BEFORE THE
NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of Consolidated Telco, Inc., Lincoln, Nebraska, and Consolidated Companies, Inc., Lincoln, Nebraska, formerly known as Grassland Communications Corp., for a certificate of public convenience and necessity resulting in a change of controlling interest in Consolidated Telco, Inc., due to the dissolution of Contelco, Inc.	Application No. C-1039 GRANTED Entered: January 24, 1994

BY THE COMMISSION

OPINION AND FINDINGS

By application filed November 22, 1993, Consolidated Telco, Inc. (CTI), Contelco, Inc. (Contelco), and Consolidated Companies, Inc., all of Lincoln, Nebraska have petitioned the Commission to approve a reorganization of the above-named companies into a new corporate structure. Notice of the application was published in the Omaha Daily Record November 23, 1993. No protests to the application were received. The Commission will therefore process the application as provided by Commission Rule 018.03, Title 291 NAC Ch. 1.

CTI is a local exchange carrier and is governed by Chapter 75, articles 1 and 6 and Chapter 86, article 8 of the Nebraska Revised Statutes. As such, a change in the controlling interest of an exchange carrier is subject to approval by this Commission. See Rule 002.26, Title 291 NAC Ch. 5. CTI's sole stockholder is Contelco and Contelco's sole stockholder is Consolidated Companies, Inc. (formerly Grassland Communications, Inc.). As a sidelight, Consolidated Companies, Inc. is also the sole stockholder of Consolidated Telephone Company which is another local exchange carrier.

This application seeks to transfer the controlling interest of Contelco to Consolidated Companies, Inc. In essence, this transfer will remove an intervening holding company (Contelco) which currently stands between CTI and Consolidated Companies, Inc. Consolidated Companies, Inc. has executed a Statement of Intent to Dissolve Contelco and to receive all of Contelco's assets and liabilities. This action will result in a change in controlling interest in CTI and this

necessitates an application to the Nebraska Public Service Commission.

Examination of the pleadings and the affidavit reveal that the principal officers and directors of Consolidated Companies, Inc. and of CTI are substantially identical. If this application is granted, both CTI and Consolidated Telephone Company will be operated under Consolidated Companies, Inc. as the sole holding company. There is no apparent reason to deny this application. The proposal consolidates the operations of the holding company and its subsidiaries in an efficient and simplified manner. There is no evidence that the quality of service rendered to CTI's or Consolidated Telephone Company's customers will be affected negatively. In fact, there should be no noticeable change in service to those customers. In light of the foregoing, the application should be granted as in the public interest.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1039 be, and it is hereby, granted and there is hereby approved a change in the controlling interest in the ownership of Consolidated Telco, Inc. such that Consolidated Companies, Inc. shall be the sole stockholder with controlling interest in Consolidated Telco, Inc. and the prior controlling interest exerted by Contelco, Inc. shall cease with this order.

MADE AND ENTERED at Lincoln, Nebraska this 24th day of January, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Duane D. Gay

//s//Rod Johnson
//s//Frank E. Landis, Jr.
//s//James F. Munnelly

Chairman

ATTEST:

Executive Director