

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Uniform Cover and Calendar Sheet**

<p><b>1. <u>REPORT DATE:</u></b>  December 10, 2002</p>	<p><b>2. <u>BUREAU AGENDA NO.:</u></b>  DEC-2002-FUS-1444*</p>
<p><b>3. <u>BUREAU:</u></b> Fixed Utility Services</p>	<p><b>5. <u>PUBLIC MEETING DATE:</u></b>  December 19, 2002</p>
<p><b>4. <u>SECTION(S):</u></b> Tariff/Finance</p>	
<p><b>6. <u>APPROVED BY:</u></b>                  Director: Rosenthal 3-5242 <i>RHR</i>                  Manager: Wilson 3-6162 <i>WU</i>                  Legal Review by: <i>[Signature]</i></p>	<p><i>[Faint stamp: RECEIVED]</i></p>
<p><b>7. <u>PERSONS IN CHARGE:</u></b>                  Glunz 5-4364      Beebe 7-7237</p>	
<p><b>8. <u>DOCKET NO.:</u></b> A-310800 F0008, ✓                  A-311225, A-310071 F2000</p>	

9. (a) CAPTION (abbreviate if more than 4 lines)  
 (b) Short summary of history & facts, documents & briefs  
 (c) Recommendation

(a) Joint application of Commonwealth Telephone Company (CTC), Commonwealth Long Distance Company (CLD) and CTE Telecom, LLC (CTE Telecom) for approval of 1) the acquisition by CTC of a new subsidiary, CTE Telecom, 2) the entry by CTE Telecom as an IXC reseller, 3) the merger of CLD with and into CTE Telecom and 4) abandonment by CLD.

(b) The applicants propose an intracorporate reorganization which will move all the Commonwealth telecommunications services, including non-jurisdictional internet services, under the ILEC, CTC. The applicants have pointed to increased management efficiencies expected from the reorganization.

(c) The Bureau of Fixed Utility Services recommends adoption of the proposed Order by which the Commission approves the four parts of the reorganization.

**10. MOTION BY:** Commissioner Chm. Thomas      Commissioner Wilson - Yes  
    Commissioner Fitzpatrick - Yes  
**SECONDED:** Commissioner Bloom     Commissioner Pizzigrilli - Yes

**CONTENT OF MOTION:** Staff recommendation adopted.



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

December 23, 2002

IN REPLY PLEASE  
REFER TO NUMBER

A-310800 F0008  
A-311225  
A-310071 F2000

NORMAN JAMES KENNARD ESQUIRE  
MALATESTA HAWKE & MCKEON  
PO BOX 1778  
HARRISBURG PA 17105-1778

DOCKETED  
JAN 09 2003

Joint application of Commonwealth Telephone Company, Commonwealth Long Distance Company and CTE Telecom, LLC for approval of the acquisition by Commonwealth Long Distance Company of a new direct subsidiary, CTE Telecom, LLC.

The entry by CTE Telecom, LLC as an interexchange reseller and the merger of Commonwealth Long Distance Company with and into CTE Telecom.

The abandonment of service by Commonwealth Long Distance Company as an interexchange reseller.

To Whom It May Concern:

DOCUMENT

This is to advise you that the Commission in Public Meeting on December 19, 2002 has adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty  
Secretary

fg  
encls  
cert. mail

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA. 17105-3265

Public Meeting held December 19, 2002

Commissioners Present:

Glen R. Thomas, Chairman  
Robert K. Bloom, Vice Chairman  
Aaron Wilson, Jr.  
Terrance J. Fitzpatrick  
Kim Pizzingrilli

DOCKETED

JAN 09 2003

DOCUMENT

Joint application of Commonwealth Telephone  
Company, Commonwealth Long Distance Company  
and CTE Telecom, LLC for approval of

Docket Nos.:

The acquisition by Commonwealth Long Distance Co.  
of a new direct subsidiary, CTE Telecom, LLC;

A-310800 F0008

The entry by CTE Telecom, LLC as an interexchange  
reseller and the merger of Commonwealth Long  
Distance Company with and into CTE Telecom; and

A-311225

The abandonment of service by Commonwealth Long  
Distance Company as an interexchange reseller.

A-310071 F2000

**ORDER**

**BY THE COMMISSION:**

On September 30, 2002, Commonwealth Telephone Company (CTC),  
Commonwealth Long Distance Company (CLD), and CTE Telecom, LLC (CTE  
Telecom) filed the above-captioned joint application pursuant to Chapter 11 of the  
Pennsylvania Public Utility Code, 66 Pa. C.S. §§1101, *et seq.* On November 12,

the joint applicants filed a supplement to their application providing certain additional information and documentation. Copies of the application were served upon the Office of Consumer Advocate and the Office of Small Business Advocate. Further notice was not required and no protest period was established. No protests or comments have been received.

CTC is a rural ILEC providing service to all or parts of 20 counties in eastern Pennsylvania. CLD is an IXC reseller. Both jurisdictional entities are direct subsidiaries of Commonwealth Telephone Enterprises, Inc., a publicly held holding company. CTE Telecom is a newly formed business entity that seeks initial authority as an IXC reseller.

By the instant application, the applicants seek approval of the acquisition by CTC of its new subsidiary, CTE Telecom, the entry as an IXC reseller by CTE Telecom, the merger of CLD with and into CLD, and the abandonment as an IXC reseller by CLD. As the survivor of the merger, CTE Telecom will become the successor to CLD and will adopt as its own the currently effective tariff of CLD. The managerial, technical and financial resources currently available to CLD will continue to be employed in and for the benefit of the operations of CTE Telecom. CTE Telecom will also succeed as a party to all affiliated interest agreements that were entered into by CLD.

The applicants have averred that the change will be transparent to customers, but since the name of the provider will change, we find that will not be the case. Therefore, we will require that a billing insert be sent informing the customers of the reorganization and the resulting change in the entity providing service.

In their application, the joint applicants state that in addition to moving the reseller operations to a subsidiary of the ILEC, epix Internet Services, Inc., a provider of dial-up and broadband internet access, also will be merged with and into CTE Telecom. The parties aver that by having all the telecommunications activities under the local carrier, those operations can be managed more efficiently, and will be more competitive. The proposed transaction thus appears to meet the standard set by *City of York v. Pennsylvania Public Utility Commission*, 446 Pa. 136, 295 A.2d 825 (1972), that the change in control provide an affirmative public benefit.

Having reviewed the instant application, we have determined that the proposed intracorporate reorganization of Commonwealth entities is necessary or proper for the service, accommodation, convenience, or safety of the public, and that the application should be approved; **THEREFORE,**

**IT IS ORDERED:**

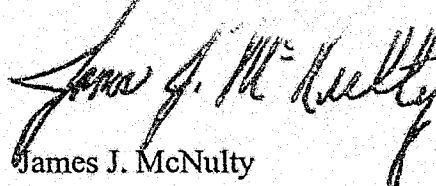
1. That the entry of CTE Telecom, LLC as an IXC reseller is hereby approved.
2. That the merger of Commonwealth Long Distance Co. into CTE Telecom, LLC is hereby approved
3. That the abandonment of service as an IXC reseller by Commonwealth Long Distance Co. is hereby approved.

4. That within 30 days of the consummation of the reorganization, Commonwealth Telephone Company and CTE Telecom, LLC file with this Commission notice of such consummation, together with a tariff adoption supplement by which CTE Telecom, LLC adopts as its own the tariff currently in effect for Commonwealth Long Distance Company.

5. That upon receipt of the notice and tariff adoption supplement required in the preceding paragraph, Certificates of Public Convenience be issued evidencing the approvals granted in this order.

6. That a billing insert be provided to all customers of Commonwealth Long Distance Company or CTE Telecom, LLC informing them of the reorganization and the resulting change in the business entity providing service and bills.

BY THE COMMISSION

  
James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: December 19, 2002

ORDER ENTERED: DEC 23 2002

ORIGINAL

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February 4, 2003

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, PA

SECRETARY'S BUREAU  
FEB -4 PM 4:08

Re: Application of Commonwealth Telephone Company, Commonwealth Long Distance Company, and New LLC for all approvals required under the Public Utility Code for the transactions related to the restructuring of Commonwealth Long Distance Company, including, inter alia, the associated acquisition by creation of a wholly-owned subsidiary, merger by acquisition of stock, and provision and abandonment of service; Docket Nos. A-310800F0008, A-310071F2000; A-311225; **NOTICE OF CONSUMMATION**

Dear Secretary McNulty,

The purpose of this letter is to advise the Commission that the reorganization of Commonwealth Telephone Company and CTE Telecom, LLC as approved by the Commission in its order entered in the above-captioned dockets was consummated. The appropriate tariff adoption supplement was filed with the Commission on December 31, 2002.

Therefore, CTE Telecom, LLC requests that the Commission issue the Certificates of Public Convenience as approved in the above-captioned proceedings. Thank you for your attention to this matter.

Very truly yours,

*[Signature]*  
Norman James Kennard

DOCKETED  
APR 07 2003  
54

NJK/tap  
cc: Hilary C. Lacey  
Douglas Beebe

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

DOCUMENT  
FOLDER