

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: CAROLEE HALL
TERRI CARLOCK

DATE: AUGUST 9, 2012

RE: APPLICATION OF MIDVALE TELEPHONE EXCHANGE INC.
("MTE"), REQUESTING AN AMENDMENT TO ITS THIRD AMENDED
CERTIFICATE NO. 254 TO TRANSFER ASSETS AND LIABILITIES TO
A NEW ENTITY – THE MIDVALE TELEPHONE COMPANY("MTC");
CASE NO. MID-T-09-03.

On July 13, 2012, Midvale Telephone Exchange, Incorporated ("MTE") asked the Commission to approve the transfer of its assets and liabilities from MTE to Midvale Telephone Company ("MTC"). According to its petition, MTC is a wholly owned subsidiary of MTE. Included in the petition was a request to change the Company's Certificate of Public Convenience and Necessity No. 254 to reflect the transfer and ownership.

BACKGROUND

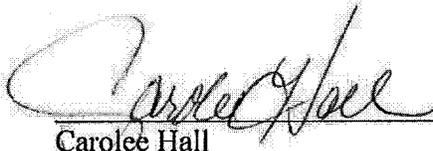
In December 2009, the Commission issued Order No. 30969 (Case No. MID-T-09-03) approving the transfer of assets to accommodate the creation of an employee stock ownership plan (ESOP). The transfer of the assets, liabilities and the Certificate were to be completed when the Companies receive approval from all regulatory agencies and lenders. The final approvals were received from the Arizona Corporations Commission on January 6, 2012, and the United States Department of Agriculture Rural Development on behalf of the Rural Utilities Service (RUS) on July 2, 2012.

Staff has reviewed the approvals for conditions or limitations on the transfers. Arizona, like Idaho, was concerned with potential rate impacts. The Arizona conditions restricting associated cost recovery are reasonable and consistent with the Idaho Rules and/or Orders. On

August 27, 2009, the Idaho Secretary of State issued Articles of Incorporation (Certificate No. C184317) registering Midvale Telephone Company.

STAFF RECOMMENDATION AND COMMISSION DECISION

Staff has reviewed the Company's changes and recommends that the Certificate of Public Convenience and Necessity No. 254 be transferred to the new entity, MTC. Does the Commission agree?


Carolee Hall

w/chall/decision memo/ Certificate Name Changes/MID-T-09-03 FROM Midvale Telephone Exchange Inc. TO Midvale Telephone Company