

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application)	Application No. C-4715
of Northeast Nebraska Telephone)	
Company (NNTC) and Clarks)	
Telecommunications Company,)	
Jackson, seeking approval of the)	
merger of Clarks)	
Telecommunications Company with)	
NNTC; the transfer of the)	
customer base of Clarks)	GRANTED
Telecommunications Company to)	
NNTC; the withdrawal of the)	
authority granted to Clarks)	
Telecommunications Company and)	
the cancellation of its tariff;)	
and the assumption by NNTC of)	
the RUS debt of Clarks)	
Telecommunications Company.)	Entered: November 4, 2014

BY THE COMMISSION:

On September 24, 2014, an application was jointly filed by Northeast Nebraska Telephone Company ("NNTC"), and Clarks Telecommunications Co. ("Clarks")(collectively "Parties"), both of Jackson, Nebraska, seeking approval of 1) a merger of Clarks with NNTC; 2) the transfer of the customer base of Clarks to NNTC; 3) the withdrawal of the authority granted to Clarks and the cancellation of its tariff; and 4) the assumption by NNTC of the Rural Utilities Service ("RUS") debt of Clarks. Notice of the application was published in The Daily Record, Omaha, Nebraska, on September 26, 2014. 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

NNTC is a Nebraska non-profit corporation with principal offices located in Jackson, Nebraska. NNTC is authorized to provide general telecommunications services in Nebraska under and by virtue of authority heretofore granted by this Commission.¹ CenCom, Inc. d/b/a NNTC Long Distance ("CenCom") is a wholly owned subsidiary of NNTC, and provides interexchange telecommunications services to all NNTC exchanges and also to three exchanges served by Clarks.

¹ See Dockets C-3028 and C-3957.

Clarks is a local exchange service provider with its principal place of business located in Jackson, Nebraska. Clarks is authorized to provide local exchange telecommunications services in Nebraska. Clarks serves three exchanges with approximately 660 access lines.

Background

On June 29, 2007, NNTC acquired all of the outstanding shares of Clarks Telecom Co. ("Clarks Parent"). At that time, Clarks Parent owned all the issued and outstanding shares of both Clarks and Clarks Telecom Long Distance Co. ("Clarks LD"). On September 18, 2007, the Commission authorized the transfer of the customer base of Clarks LD to CenCom.²

On November 13, 2008, the Commission authorized Clarks to borrow \$11,058,000.00 from the RUS and to incur RUS Debt.³

On June 23, 2009, the Commission granted Clark LD's request to withdraw its certificate of authority to provide interexchange service in Nebraska and cancel its tariff.⁴ Clark LD was statutorily dissolved effective as of August 19, 2011.

Description of the Transaction

According to the application, on September 11, 2014, the Board of Directors of the Parties approved the Plan of Merger. The Plan of Merger included the intention to dissolve Clarks Parent. Clarks Parent is not a common carrier and holds no telecommunications authority. Clarks Parent owns all the outstanding stock of Clarks. Pursuant to the Plan of Merger, prior to December 31, 2014, Clarks Parent will be dissolved and thereafter, all of the assets, including the stock of Clarks, and all the liabilities of Clarks Parent will be distributed to its parent corporation, NNTC. Following the dissolution of Clarks Parent, Clarks Parent will be merged into NNTC with the surviving corporation being NNTC.

Clarks proposes to transfer its customer base to NNTC and seeks to withdraw its authority to provide local exchange telecommunications service.

The Parties also seek approval from the Commission for NNTC to assume the RUS Debt of Clarks. NNTC states it will also seek

² See Docket C-3848.

³ See Docket C-3966.

⁴ See Docket C-4168.

RUS approval of the merger of Clarks with NNTC and the assumption of Clarks RUS Debt by NNTC.

Upon completion of the proposed merger, NNTC states it does not intend to increase local service rates in any of the exchanges served by Clarks. NNTC has the same officers, directors, management and staff as Clarks and is technically and financially capable of providing service to the subscribers of Clarks.

The Parties state that the transaction is in the public interest and will be advantageous to the subscribers in the exchanges.

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-4715 be granted and the merger of Clarks Telecommunications Co. and Northeast Nebraska Telephone Company and the transfer of the customer base of Clarks Telecommunications Co. to Northeast Nebraska Telephone Company be, and it is hereby, approved.

IT IS FURTHER ORDERED that the Certificate of Public Convenience and Necessity to provide local telecommunications service previously granted to Clarks Telecommunications, Co. be withdrawn and its tariff be, and is hereby, cancelled.

IT IS FURTHER ORDERED that the assumption of Clarks Telecommunications Co.'s RUS Debt by Northeast Nebraska Telephone Company, be and is hereby, approved.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of November, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Vice Chairman

ATTEST:

Executive Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Burns Bayle
Tim Schram
Red Johnson

//s//Gerald L. Vap

Gerald L. Vap

Vice Chairman

ATTEST:

Steve Meradith

Executive Director