

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint	)	Application No. C-4635
Application of Keystone-Arthur	)	
Telephone Company, Keystone,	)	
Glenwood Telephone Membership	)	
Corporation and Glenwood	)	
Transitory Sub., Inc., Blue	)	GRANTED
Hill, seeking approval of change	)	
of controlling interest in	)	
Keystone-Arthur Telephone	)	
Company.	)	Entered: December 10, 2013

BY THE COMMISSION:

On October 15, 2013, an application was jointly filed by Keystone-Arthur Telephone Company, ("Keystone-Arthur"), of Keystone, Nebraska, Glenwood Telephone Membership Corporation, ("Glenwood") and Glenwood Transitory Sub., Inc., ("Transitory Sub"), both of Blue Hill, Nebraska, (collectively "Applicants"), seeking approval of a change in controlling interest of Keystone-Arthur to Glenwood. Notice of the application was published in The Daily Record, Omaha, Nebraska, on October 18, 2013. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

An informational letter was sent to each Keystone-Arthur customer regarding the change of control of Keystone-Arthur to Glenwood on November 18, 2013. A public meeting was held by Keystone-Arthur and Glenwood on December 5, 2013, in Ogallala, Nebraska to provide customers an opportunity to meet representatives of Glenwood, learn more about the proposed change of control and ask questions.

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

The Parties:

Keystone-Arthur is a Nebraska corporation with principal offices located in Keystone, Nebraska. Keystone-Arthur is authorized to provide general telecommunications services in Nebraska to customers located in Keystone and Lemoyne, Nebraska Exchanges under and by virtue of authority heretofore granted by this Commission.<sup>1</sup>

Glenwood is an investor-owned cooperative corporation duly organized and existing under and by virtue of the laws of the State of Nebraska with its principal place of business located

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<sup>1</sup> See Authority No. C-4084.

in Blue Hill, Nebraska. Glenwood is authorized to provide telecommunications services to approximately 2,000 access lines in nine (9) exchanges located in Nebraska under and by virtue of authorities heretofore granted by this Commission.<sup>2</sup>

Transitory Sub is a wholly-owned subsidiary of Glenwood duly organized and existing under and by virtue of the laws of the State of Nebraska with its principal offices located in Blue Hill, Nebraska. Transitory Sub has been organized for the sole purpose of merging with and into Keystone-Arthur, with Keystone-Arthur to be the surviving corporation in the proposed merger described more fully below. Upon completion of the merger, Transitory Sub will cease as an entity. Transitory Sub does not hold any authorizations relating the provision of telecommunications services in Nebraska.

#### Description of the Transaction:

According to the application, on October 1, 2013, Keystone-Arthur, Glenwood, and Transitory Sub entered into a Merger Agreement ("Agreement") whereby Transitory Sub agreed to merge with and into Keystone-Arthur upon the approval of the Shareholders owning at minimum a majority of the shares, and compliance by the parties of the other conditions and obligations as specified in the Agreement.

Upon completion of the proposed Agreement, Keystone-Arthur will become a wholly-owned subsidiary of Glenwood. The Applicants state Glenwood has the technical, managerial, and financial capability to provide quality telecommunications services to the customers of Keystone-Arthur and Keystone-Arthur will continue to provide service to its customers at the same rates, terms and conditions in Nebraska as it does currently. The Applicants state the transaction will be largely seamless and transparent to customers of both entities.

The Applicants state that the transaction is in the public interest and will cause Keystone-Arthur to become affiliated with an entity that is already providing local exchange service and other telecommunications services to rural Nebraska and will provide the same high quality service to Keystone-Arthur's customers. They further state the Agreement will make Keystone-Arthur a part of a larger, more diversified and financially robust telecommunications provider.

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<sup>2</sup> See Authority No. C-4061.

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-4635 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 10<sup>th</sup> day of December, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Tim Schram*

*Red Jettison*  
*Frank E. Landis*

//s//Anne C. Boyle  
//s//Frank E. Landis

*Anne Boyle*  
Chair

ATTEST:

*Irene Meradith*  
Executive Director