Integra's subsidiary, Integra telecom of Nebraska, Inc. ("Integra-NE") was granted authority to provide local exchange and interexchange services in the state of Nebraska pursuant to authority issued in Application No. C-2174. Integra provides local telephone service, long distance calling, and high-speed Internet access to small and mid-size businesses in Minnesota, North Dakota, Oregon, Utah, and Washington. Integra also provides long distance services in Montana and Wisconsin.

Electric is a limited liability company formed under the laws of the State of Delaware with its principal place of business in Vancouver, Washington. Electric was granted authority to provide intrastate telecommunications services in Nebraska pursuant to Application No. C-1600. Electric offers full-service telecommunications service in Oregon, Washington, California, Arizona, Utah, Idaho. Electric's sole member is CU Capital, LLC ("CU Capital"), a Delaware limited liability company, whose sole member is Citizens Communications Company ("Citizens"), a Delaware corporation.

II. The Transaction:

Integra and Electric (together "Applicants") have agreed to complete a series of transactions whereby Electric will become a separate subsidiary of Integra. Applicants have entered into a Membership Interest Purchase Agreement ("Agreement"). Under the terms of the Agreement, Integra will purchase from CU Capital all of the issued and outstanding membership interests in Electric, and will thereby become the sole controlling member of Electric. Immediately following the transaction, Electric will continue to operate as a separate subsidiary of Integra.

Although the proposed transactions will result in a change in the ownership of Electric, the proposed transaction will not affect the assets Electric currently holds or adversely affect any of the customers who receive service in connection with Electric's on-going operations. Immediately following the consummation of the transactions, those customers will continue to receive service under the same rates, terms and conditions of service. The transfer from Electric to Integra, therefore, is expected to be seamless and virtually transparent to consumers in the State of Nebraska, in terms of the services they receive.

III. Public Interest:

The parties submit that the public interest will be served because the transaction will provide the Applicants with access to each other's advanced network capabilities, technical and financial strengths and complementary services, which together are expected to strengthen the applicants' ability to expand their offerings and provide more advanced telecommunications services to a broader customer base. Applicants expect that the proposed acquisition will enable both Electric to continue to offer innovative products and to further strengthen its competitive position to the benefit of Nebraska consumers and the State's telecommunications marketplace.

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-3570 be, and it is hereby, approved.

MADE AND ENTERED at Lincoln, Nebraska this 10th day of May, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director