



OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

(717) 783-2525
(717) 783-2831 (FAX)

February 1, 2007

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**DOCUMENT
FOLDER**

ORIGINAL

**Re: Joint Application of Commonwealth Telephone Company, CTSI, LLC,
And CTE Telecom, LLC d/b/a Commonwealth Long Distance Company
For All Approvals Under the Public Utility Code for the Acquisition By Citizens
Communications Company of All of the Stock of the Joint Applicants' Corporate
Parent, Commonwealth Telephone Enterprises, Inc.
Docket Nos. A-310800F0010, A-311095F0005, and A-311225F0003**

Dear Secretary McNulty:

Please be advised that the Office of Small Business Advocate will not be filing
Exceptions to the Recommended Decision of Judge Susan Colwell, issued on January 30, 2007,
in the above-captioned proceeding. As evidenced by the enclosed certificate of service, all
parties have been served as indicated.

If you have any questions, please contact me.

Sincerely,

Lauren M. Lepkoski
Assistant Small Business Advocate
Attorney ID No. 94800

DOCKETED
FEB 06 2007

Enclosures

cc: Parties of Record

Hon. Susan Colwell

RECEIVED
2007 FEB -1 PM 4:02
PA PUC
SECRETARY'S BUREAU

58

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of Commonwealth Telephone :
Company, CTSI, LLC, and CTE Telecom, LLC :
d/b/a Commonwealth Long Distance Company :
for All Approvals Under the Public Utility Code : Docket Nos. A-310800F0010,
for the Acquisition By Citizens Communications : A-311095F0005,
Company of All of the Stock of the Joint : A-311225F0003
Applicants' Corporate Parent, Commonwealth :
Telephone Enterprises, Inc. :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the foregoing document, on behalf of the Office of Small Business Advocate by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

Hon. Susan D. Colwell
Administrative Law Judge
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 783-3265
(717) 787-0481 (fax)
scolwell@state.pa.us
(E-mail and Hand Delivery)

Norman J. Kennard, Esquire
Lillian S. Harris, Esquire
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
Harrisburg, PA 17101
(717) 236-1300
(717) 236-4841 (fax)
[njkenard@hmsk-law.com](mailto:njkennard@hmsk-law.com)
lscharris@hmsk-law.com

Raymond Ostroski, Esquire
Commonwealth Telephone Enterprises, Inc.
100 CTE Drive
Dallas, PA 18612
(570) 631-2802
(570) 631-2895 (fax)
(First class mail only)

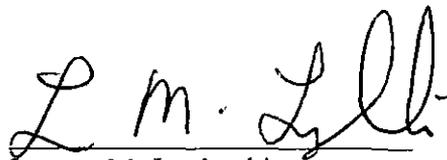
Joel H. Cheskis, Esquire
Shaun A. Sparks, Esquire
Office of Consumer Advocate
555 Walnut Street
5th FL Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152 (fax)
jcheskis@paoca.org
ssparks@paoca.org
(E-mail and Hand Delivery)

Johnnie E. Simms, Esquire
Office of Trial Staff
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105
(717) 787-1976
(717) 772-2677 (fax)
josimms@state.pa.us
(E-mail and Hand Delivery)

RECEIVED
2007 FEB -1 PM 4:02
PA PUC
SECRETARY'S BUREAU

Hilary Glassman, Esquire
Citizens Communications Company
3 High Ridge Park
Stamford, CT 06905
(203) 614-5047
(203) 614-4651 (fax)
(First class mail only)

Pamela C. Polacek, Esquire
Adam L. Benshoff, Esquire
McNees Wallace & Nurick LLC
P. O. Box 1166
Harrisburg, PA 17108-1166
(717) 232-8000
(717) 237-5300 (fax)
ppolacek@mwn.com
abenshoff@mwn.com



Lauren M. Lepkoski
Assistant Small Business Advocate
Attorney ID No. 94800

Date: February 1, 2007



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923

(717) 783-5048

800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

ORIGINAL

February 1, 2007

James J. McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

DOCUMENT
FOLDER

Re: Joint Application of Commonwealth
Telephone Company CTSI, LLC and CTE
Telecom, LLC d/b/a Commonwealth Long
Distance Company for All Approvals Under
the Public Utility Code for the Acquisition
By Citizens Communications Company of
All of the Stock of the Joint Applicants'
Corporate Parent, Commonwealth
Telephone Enterprises, Inc.
Docket Nos. A-310800F0010;
A-311095F0005, and A-311225F0003

DOCKETED
FEB 06 2007

Dear Secretary McNulty:

This is to advise that the Office of Consumer Advocate will not be filing
Exceptions in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached
Certificate of Service.

Sincerely,

Shaun A. Sparks
Assistant Consumer Advocate
PA Attorney I.D. # 87372

Enclosures

cc: Hon. Susan D. Colwell, ALJ
Cheryl Walker Davis/OSA
All parties of record *92515

RECEIVED
2007 FEB -1 PH 3:51
SECRETARY'S BUREAU
PA PUC

69

CERTIFICATE OF SERVICE

Re: Joint Application of Commonwealth Telephone Company CTSI, LLC and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company for All Approvals Under the Public Utility Code for the Acquisition By Citizens Communications Company of All of the Stock of the Joint Applicants' Corporate Parent, Commonwealth Telephone Enterprises, Inc. Docket Nos. A-310800F0010; A-311095F0005, and A-311225F0003

I hereby certify that I have this day served a true copy of the foregoing document, The Office of Consumer Advocate's Letter Re: Not filing Exceptions, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 1st day of February, 2007.

SERVICE BY INTER-OFFICE MAIL

Robert V. Eckenrod, Esq.
Office of Trial Staff
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Norman J. Kennard, Esq. *
Lillian S. Harris, Esq. *
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
Harrisburg, PA 17101

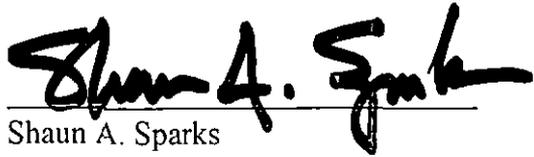
Raymond Ostroski, Esq.
Commonwealth Telephone
Enterprises, Inc.
100 CTE Drive
Dallas, PA 18612

Lauren M. Lepkoski, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Hilary Glassman, Esq.
Citizens Communications Co.
3 High Ridge Park
Stamford, CT 06905

RECEIVED
2007 FEB -1 PM 3:51
PA PUC
SECRETARY'S BUREAU

Scott J. Rubin
3 Lost Creek Dr.
Selinsgrove, PA 17870



Shaun A. Sparks
PA Attorney I.D.#87372
ssparks@paoca.org
Joel H. Cheskis
PA Attorney I.D.#81617
jcheskis@paoca.org
Assistant Consumer Advocates

Counsel for
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
*91234

*** Parties receiving Confidential material**



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

February 1, 2007

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

ORIGINALLY
DOCUMENT
FOLDER

**Re: Joint Application of Commonwealth Telephone Company, CTSI, LLC, And CTE Telecom, LLC d/b/a Commonwealth Long Distance Company For All Approvals Under the Public Utility Code for the Acquisition By Citizens Communications Company of All of the Stock of the Joint Applicants' Corporate Parent, Commonwealth Telephone Enterprises, Inc.
Docket Nos. A-310800F0010, A-311095F0005, and A-311225F0003**

Dear Secretary McNulty:

Please be advised that the Office of Trial Staff will not be filing Exceptions to the Recommended Decision of Judge Susan Colwell, issued on January 30, 2007, in the above-captioned proceeding. As evidenced by the enclosed certificate of service, all parties have been served as indicated.

If you have any questions, please contact me.

Sincerely,

Robert V. Eckenrod
Prosecutor
Attorney ID No. 84889

DOCKETED
FEB 06 2007

cc: Parties of Record
Hon. Susan Colwell

SECRETARY'S BUREAU
PA PUC
2007 FEB -1 PM 3:56
RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of Commonwealth :
Telephone Company CTSI, LLC and :
CTE Telecom, LLC d/b/a :
Commonwealth Long Distance Company : Docket Nos. A-310800F0010,
for All Approvals Under the Public : A-311095F005 and
Utility Code for the Acquisition By : A-311225F0003
Citizens Communications Company of :
All of the Stock of the Joint Applicants' :
Corporate Parent, Commonwealth :
Telephone Enterprises, Inc. :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Exceptions**, dated February 1, 2007, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below:

Lillian S. Harris, Esquire
Hawke McKeon Sniscak & Kennard LLP
100 North Tenth Street
Harrisburg, PA 17101

Lauren M. Lopkoski, Esquire
Sharon E. Webb, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Raymond Ostroski, Esquire
Commonwealth Telephone Enterprises, Inc.
100 CTE Drive
Dallas, PA 18612

Hilary Glassman, Esquire
Citizens Communications Co.
3 High Ridge Park
Stamford, CT 06905

Shaun A. Sparks, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

John F. Povilaitis
Ryan Russell Ogden & Seltzer LLP
800 North Third Street, Suite 101
Harrisburg, PA 17102-2025

Michael W. Fleming
Brian McDermott
Williams Mullen
8270 Greensboro Drive
McLean, VA 22102

Jennifer A. Duane
Sprint Nextel
2001 Edmund Halley Drive 2nd Floor
Reston, VA 20191



Robert V. Eckenrod
Prosecutor
Office of Trial Staff
PA Attorney I.D. #84889

Dated: February 1, 2007
Docket No. A-3100800F0010, et al.

Scott J. Rubin
Attorney ✦ Consultant

3 Lost Creek Drive ✦ Selinsgrove, PA 17870 ✦ (570)743-2233 ✦ Fax: (570)743-8145 ✦ scott@publicutilityhome.com

February 2, 2007

ORIGINAL

James McNulty, Secretary
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg PA 17105-3265

DOCUMENT
FOLDER

Re: Joint Application of Commonwealth Telephone Company, CTSI, LLC and CTE Telecom, LLC, d/b/a Commonwealth Long Distance Company for all approvals under the Public Utility Code for the acquisition by Citizens Communications Company of all of the stock of the joint applicants' corporate parent, Commonwealth Telephone Enterprises, Inc.
Docket Nos. A-310800F0010, A-311095F0005, A-311225F0003

Dear Secretary McNulty:

Please be advised that the Communications Workers of America will not be filing Exceptions to the Recommended Decision of Administrative Law Judge Susan D. Colwell issued January 31, 2007, in the above-referenced proceeding.

I have served a copy of the document on all parties of record, as shown on the attached Certificate of Service, as well as on the Administrative Law Judge.

Sincerely,


Scott J. Rubin

DOCKETED
FEB 06 2007

cc: Susan Colwell, Administrative Law Judge
All parties

RECEIVED
2007 FEB -5 AM 10:32
P.A.P.U.C.
SECRETARY'S BUREAU

61

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing upon the following parties to this proceeding by first class mail.

Norman J. Kennard
Hawke McKeon Sniscak & Kennard, LLP
P.O. Box 1778
Harrisburg, PA 17105

Hilary Glassman
Senior VP and General Counsel
Citizens Communications Co.
3 High Ridge Park
Stamford, CT 06905

Robert Eckenrod
Office of Trial Staff
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Lauren Lepkoski
Office of Small Business Advocate
300 North Second St., Suite 1102
Harrisburg, PA 17101

Raymond Ostroski
Senior VP, General Counsel & Secretary
Commonwealth Telephone Enterprises
100 CTE Drive
Dallas, PA 18612

Lillian S. Harris
Hawke McKeon Sniscak & Kennard, LLP
P.O. Box 1778
Harrisburg, PA 17105

Shaun Sparks / Joel Cheskis
Office of Consumer Advocate
555 Walnut St., Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Pamela Polacek
McNees Wallace & Nurick
P.O. Box 1166
Harrisburg, PA 17108-1166



Scott J. Rubin
Counsel for CWA

Dated: February 2, 2007

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2007 FEB -5 AM 10:32
PA.P.U.C.
SECRETARY'S BUREAU

ORIGINAL

Hawke

McKeon

Sniscak &

Kennard LLP

ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Norman James Kennard
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
Janet L. Miller
Steven K. Haas
William E. Lehman
Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmsk-law.com

February 2, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street - Filing Room (2 North)
Harrisburg, PA 17105-3265

**DOCUMENT
FOLDER**

Re: Joint Application of Commonwealth Telephone Company CTSI, LLC and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company For All Approvals Under The Public Utility Code for the Acquisition By Citizens Communications Company of All of the Stock of the Joint Applicants' Corporate Parent, Commonwealth Telephone Enterprises, Inc., Docket Nos. A-310800F0010, A-311095F0005 and A-311225F0003;

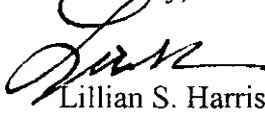
Dear Secretary McNulty:

The purpose of this correspondence is to advise that Citizens Communications Company will not be filing Exceptions in this case.

Copies of this correspondence have been served upon all parties of record to this proceeding. Thank you for your attention to this matter.

Sincerely,

DOCKETED
FEB 07 2007


Lillian S. Harris

LSH/kml
Enclosure

cc: Honorable Susan D. Colwell
Cheryl Walker Davis, Director, OSA
Per Certificate of Service

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2007 FEB -2 AM 11:22
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

Via Electronic Mail and First Class Mail

Shaun A. Sparks
Joel Cheskis
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Johnnie E. Simms
Robert V. Eckenrod
Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Lauren M. Lepkoski
Sharon E. Webb
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Suite 1102 Commerce Building
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Harrisburg, PA 17101

Pamela C. Polacek
McNees Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Scott J. Rubin
3 Lost Creek Drive
Selinsgrove, PA 17870

Hilary Glassman
Citizens Communications Co.
3 High Ridge Park
Stamford, CT 06905

Raymond Ostroski
Commonwealth Telephone Enterprises
100 CTE Drive
Dallas, PA 18612

Norman J. Kennard
Hawke McKeon Sniscak & Kennard LLP
Harrisburg Energy Center
100 North 10th Street
Harrisburg, PA 17101



Lillian S. Harris

Dated this 2nd day of February, 2007

2007 FEB -2 AM 11: 22
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SECRETARY'S BUREAU

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Hawke
 Mckeon
 Sniscak &
 Kennard LLP
ATTORNEYS AT LAW

ORIGINAL

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Norman James Kennard
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
Janet L. Miller
Steven K. Haas
William E. Lehman
Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmsk-law.com

February 2, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street - Filing Room (2 North)
Harrisburg, PA 17105-3265

**DOCUMENT
FOLDER**

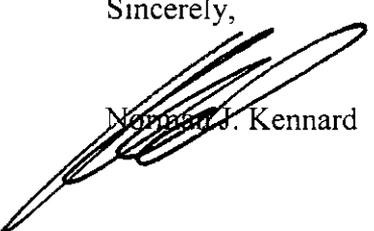
Re: Joint Application of Commonwealth Telephone Company CTSI, LLC and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company For All Approvals Under The Public Utility Code for the Acquisition By Citizens Communications Company of All of the Stock of the Joint Applicants' Corporate Parent, Commonwealth Telephone Enterprises, Inc., Docket Nos. A-310800F0010, A-311095F0005 and A-311225F0003;

Dear Secretary McNulty:

The purpose of this correspondence is to advise that Commonwealth Telephone Company CTSI, LLC and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company will not be filing Exceptions in this case.

Copies of this correspondence have been served upon all parties of record to this proceeding. Thank you for your attention to this matter.

Sincerely,


Norman J. Kennard

NJK/ajt
Enclosure

cc: Honorable Susan D. Colwell
Cheryl Walker Davis, Director, OSA
Per Certificate of Service

DOCKETED
FEB 07 2007

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2007 FEB -2 AM 11:21
PA PUC
SECRETARY'S BUREAU

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

36

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

Via Electronic Mail and First Class Mail

Shaun A. Sparks
Joel Cheskis
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Johnnie E. Simms
Robert V. Eckenrod
Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Lauren M. Lepkoski
Sharon E. Webb
Office of Small Business Advocate
Suite 1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101

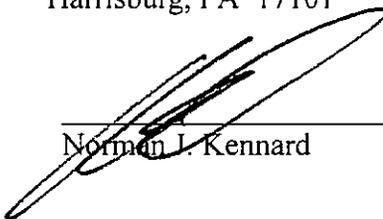
Pamela C. Polacek
McNees Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Scott J. Rubin
3 Lost Creek Drive
Selinsgrove, PA 17870

Hilary Glassman
Citizens Communications Co.
3 High Ridge Park
Stamford, CT 06905

Raymond Ostroski
Commonwealth Telephone Enterprises
100 CTE Drive
Dallas, PA 18612

Lillian S. Harris
Hawke McKeon Sniscak & Kennard LLP
Harrisburg Energy Center
100 North 10th Street
Harrisburg, PA 17101



Norman J. Kennard

Dated this 2nd day of February, 2007

PA PUC
SECRETARY'S BUREAU

2007 FEB -2 AM 11:21

RECEIVED

Hawke
 Mckeon
 Sniscak &
 Kennard LLP
ATTORNEYS AT LAW

William T. Hawke
Kevin J. McKeon
Thomas J. Sniscak
Norman James Kennard
Lillian Smith Harris
Scott T. Wyland
Todd S. Stewart
Craig R. Burgraff

Steven D. Snyder
Janet L. Miller
Steven K. Haas
William E. Lehman
Rikardo J. Hull
Katherine E. Lovette
Amy A. Whitney

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmsk-law.com

February 2, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street - Filing Room (2 North)
Harrisburg, PA 17105-3265

**DOCUMENT ORIGINAL
FOLDER**

Re: Joint Application of Commonwealth Telephone Company CTSI, LLC and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company For All Approvals Under The Public Utility Code for the Acquisition By Citizens Communications Company of All of the Stock of the Joint Applicants' Corporate Parent, Commonwealth Telephone Enterprises, Inc., Docket Nos. A-310800F0010, A-311095F0005 and A-311225F0003; **ANSWER OF COMMONWEALTH TELEPHONE COMPANY, CTSI, LLC, AND CTE TELECOM, LLC d/b/a COMMONWEALTH LONG DISTANCE COMPANY AND CITIZENS COMMUNICATIONS COMPANY TO PETITION FOR EMERGENCY ORDER OF THE BROADBAND CABLE ASSOCIATION**

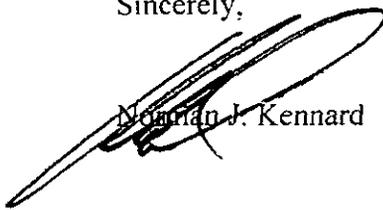
Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the Answer of Commonwealth Telephone Company, CTSI, LLC, and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company and Citizens Communications Company to Petition for Emergency Order of the Broadband Cable Association of Pennsylvania ("BCAP").

RECEIVED
2007 FEB - 2 AM 11: 20
PA PUC
SECRETARY'S BUREAU

Thank you for your attention to this matter.

Sincerely,


Norman J. Kennard

NJK/ajt
Enclosure

cc: Honorable Wendell F. Holland (via Hand Delivery)
Honorable James H. Cawley (via Hand Delivery)
Honorable Kim Pizzigrilli (via Hand Delivery)
Honorable Terrance J. Fitzpatrick (via Hand Delivery)
Honorable Susan D. Colwell (via Hand Delivery)
Bohdan Pankiw, Esquire (via Hand Delivery)
Cheryl W. Davis, Director, OSA (via Hand Delivery)

RECEIVED

2007 FEB -2 AM 11:20

PA PUC
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED
2007 FEB -2 AM 11:20
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SECRETARY'S BUREAU

In re Joint Application of :
:
Commonwealth Telephone Company : A-310800F0010
CTSI, LLC, and : A-311095F0005
CTE Telecom, LLC d/b/a Commonwealth : A-311225F0003
Long Distance Company :
:
For All Approvals Under The Public Utility :
Code for the Acquisition By Citizens :
Communications Company of All of the Stock :
of the Joint Applicants' Corporate Parent, :
Commonwealth Telephone Enterprises, Inc. :

ORIGINAL

**ANSWER OF COMMONWEALTH TELEPHONE
COMPANY, CTSI, LLC, AND CTE TELECOM, LLC d/b/a
COMMONWEALTH LONG DISTANCE COMPANY AND
CITIZENS COMMUNICATIONS COMPANY
TO PETITION FOR EMERGENCY ORDER OF
THE BROADBAND CABLE ASSOCIATION**

**DOCUMENT
FOLDER**

Commonwealth Telephone Company ("CTCo"), CTSI, LLC ("CTSI"), and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company ("CLD"), (hereinafter collectively referred to as the "Applicants" or "Joint Applicants") and Citizens Communications Company ("Citizens") hereby jointly file this Answer to the Petition For Emergency Order filed by the Broadband Cable Association of Pennsylvania ("BCAP") with the Pennsylvania Public Utility Commission ("Commission") and respond as follows:

DOCKETED
FEB 07 2007

I. BACKGROUND AND STATEMENT OF POSITION¹

The Scope of This Case

Citizens is acquiring a Pennsylvania telecommunications operation that includes three regulated telecommunications companies: a rural ILEC, a CLEC and a long distance provider. On September 17, 2006, an Agreement and Plan of Merger (“Merger Agreement”) was signed, pursuant to which Citizens will acquire the stock of Commonwealth Telephone Enterprises, Inc. (“CTE”) and, indirectly, the stock of the Joint Applicants; all of which is owned by CTE. That is, the Joint Applicants’ corporate parent, CTE, will become a wholly-owned, direct subsidiary of Citizens.

The transaction represents a change in indirect ownership only.² Ownership of the Joint Applicants will continue to reside in the parent company, CTE. At closing, the Joint Applicants will retain the same subsidiary corporate relationships to CTE as they did prior to the proposed CTE stock transfer.³ Under the Merger Agreement, Citizens will assume the existing debt and acquire all outstanding shares of CTE for a total consideration of approximately \$1.16 billion in a cash-and-stock transaction determined by arms length negotiations of the parties. Citizens will finance the cash portion of the purchase price with a combination of cash on hand and debt.⁴

The transaction does not involve assignment or creation of any certificates of public convenience or tariffs held or published by CTE’s operating utility subsidiaries. No securities issued, current financing or capital structure of the Joint Applicants will be changed by the transaction. The books of account of the Joint Applicants will not be affected by the proposed transaction in any way. Nor will the income statements and balance sheets of the Joint

¹ Prior to setting forth the Answer to BCAP’s Emergency Petition paragraph by paragraph, the Joint Applicants and Citizens believe it may be helpful to initially provide background and their position in a less constrained manner.

² Joint Petitioners’ Exh. No. 1 at 9.

³ Joint Petitioners’ Exh. No. 1 at 3 and Appendix “C.”

⁴ Joint Petitioners’ Exh. No. 1 at 8-9.

Applicants.⁵ No customers are proposed to be transferred by this transaction. The terms of CTCo's Chapter 30 Plan is unaffected by the transaction. The Joint Applicants will continue operation. The proposed transaction will not affect the regulatory authority of the Commission over the Joint Applicants.⁶

The applicable legal standard in this proceeding is whether approval of the merger agreement is "necessary and proper for the service, accommodation, convenience and safety of the public."⁷ As interpreted by the Pennsylvania Supreme Court, this means that the transaction must "affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way."⁸

Examples of substantial affirmative benefits that the Commission has accepted as satisfying the standard in *City of York* include: statements that economies of scale will occur in administrative, employee, executive and insurance areas; greater bargaining position for obtaining capital; improved labor market conditions; corporate structure and size more likely to attract investors; improved service; simplified relationships with other businesses and government agencies; and improved administration of tariffs and simplification of regulatory matters.⁹ The affirmative benefit standard is a broad standard that does not require specific quantification of synergy savings or benefits to any particular segment of the public interest.¹⁰

⁵ Joint Petitioners' Exh. No. 1 at 9.

⁶ Joint Petitioners' Exh. No. 1 at 9-10.

⁷ 66 Pa. C.S. § 1103.

⁸ *City of York v. Pa. P.U.C.*, 295 A.2d 825 (Pa. 1972).

⁹ *Id.* at 828-29; *See also, Pennsylvania Public Utility Commission v. PG&W*, Docket Nos. R-922169, R-922169C0001 (Order Issued October 29, 1992) ("*PG&W*") (substantial affirmative benefits included: more stable and financially robust company, economies through consolidation of certain public company functions and purchasing practices, enhanced ability to raise and attract capital, diversification of risk associated with smaller service area's weather and economic conditions).

¹⁰ *Re SBC Communications, Inc.*, 2005 WL 2901682 at 14 (Pa. P.U.C.) (October 6, 2005); *Re Verizon Communications, Inc.*, 2006 WL 995853 at 11; *Application of Newtown Artesian Water Co. and Indian Rock Water Co.*, 76 Pa. P.U.C. 260 (1992); *Re PG Energy*, 1999 WL 1036580 (Pa. P.U.C.) (September 15, 1999); *Re Pennsylvania American Water Co.*, 97 Pa. P.U.C. 314 (2000).

BCAP and Its Claimed Interest

BCAP's dismissal has been addressed in the Exceptions and Reply Exceptions filed previously and those arguments will not be recited fully here, but are discussed to rebut the assertions BCAP makes in its Emergency Petition. It should be noted also that, if BCAP does not have a legitimate interest in the Application, it similarly lacks standing to file the Emergency Petition.

As found by ALJ Colwell, this association of incumbent cable companies failed to articulate any "direct, immediate and substantial" interest in the proposed parent level acquisition of group of telecommunication companies. Nothing in original Application or in the subsequent Settlement Petition has any affect whatsoever upon the legally recognizable interest of any BCAP member, in the same sense as when Time Warner and Comcast recently acquired the remaining Pennsylvania cable operations of Adelphia. Companies reorganize themselves to become stronger and that may be of competitive significance for broadband, television and voice. An interest based upon disrupting a competitor's plans or extracting competitive concessions does not create legal standing to protest the transaction.

BCAP claims only to represent the vague, generalized future interests of unnamed cable company members in a "competitive" market place.¹¹ This is not an interest upon which standing can be based. Also not a basis for standing is the "interest" BCAP proclaims in its members' competitive provision of non-jurisdictional services, including broadband (cable modem) and video programming (TV) services where its members are traditionally dominant, as well as unregulated cable IP voice service (VoIP). These unregulated services likewise provide no justification for allowing BCAP party status in this regulatory proceeding.

¹¹ The only individual member of BCAP to file a protest was Blue Ridge, and it has withdrawn its protest.

BCAP's Protest seeks to extract what it can not legally obtain were the case litigated: the permanent surrender of CTE's own due process rights to file legitimate protests and to assert the Congressionally-granted "rural exemption." More fundamentally, these issues have nothing to do with the parent-level acquisition of the Joint Applicants. Ironically, BCAP seeks to assert its own due process rights to argue that the Joint Applicants' rights should be stripped.

BCAP's protest suffers from three fundamental infirmities. First, BCAP asserts no "direct, substantial or immediate" interest other than the generalized objective to remove "barriers to entry" of unnamed cable company members that "may" at some time want to compete with the Joint Applicants, but who have not yet identified themselves or sought to do so. There are no contested CLEC certificate applications or interconnection agreement disputes with any of the Joint Applicants involving any CLEC, BCAP member or not. Associational standing cannot be based upon the possibility that a member providing voice service might, some day, seek certification and interconnection.

There are no outstanding disputes over entry or interconnection with any competitive carrier, including cable companies represented by BCAP. BCAP's only member who has sought entry and interconnection, Blue Ridge, has settled and declared that it is "satisfied," withdrawing its protest. BCAP cannot seek more on behalf of its member in interest. One benefit of the Citizens' and Joint Applicants' proactive settlement approach has been the advancement of the immediate competitive interests of Sprint, Blue Ridge and RCN. These substantial, facilities-based carriers will be enhancing competitive customer choice for telephone services in CTC's territory in the very near future.

Second, this parent level merger case does not in any way affect the entry issues raised by BCAP. A cable company that does not assert that its service is unregulated VoIP and, instead,

seeks Commission certification, is not affected by the parent-level acquisition for which approval is sought in this case. Neither CTCo nor the Frontier Companies propose any change in the certification or interconnection processes set by statute.

Third, the relief sought -- cable company certification and interconnection -- are not available here. Entry and interconnection are separate statutory rights that are not affected by this case and which require a request by the carrier and the application of specific procedures. Relief can only be obtained by separate application by the members themselves. A carrier could not, by simply protesting this merger, be able to obtain a certificate under the Public Utility Code or trigger the interconnection agreement process of the Telecommunications Act of 1996 ("TCA-96").¹² Nor can BCAP. The separate application of an individual carrier is required.

BCAP's protest qualifies only as intermeddling designed to handicap a competitor's plans. As the Pennsylvania Supreme Court in *Pennsylvania Petroleum Association*¹³ has affirmed, the seller of a competing product cannot force the utility to raise rates that it alleges are detrimental to its competitive position.¹⁴ This is the dispositive case here. BCAP cannot force its members' future competitive entry interests into this change of control transaction either.

The Settlement Should Not Be Stayed

The Commission should not stay consideration of the Settlement Petition, which stay would be tantamount to rejecting it by failing to act on March 1, 2007. The achievement of the

¹² Section 252 of the Telecommunications Act of 1996, 47 U.S.C. § 252, is triggered by a "request for interconnection," submitted by a carrier seeking interconnection under Section 251. The types of interconnection available are defined under Section 251 as the duties and rights of "telecommunications carriers," not associations. There has been no arbitration request by any BCAP member. Certification as a jurisdictional telephone company under 66 Pa. C.S. Section 1102, is available only "upon application of any public utility." Furthermore, none of the "potential competitors" BCAP purports to represent could have obtained a certificate under the Public Utility Code or triggered the interconnection agreement process of the TCA-96 by filing a protest in this case. BCAP cannot do so either.

¹³ 377 A.2d 1270 (Pa. Cmwith. 1977).

¹⁴ *Pa. Petroleum Assoc. v. Pa. P.U.C.*, 412 A.2d 522, 524 (Pa. 1980) ("PPA"). See discussion at para. 17.

Settlement represents a significant effort by many parties in interest. Eight protests were originally filed. One was dismissed by the ALJ. The remaining seven have settled.

In December 2006, Commonwealth and Citizens approached all of the participants, including BCAP. Settlements were reached with all of the CLECs – two cable companies (one BCAP member) and one wholesale CLEC.¹⁵ The Commission's December 1, 2006 decision in the *Sprint Wholesale CLEC* case¹⁶ facilitated this resolution of retail cable telephone service. CTCo worked with Sprint, Blue Ridge and RCN to advance their competitive plans as facilities-based telephone service providers. CTCo stipulated its lack of objection to the issuance of CLEC certificates to Sprint, Blue Ridge and RCN.¹⁷ Blue Ridge, the sole BCAP member to file a protest, views its certification as a "reasonable alternative" to current FCC and PA PUC jurisdictional uncertainty associated with "IP telephony" service, while "simultaneously permitting the introduction of these important innovative services."¹⁸ CTCo agreed to "fast track," by many months, the necessary interconnection agreements with Sprint and RCN. These carriers' competitive operations will soon commence.

As resolution with the cable company CLECs was concluding during the first three weeks of January 2007, Citizens and Commonwealth met extensively with the remaining parties

¹⁵ The CLEC withdrawals of their protests as "satisfied" were formally granted by the ALJ Colwell in an Order Allowing Withdrawal dated January 26, 2007 in this docket.

¹⁶ *Application of Sprint Communications Company L.P. To Amend Its Certificate of Public Convenience to Begin to Offer, Render, Furnish, and Supply Competitive Local Exchange Telephone Services to the Public in the Commonwealth of Pennsylvania*, Docket No. A- 310183F0002AMA, Opinion and Order entered December 1, 2006 ("*Sprint Wholesale CLEC*").

¹⁷ CTCo witness, Mr. Burnside, long ago stated his company's "support of Blue Ridge's application," as certification resolves the Commission's concerns regarding customer protections and universal service and the telephone company's concerns over regulatory parity. *Id.*, CTCo Statement in Support at 1.

¹⁸ *Application of Blue Ridge Digital Phone Company to Provide Telecommunications Services in the Commonwealth of Pennsylvania in the Service Territories of Alltel Telephone Company, Commonwealth Telephone Company and Palmerton Telephone Company as Facilities-Based Competitive Local Exchange Carrier and Interexchange Toll Reseller*, Docket Nos. A-310183F0002AMA, A-310183F0002AMB and A-310183F0002AMC, Application submitted June 13, 2006 ("*Blue Ridge Application*"), Blue Ridge Statement in Support at 5.

in interest, the statutory parties, the OCA, OSBA and OTS, and the CWA. These parties shaped a highly favorable settlement, which includes:

- Financially stronger Pennsylvania ILEC, CLEC and LD companies.
- Expanded service offerings and bundles of services.
- A combination of rate caps/freezes for three years.
- Expanded 3Mbps service.
- Stand alone DSL.¹⁹
- Expanded service monitoring.
- Employment guarantees.

An “all parties” Settlement Petition was filed on January 19, 2007 and is ready for Commission consideration, given that ALJ Colwell has concluded that the transaction is “in the public interest” by Recommended Decision dated January 30, 2007.

BCAP asserts that it too has "engaged in settlement talks" and that the Applicants should have awaited an offer from BCAP before settling with the parties to the case.²⁰ While the existence of unresolved settlement discussions is not normally raised in Commission pleadings, the averments of settlement discussions in BCAP's Petition require a brief response. Commencing in early December 2006, CTE has made numerous overtures to BCAP, requesting a proposal, which BCAP previously agreed to do. Only two days ago, BCAP presented the long awaited settlement offer, which will receive serious consideration from Citizens and CTE. However, there is no certainty that a settlement can be reached and, therefore, Commission action is still necessary at this juncture on BCAP's pleadings, as well as the Settlement Petition.

BCAP is simply being disruptive. In the *Sprint Wholesale CLEC* case, CTCo raised legitimate issues that an ALJ affirmed and with which the Commission sympathized, finding that

¹⁹ Stand alone DSL benefits Vonage-type information (“over the top VoIP”) services and, therefore, represents a further advancement of customer choice and competition.

²⁰ BCAP Petition at 6 (Footnote 2).

retail cable telephony certification is also proper. As noted above, Blue Ridge itself agreed that resolution is appropriate. The Blue Ridge settlement was reached within weeks of the Commission's decision.

Rather than finding common ground, however, BCAP has resolutely attempted to prolong Commission consideration, knowing that the Joint Petitioners are anxious to receive a Commission order approving the Settlement so this transaction can be closed. Despite Joint Petitioners' best efforts, only BCAP's protest remains unresolved either by settlement or final dismissal. Now BCAP seeks to delay a unanimous Settlement Petition that all of the parties in interest and the presiding ALJ agree is in the public interest.

All necessary approvals, but one, have been issued. The Federal Communications Commission and the Department of Justice have both approved the transaction with no conditions.²¹ CTE's shareholders have voted to approve the Merger Plan.²² The parties to this case have entered into a settlement requesting Commission approval. ALJ Colwell now has also recommended approval of the Settlement Petition. All parties have filed letters agreeing not to file Exceptions to the ALJ's Recommended Decision. Only this Commission's final approval remains.

BCAP's Petition For Emergency Relief

BCAP's "Emergency" Petition, seeking to stay consideration of that "all parties, all issues" Settlement Petition, should not be granted for all of the following reasons:

- There is no "emergency." No "clear or present danger to life or property" is created by the Commission's consideration of the Settlement and ALJ Colwell's approval of the same.

²¹ The FCC's "public interest" standard of consideration is basically the same as is applied by this Commission here. See, Appendix A.

²² See, Appendix B.

- BCAP has no “clear right” to participate in this case. Indeed, a respected ALJ has determined that BCAP’s dismissal was appropriate.
- The need for relief is not “immediate.” The two matters of BCAP’s proper dismissal and the Settlement Petition are already on track for the Commission’s March 1st Public Meeting and there is no objection by the Joint Applicants to BCAP’s Exceptions to dismissal being considered on February 8th.
- The injury is not “irreparable.” If BCAP’s protest is found to exhibit a “direct, immediate, and substantial interest,” then clearly the settlement is modified and Commonwealth and Citizens may withdraw and proceed to full litigation or seek revised Settlement terms.
- A stay is not in the “public interest.” If a stay is granted, all benefits of the Settlement Petition would be delayed, at the very least. This is clearly BCAP’s attempt to derail a settlement that is in the “public interest.” BCAP questions why the procedural schedule has been “advanced” from the original litigation schedule. Obviously, part of the Applicants’ rationale for settlement is to close the transaction earlier and avoid the drawn-out litigation process.

The result sought by BCAP is not actually “emergency relief.” BCAP’s real request is to advance the Commission’s consideration of ALJ Colwell’s determination that BCAP failed to establish standing before the terms of the Settlement Petition can be considered by the Commission. The Joint Applicants and Citizens do not object and certainly support Commission review of BCAP’s standing at the first Public Meeting possible. However, if that is not an option, then the Commission should not delay consideration of the Settlement past March 1, 2007.

The Real Issue BCAP Has Presented Is One of Timing, Not an Emergency

The parties in interest have reached an “all parties, all issues” settlement to the case. By virtue of ALJ Colwell’s December 15th decision, BCAP is presumptively not a party, unless the Commission reverses the ALJ’s finding that BCAP has no “immediate, direct and substantial interest” in this corporate change of parent control transaction.

Clearly, if the Commission finds that BCAP members are directly affected by the transaction, then the case becomes a non-unanimous settlement and would be remanded to the ALJ. In the event of its reinstatement, BCAP has fully warned that it will seek to re-engage the whole litigation machinery of extensive discovery, motions, testimony, witness preparation, hearing, cross-examination, briefs, and exceptions.

No party can predict when Commission consideration will occur. BCAP's Exceptions on dismissal might be listed at an earlier Public Meeting than the Settlement, or they might be both scheduled for the same meeting.

The staging suggested by the Settlement Petition, therefore, has been that both the Settlement Petition and BCAP's lack of standing should be considered at the same time.²³ This preserves all parties' due process rights. Consideration of both at the same time is fair.

BCAP suggests, to the contrary, however, that consideration of the Settlement must grind to a halt (which is implicitly a rejection of the Settlement Petition's terms) until the ALJ's denial of BCAP's Petition to Intervene is first considered.

There are several problems with BCAP's proposed stay. First, BCAP's fundamental assertion is that its party status cannot be "fairly and impartially" considered by the Commission at the same time as the Settlement Petition. This premise is not supported by any case law and exhibits a presumption that neither the ALJ nor the Commission can decide two related, but contradictory, matters at the same meeting. This is not a reasonable or legally required conclusion. Cases are remanded to the Office of ALJ frequently with instructions to treat some

²³ The Joint Applicants conceded previously that: "In the event that BCAP is granted standing, the settlement would not occur at the negotiated time and the benefits of the settlement would be lost." Joint Applicants' Reply to BCAP Exceptions 8. Therefore, they have asked that: "Consideration of both BCAP's Exceptions and the ALJ's decision on the Joint Petition for Unanimous Settlement is requested to occur at the Commission's Public Meeting of March 1, 2007, inasmuch as granting BCAP's Exceptions would negate the Settlement Agreement." Cover Letter to Joint Applicants' Reply to BCAP Exceptions.

aspect of the case differently. Here, if the Commission reverses the ALJ and finds standing, the case will go back to ALJ Colwell. The Commission itself frequently considers contrary and conflicting resolutions of the case and does so in an impartial, judicious manner.

The *ARIPPA* case cited by BCAP is completely off point. In that case, a jurisdictional electric utility sought both approval of a merger **and** an increase in revenues associated with the provider of last resort obligation.²⁴ The original proposals by First Energy had “no impact on NUG contracts.”²⁵ In settlement discussions held subsequent to the evidentiary hearings, however, various parties entered in to a settlement that changed the structure of NUG cost recovery and compensation due the NUGs, which ARIPPA opposed.²⁶ Clearly, ARIPPA’s member interests were directly affected by the post-hearing settlement, yet the NUGs’ association was denied a hearing on the settlement terms. In this case, to the contrary, the proposed transaction has no impact on any cable company interests. Indeed, this is the precise reason that ALJ Colwell dismissed BCAP’s Protest in the first place. The ensuing Settlement did not change this fact. And, importantly, BCAP does not claim that the Settlement affects its members in any way, ignoring this critical distinction between the cases.

Second, BCAP’s requested stay prejudices the proposed final resolution by the parties that have established an immediate, direct and substantial interest in the outcome. In other words, BCAP, presumptively not a party, asserts that its interest should come first in a way that implicitly denies the other parties’ positions even before they can be considered. The parties in interest have settled and that Settlement deserves due process. Commonwealth and Citizens object to the parties’ resolution being so blithely swept aside.

²⁴ *ARIPPA v. Pennsylvania Public Utility Commission*, 792 A.2d 636, 641 (Pa. Cmwlth. 2002). ARIPPA is an association representing non-utility electric generators (“NUGs”).

²⁵ *Id.*

²⁶ *Id.* at 651.

Suggested Resolution

The best alternative is to decide BCAP's Exceptions to dismissal at the Public Meeting of February 8, 2007, and then, assuming Commission confirmation of the ALJ's decision, the Commission may then take up the Settlement Petition at its March 1, 2007 meeting. Commonwealth and Citizens do not object to this alternative, and believe that it is in fact the preferable solution, since it avoids BCAP's specious "taint" argument. This case stands ready to be resolved on its merits and should not be intertwined with "the sky is falling" due process arguments. BCAP's dismissal should be affirmed at the February 8th meeting on the solid grounds set forth by ALJ Colwell, and, then, the ALJ's recommended approval of the Settlement Petition should be considered at the March 1, 2007 Public Meeting, as the settling parties have requested.

II. REPLY TO SPECIFIC AVERMENTS OF THE PETITION

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Admitted.
6. Admitted.
7. Admitted.
8. Admitted.
9. Admitted.
10. Admitted.

11. Admitted.

12. Admitted.

13. Admitted.

14. Admitted in part and Denied in part. It is Admitted that BCAP seeks a stay of Commission consideration of the Settlement Petition. It is Denied that BCAP is an “interested” party. It is further Denied that there is a “clear due process conundrum,” since consideration of both the Settlement Petition and BCAP’s dismissal by the ALJ can be undertaken by the Commission *simultaneously without any impairment to its impartiality.*

15. Admitted.

16. Denied. BCAP has not raised a single issue that is germane to this parent level acquisition case. BCAP has failed to demonstrate a “direct, substantial and immediate interest” in this acquisition case, and it seeks remedies that are not available in this proceeding. It is Denied that there is any basis for BCAP to aver that there is any “prohibition” of entry of cable companies by Joint Applicants. Allegations regarding an unnamed “core of potential competitors” are not a basis for establishing an interest that is “direct, immediate and substantial.” By way of further response, BCAP cannot justify standing by claiming to represent a member company, Blue Ridge Digital Phone Company, which has withdrawn its protest, stating that its interests have been “satisfied.”

BCAP must demonstrate a legally “substantial direct and immediate” interest in the subject of the application at hand in order to file a sustainable protest.²⁷

- “A ‘substantial’ interest is an interest in the outcome of the litigation which surpasses the common interest of all citizens in procuring obedience to the law.”

²⁷ See 52 Pa. Code at § 5.52(a)(3) (a protest must “[s]et forth the facts establishing the protestant’s standing to protest”).

- “A ‘direct’ interest requires a showing that the matter complained of caused harm to the party’s interest.”
- “An ‘immediate’ interest involves the nature of the causal connection between the action complained of and the injury to the party challenging it[.]”²⁸

Immediacy and directness depend upon the causal relationship between the claimed injury and the act in question.²⁹ Entry is not affected by the transaction for which approval is sought here. As ALJ Colwell recognized, “[w]ithout either holding or having filed for competing authority, the interest in the case by a party is a generalized interest, not the legally protectable and tangible interest required.”³⁰ Thus, unnamed potential parties that are simply seeking to further the interests of competition generally do not possess the interest necessary to participate in a proceeding.³¹

BCAP’s members’ interests are not affected by the parent level acquisition proposed here. While BCAP relies upon the *Rural and Small Company* suspension case as support for its alleged standing here,³² that case sought to change incumbent carriers’ interconnection obligations under 47 U.S.C. Section 251(f)(2). This case, on the other hand, proposes no effect in either current or prospective interconnection. Nor do the gas competition cases cited by BCAP apply, since *PG&W*³³ was a rate case where the terms of tariffed competitive use of “essential facilities” (i.e., gas transportation) were proposed to be changed and directly affected the complaining parties.

The situation here is most analogous to simple intermeddling designed to handicap a competitor’s plans. The Commonwealth Court addressed this very issue in *Pennsylvania*

²⁸ *Ken R. Ex. Rel. C.R. v. Arthur Z.*, 682 A.2d 1267 (Pa. 1996).

²⁹ *William W. Penn Parking Garage, Inc. v. City of Pittsburgh*, 346 A.2d 269 (Pa. 1979).

³⁰ Initial Decision Dismissing BCAP at 8.

³¹ *Pa. Petroleum Assoc. v. Pa. P.U.C.*, 412 A.2d 522, 524 (Pa. 1980).

³² BCAP Exceptions at 5.

³³ BCAP Exceptions at 9-10.

Petroleum Association.³⁴ In *PPA*, an association of fuel oil distributors attempted to appeal from a Commission ruling involving PPL's rates and rate design. The Court disallowed the appeal "conclud[ing] that the predominant interest of PPA in the Commission's order here appealed was that of a competitor."³⁵ The Pennsylvania Supreme Court subsequently affirmed the Commonwealth Court's decision holding that "[t]he seller of a competing product cannot force the utility to raise rates that it alleges are detrimental to its competitive position, as protection of such an interest is not an objective of the regulatory scheme."³⁶ This is the dispositive case here.

17. Denied in part and Admitted in part. It is Denied that considering both the Settlement Petition and the ALJ's dismissal of BCAP's Protest at the same time would constitute an "extreme and gross violation of BCAP's due process rights." It is agreed that the fundamental concepts of due process apply to Commission proceedings. It is Denied that the Commission cannot act as an "impartial and fair arbiter" of competing proposed resolutions of this proceeding which are both conflicting and mutually exclusive. By way of further response, BCAP cites to no appellate ruling which addresses this topic, let alone one which would require consideration of routine matters on different days. It is Denied that incentives would be created to "quickly settle" proceedings.

It is further Denied that BCAP has evidenced meaningful "willingness to entertain settlement discussions with the Joint Applicants." By way of further response, Commonwealth states that, since early December 2006, it has made settlement overtures with no BCAP response until two days ago. On January 12, 2007, as the other protests were in the process of being settled, CTE Vice President Scott Burnside formally called upon BCAP's President to schedule a meeting. While the meeting was cordial and contained discussions of BCAP's issues, it only

³⁴ 377 A.2d 1270 (Pa. Cmwlth. 1977).

³⁵ *Id.* at 1273.

³⁶ *Pa. Petroleum Assoc. v. Pa. P.U.C.*, 412 A.2d 522, 524 (Pa. 1980) ("*PPA*").

produced a promise from BCAP to make a future settlement offer. Since then, Commonwealth has prompted BCAP several times. The other parties achieved a settlement in a relatively short period of time. BCAP seems intent to drag this matter out.

18. Admitted in part and Denied in part. It is Denied that BCAP is a party. The ALJ dismissed BCAP's intervention and protest and, unless and until reinstated, BCAP is presumptively not a party. Therefore, the ruling involving *ARIPPA*³⁷ is inapplicable. In that proceeding, *ARIPPA* was a party to the case and represented various companies selling power to the electric distribution company, where the contracts were directly affected by the proposed settlement. Here, BCAP members' rights are not affected as the result of this parent level merger or the settlement terms that have been reached.

As noted previously, there are no cable company entry issues which are outstanding. It is Denied that BCAP's vague references to "the creation of a business and regulatory environment . . . that is conducive to entry by a number of competitors for a number of advanced and/or communications services" is sufficient to establish standing. First, to the extent that the services are considered "advanced" or information services, they are not jurisdictional. As recited previously, vague references to the creation of new entry rules is not an issue in this proceeding and is too vague to establish an interest that is "substantial, direct and immediate."

19. Denied. It is Denied that BCAP sought any kind of expedited review for its dismissal. BCAP could have pursued a material question before the Commission, which would have sent the matter up on a more timely and direct basis. It is further Denied that the Joint Applicants "requested an extremely expedited consideration of the proposed settlement," inasmuch as March 1, 2007 is a full 45 days after the Settlement Petition was filed with the Commission. A full 30 days is scheduled for Commission consideration. It is Denied that

³⁷ *ARIPPA*, *supra* at 659-661.

BCAP has any “legitimate due process concerns.” It is Denied that the issuance of an emergency order staying consideration of the Settlement Petition is appropriate. Clearly the Commission can list the matter of BCAP’s Exceptions to dismissal for its Public Meeting of February 8, 2007, and assuming affirmance of the ALJ’s decision, consider the Settlement Petition on March 1, 2007, as the settling parties have proposed.

20. Denied in part and Admitted in part. The implication that BCAP has been denied discovery answers is incorrect. Joint Applicants served upon BCAP’s attorney all non-proprietary discovery propounded by the parties, consisting of almost two boxes worth of information. It is denied that BCAP has focused its efforts on anything other than seeking to significantly delay this proceeding. Nothing would have prevented BCAP from filing Direct Testimony to preserve its issues in the proceeding. BCAP stated in its Prehearing Conference Memorandum, however, that: “In the event that BCAP decides to sponsor testimony, it will inform the parties and the ALJ as soon as possible of the intended witness and topics of the testimony.”³⁸ BCAP never did confirm that it would ever call a witness and certainly never identified any witness that it might call.

21. Admitted. It is Admitted that the Joint Applicants bear the burden of proving that the transaction is in the public interest. It is Admitted that, if the Commission allows BCAP to participate in this case, then it should be provided a full opportunity to participate. It is Denied, as noted previously, that BCAP has any legally recognized interest in this proceeding or that it has raised issues that are germane to the Joint Application.

22. Denied. It is Denied that, assuming BCAP were granted party status in the case, that the submission of exceptions would be an insufficient opportunity to participate. The only issues raised by BCAP at this point are legal, namely, a denial of CTC’s ability to protest a

³⁸ BCAP Prehearing Conference Memorandum at 2.

CLEC application and stripping the company of its “rural exemption.” No matter what “evidence” BCAP might present, assuming there were any, the relief sought cannot be obtained by an association and, further, is not available in this proceeding. It is further Denied that the *ARIPPA* case is relevant, for reasons previously mentioned, particularly inasmuch as contracts of ARIPPA members were being affected in the proceeding and ARIPPA was denied the opportunity to participate on that issue, whereas here there is no similar impact upon any BCAP member.

23. Admitted in part and Denied in part. It is Admitted that the Commission’s decision must be based upon substantial record evidence as adduced by the parties to a proceeding. It is Denied that BCAP is a party to this proceeding. In point of fact, BCAP is presumptively not a party and has no right to oppose a settlement in a proceeding where it has not established that its members have a “direct, immediate and substantial” interest in the proposed parent level acquisition. It is Denied that there is any difference between BCAP’s dismissal for failure to establish standing and a late intervention in a proceeding. In neither event is party status conferred and in neither case is a non-party entitled to introduce evidence or to oppose a settlement.

24. Admitted.

25. Denied. It is Denied that the BCAP’s right to relief is clear. First and foremost, BCAP’s protest was dismissed because it could not articulate an immediate, direct and substantial legal interest in this case. It presumptively is not a party and the ALJ’s decision is certainly more meaningful when it comes to determining whether BCAP presents a right to its reinstatement.

26. Denied. It is Denied that the need for relief is immediate. Several alternatives exist, and have not yet been exhausted, including Commission consideration of BCAP's dismissal at the February 8, 2007 Public Meeting, in which case the request for emergency relief is moot.

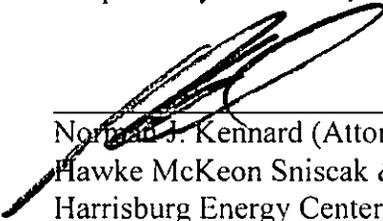
27. Denied. It is Denied that BCAP will suffer any irreparable harm if it is not allowed to participate in this case. The parent level transaction proposed in the Joint Application has no bearing on any cable company member of BCAP and, certainly, the fact that several CLEC applications have simultaneously settled with the resolution of this case, is to the benefit of BCAP member Blue Ridge. It is Denied that the Commission will be without any knowledge of the substance of the proposed settlement. The settling parties have established evidence that favorably supports the Settlement Petition. It is Denied that the Commission could be at all questioned on appeal for dismissing an association whose members are not affected at all by the proposed transaction and who could not establish an interest that is "substantial, immediate and direct."

28. Denied. The relief requested is injurious to the public interest. BCAP's request of a stay of the Settlement Petition will delay the many positive benefits that are included within the Settlement Petition, including financially stronger Pennsylvania regulated telecommunications companies, expanded service offerings, rate certainty, expanded 3Mbps services, stand-alone DSL, expanded service monitoring and employment guarantees.

WHEREFORE, Commonwealth Telephone Company, CTSI, LLC, CTE Telecom, LLC d/b/a Commonwealth Long Distance Company and Citizens Communications Company respectfully request that the Commission:

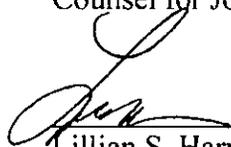
- (1) Act upon BCAP's Exceptions to dismissal by affirming the ALJ at its Public Meeting of February 8, 2007;
- (2) Dismiss BCAP's Petition for Emergency Relief as moot; and
- (3) List the Settlement Petition for consideration at its Public Meeting of March 1, 2007.

Respectfully submitted,



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Counsel for Citizens Communications Company

DATED: February 2, 2007

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PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 07-274

Released: January 26, 2007

NOTICE OF NON-STREAMLINED DOMESTIC 214 APPLICATION GRANTED

WC Docket No. 06-184

Pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and sections 0.91, 0.291, and 63.03 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 63.03, the Wireline Competition Bureau ("Bureau") approves the application of Commonwealth Telephone Enterprises, Inc. ("Commonwealth") and Citizens Communications Company ("Citizens") to transfer control of Commonwealth to Citizens.¹ Two commenters filed comments opposing the grant of the application but later withdrew their opposition.²

The Bureau finds, upon consideration of the record, that the proposed transfer will serve the public interest, convenience and necessity, and therefore grants the requested authorization.³ Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the consent granted herein is effective upon the release of the Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

¹ See *Domestic Section 214 Application Filed for Transfer of Control of Commonwealth Telephone Enterprises, Inc. to Citizens Communications Company*, WC Docket No. 06-184, Public Notice, DA 06-2231 (rel. Oct. 27, 2006).

² On November 13, 2006, RCN Corporation and RCN Telecom Services, Inc. filed a petition to deny. See *Petition to Deny of RCN Corporation and RCN Telecom Services, Inc.* (filed Nov. 13, 2006). On January 17, 2007, RCN withdrew its petition indicating the parties have reached a settlement and RCN no longer seeks the relief requested. See *Letter from Michael W. Fleming et al., Counsel for RCN Corporation and RCN Telecom Services, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 06-184* (filed Jan. 17, 2007). On November 13, 2006, vCentrix, Inc. filed comments but subsequently withdrew its comments on November 17, 2006. See *Comments of vCentrix, Inc.* (filed Nov. 13, 2006); *Letter from Kathleen Greenan Ramsey et al., Counsel for vCentrix, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 06-184* (filed Nov. 17, 2006).

³ See *Joint Applications of Global Crossing Ltd., and Citizens Communications Company for Authority to Transfer Control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 20, 22, 63, 78, 90, and 101 of the Commission's Rules*, Memorandum Opinion and Order, 16 FCC Rod 8507, 8511-14 (CCB/IB/CSB/WTB 2001) (granting transfer of control involving incumbent LECs with adjacent exchanges where merger would provide service efficiencies).

For further information, please contact Cecilia Seppings, at (202) 418-1588, or Denise Coca, at (202) 418-0574, Competition Policy Division, Wireline Competition Bureau.



CTE Corporate Communications
100 CTE Drive
Dallas, PA 18612-9774

NEWS RELEASE

Contact: David G. Weselcouch
Senior Vice President – Investor Relations
and Corporate Communications
(570) 631-2807

CTE Shareholders Approve Merger with Citizens Communications

New York, NY – January 25, 2007 – Commonwealth Telephone Enterprises, Inc. (“CTE”) [Nasdaq: CTCO], announced this afternoon that its shareholders have overwhelmingly voted in favor of the proposal to adopt the Agreement and Plan of Merger dated as of September 17, 2006, among CTE, Citizens Communications Company (“Citizens”) [NYSE: CZN] and CF Merger Corp., a wholly-owned subsidiary of Citizens, pursuant to which CF Merger Corp. will merge with and into CTE, with CTE surviving as a wholly-owned subsidiary of Citizens. Approximately 98% of the votes cast at the special meeting of shareholders held today were cast in favor of the transaction.

Upon closing of the taxable transaction, each outstanding CTE common share will receive \$31.31 in cash and 0.768 shares of Citizens’ common stock. In total, the consideration has a value of \$42.30 per share, based on today’s closing price of Citizens’ common stock of \$14.31. However, because the exchange ratio of the stock portion of the merger consideration will not be adjusted, the value of the merger consideration at the time of closing may be different.

Following the closing, Citizens, as the combined company, will be the seventh largest local exchange carrier in the United States, with approximately \$2.4 billion in annual revenues, 2.6 million switched access lines in operations across 23 states, 400,000 high-speed Internet subscribers and 6,600 employees.

The transaction is still subject to certain other customary conditions, including the approval of the Federal Communications Commission (“FCC”) and the Pennsylvania Public Utility Commission (“PA PUC”). The respective FCC and PA PUC reviews are ongoing.

About CTE

Headquartered in Dallas, PA, Commonwealth Telephone Enterprises, Inc., serves business and residential customers with a full array of technologically advanced data and voice telecommunications products and services, including broadband data services and high-speed Internet access, delivered over its 100% digitally switched, fiber-rich network.

CTE’s primary operating segments are: Commonwealth Telephone Company (“CT”), a local exchange carrier that has been operating in various rural Pennsylvania markets since 1897; and, CTSI, LLC (“CTSP”), a local exchange carrier operating in competitive markets outside CT’s territory, which

(more)

Appendix “B”

formally commenced operations in 1997. CTE deploys broadband DSL technology to offer high-speed Internet access in the CT and CTSI service territories. CTE's support businesses include epix® Internet Services (www.epix.net), a rural dial-up Internet service provider ("ISP"), and Commonwealth Communications, a provider of telecommunications equipment and facilities management services.

A web site featuring current information regarding Commonwealth Telephone Enterprises, Inc., can be found on the Internet at www.ct-enterprises.com. However, the information on this web site does not form a part of this release.

Cautionary Statement Regarding Forward-Looking Statements

This document contains certain "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "may," "can," "believe," "expect," "project," "intend," "likely," similar expressions and any other statements that predict or indicate future events or trends or that are not statements of historical facts. These forward-looking statements are subject to numerous risks and uncertainties. There are various important factors that could cause actual outcomes and results to differ materially from those in any such forward-looking statements. These factors include, but are not limited to, the following: failure to obtain, delays in obtaining or adverse conditions contained in any required regulatory approvals; failure to consummate or delay in consummating the merger for other reasons; changes in laws or regulations; and changes in general economic conditions. CTE and Citizens undertake no obligation (and expressly disclaim any such obligation) to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. For additional information concerning factors that could cause actual results to materially differ from those projected herein, please refer to CTE's and Citizens' most recent Form 10-K, 10-Q and 8-K reports.

Important Information for Investors and Stockholders

In connection with the proposed merger, on December 19, 2006, CTE filed with the SEC the definitive proxy statement/prospectus, and Citizens filed with the SEC a registration statement on Form S-4, of which the definitive proxy statement/prospectus forms a part. On December 20, 2006, CTE filed with the SEC a revised definitive proxy statement/prospectus, which includes a form of proxy but is otherwise the same as the definitive proxy statement/prospectus filed on December 19, 2006. Investors and stockholders of CTE and Citizens are urged to read the definitive proxy statement/prospectus and any other relevant documents filed with the SEC because they contain important information about the proposed merger. Investors and stockholders may obtain these documents free of charge at the web site maintained by the SEC at www.sec.gov. In addition, documents filed with the SEC by CTE are available free of charge by directing a request to Commonwealth Telephone Enterprises, Inc., 100 CTE Drive, Dallas, Pennsylvania 18612, Attention: Investor Relations, and documents filed with the SEC by Citizens are available free of charge by directing a request to Citizens Communications Company, 3 High Ridge Park, Stamford, CT 06905, Attention: Investor Relations.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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In re Joint Application of :
:
Commonwealth Telephone Company : A-310800F0010
CTSI, LLC, and : A-311095F0005
CTE Telecom, LLC d/b/a Commonwealth : A-311225F0003
Long Distance Company :
:
For All Approvals Under The Public Utility :
Code for the Acquisition By Citizens :
Communications Company of All of the Stock :
of the Joint Applicants' Corporate Parent, :
Commonwealth Telephone Enterprises, Inc. :

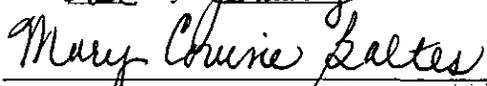
AFFIDAVIT OF SCOTT BURNSIDE

I, Scott Burnside, being duly sworn according to law, depose and say that I am employed as Senior Vice President, Regulatory and Government Relations for Commonwealth Telephone Enterprises, having qualifications as set forth in Joint Applicants' Statement 1.0 and being authorized to make this affidavit on behalf of Commonwealth Telephone Company, CTSI, LLC and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company ("Joint Applicants") state that the facts set forth in the Answer of Commonwealth Telephone Company, CTSI, LLC, and CTE Telecom, LLC d/b/a Commonwealth Long Distance Company and Citizens Communications Company to Petition for Emergency Order of The Broadband Cable Association are true and correct to the best of my knowledge, information, and belief and I expect to be able to prove the same at any hearing hereof.



Scott Burnside

Sworn and subscribed before me
This 31st day of January 2007.



Signature of official administering oath

My Commission expires:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Mary Covine Baites, Notary Public
Dallas Twp., Luzerne County
My Commission Expires Mar. 29, 2008

Member, Pennsylvania Association Of Notaries

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

Via Electronic Mail and First Class Mail

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Joel Cheskis
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

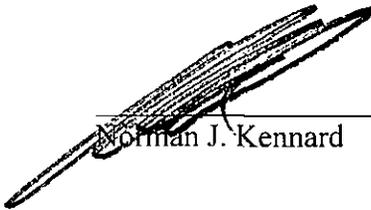
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Raymond Ostroski
Commonwealth Telephone Enterprises
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Dallas, PA 18612



Norman J. Kennard

Dated this 2nd day of February, 2007

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