

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

APPROVED BY OMB 3060-0589

FEDERAL COMMUNICATIONS COMMISSION  
**REMITTANCE ADVICE**

SPECIAL USE

FCC USE ONLY

(1) LOCKBOX # 358140

PAGE NO. 1 OF 1

**SECTION A - PAYER INFORMATION**

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)  
Blooston, Mordkofsky, Jackson & Dickens

(3) TOTAL AMOUNT PAID (dollars and cents)  
6,220.00

(4) STREET ADDRESS LINE NO. 1  
2120 L Street, N.W.

**DUCKET FILE COPY ORIGINAL**

(5) STREET ADDRESS LINE NO. 2

(6) CITY  
Washington

(7) STATE  
DC

(8) ZIP CODE  
20037

(9) DAYTIME TELEPHONE NUMBER (include area code)  
(202) 659-0830

(10) COUNTRY CODE (if not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

**SECTION B - APPLICANT INFORMATION**

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)  
South Slope Cooperative Telephone Company

(12) STREET ADDRESS LINE NO. 1  
P.O. Box 8

(13) STREET ADDRESS LINE NO. 2

(14) CITY  
Norway

(15) STATE  
IA

(16) ZIP CODE  
52318

(17) DAYTIME TELEPHONE NUMBER (include area code)  
(319) 227-7111

(18) COUNTRY CODE (if not in U.S.A.)

**COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)**

**SECTION C - PAYMENT INFORMATION**

(19A) FCC CALL SIGN/OTHER ID	(20A) PAYMENT TYPE CODE (PTC)	(21A) QUANTITY	(22A) FEE DUE FOR (PTC) IN BLOCK 20A	FCC USE ONLY
	B E A	1	\$ 6,220.00	
(23A) FCC CODE 1		(24A) FCC CODE 2		
(19B) FCC CALL SIGN/OTHER ID	(20B) PAYMENT TYPE CODE (PTC)	(21B) QUANTITY	(22B) FEE DUE FOR (PTC) IN BLOCK 20B	FCC USE ONLY
			\$	
(23B) FCC CODE 1		(24B) FCC CODE 2		
(19C) FCC CALL SIGN/OTHER ID	(20C) PAYMENT TYPE CODE (PTC)	(21C) QUANTITY	(22C) FEE DUE FOR (PTC) IN BLOCK 20C	FCC USE ONLY
			\$	
(23C) FCC CODE 1		(24C) FCC CODE 2		
(19D) FCC CALL SIGN/OTHER ID	(20D) PAYMENT TYPE CODE (PTC)	(21D) QUANTITY	(22D) FEE DUE FOR (PTC) IN BLOCK 20D	FCC USE ONLY
			\$	
(23D) FCC CODE 1		(24D) FCC CODE 2		

ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of )  
South Slope Cooperative Telephone Company )  
Amana Colonies Telephone Company, d/b/a HickoryTech )  
and )  
Heartland Telecommunications Company of Iowa )  
Joint Petition for Waiver of the Definition of "Study Area" )  
Contained in Part 36, Appendix--Glossary of the )  
Commission's Rules )

AAD- CC# 96-45

JOINT PETITION FOR EXPEDITED STUDY AREA WAIVER

SOUTH SLOPE COOPERATIVE TELEPHONE  
COMPANY

AMANA COLONIES TELEPHONE COMPANY,  
D/B/A HICKORYTECH

HEARTLAND TELECOMMUNICATIONS  
COMPANY OF IOWA

Benjamin H. Dickens, Jr.  
Gerard J. Duffy  
Mary J. Sisak  
Blooston, Mordkofsky, Jackson & Dickens  
2120 L Street, NW, Suite 300  
Washington, DC 20037  
(202)659-0830

Their Attorneys

Date: December 13, 2000

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D/B/A HICKORY TECH AND SOUTH SLOPE COOPERATIVE  
TELEPHONE COMPANY AND HEARTLAND  
TELECOMMUNICATIONS COMPANY OF IOWA TO THE  
COMMON CARRIER BUREAU’S LIST OF INFORMATION TO  
ACCOMPANY STUDY AREA WAIVER REQUESTS**

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## SUMMARY

Amana Colonies Telephone Company, d/b/a HickoryTech (Amana Colonies) has agreed to sell the assets of its Amana, Iowa exchange (approximately 1,500 access lines) to South Slope Cooperative Telephone Company (South Slope). By this Joint Petition for Expedited Study Area Waiver (“Petition”), Amana Colonies and its affiliate Heartland Telecommunications Company of Iowa (Heartland) seek a waiver of the Commission’s frozen study area boundaries to delete the Amana exchange from their existing, consolidated Iowa study area, while South Slope seeks a waiver to add the Amana exchange to its existing Iowa study area. Amana Colonies and South Slope respectfully request that the Commission expeditiously review and approve this Petition. This Petition meets all three FCC criteria for grant of study area waivers, raises no new issues of law, and is supported by Commission precedent. The facts involved in this Petition clearly demonstrate that the public interest will be served by an expeditious grant.

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of )  
)  
South Slope Cooperative Telephone Company ) AAD-  
Amana Colonies Telephone Company, d/b/a HickoryTech )  
and )  
Heartland Telecommunications Company of Iowa )  
)  
Joint Petition for Waiver of the Definition of "Study Area" )  
Contained in Part 36, Appendix--Glossary of the )  
Commission's Rules )

JOINT PETITION FOR EXPEDITED STUDY AREA WAIVER

South Slope Cooperative Telephone Company (South Slope), Amana Colonies Telephone Company, d/b/a HickoryTech (Amana Colonies) and Heartland Telecommunications Company of Iowa (Heartland) (collectively, "Petitioners"), by their attorneys, hereby request waiver of the definition of "study area" contained in the Appendix-Glossary of Part 36 of the Commission's Rules.<sup>1</sup> The purpose of this waiver is to allow Amana Colonies to sell the assets of its Amana, Iowa exchange (approximately 1,500 access lines) to South Slope. The proposed transaction will entail the deletion of the Amana exchange from the existing, consolidated Iowa study area of Amana Colonies and its affiliate Heartland, and the addition of the exchange to the existing Iowa study area of South Slope.

The Commission is requested to review and approve this Petition expeditiously. No new issues of law are raised by the Petition, and the facts and circumstances supporting grant are

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<sup>1</sup> The original of this Petition is being filed in Pittsburgh, PA. Copies of the Petition are being hand-delivered to the Secretary, Federal Communications Commission; and to the Chief, Accounting Policy Division.

similar in material and relevant respects to those involved in waiver requests that have been approved recently.<sup>2</sup>

## I. INTRODUCTION

Amana Colonies, a subsidiary of Hickory Tech Corporation (Hickory Tech), presently owns and operates one local telephone exchange in Iowa. That exchange, which serves Amana, Iowa (approximately 1,500 access lines), is presently part of a consolidated study area that also contains eleven exchanges (approximately 13,300 access lines) operated by Heartland, another subsidiary of Hickory Tech. Amana Colonies and Heartland are both Issuing Carriers in the National Exchange Carrier Association (NECA) interstate access tariffs. They both are cost carriers, and have never elected to operate pursuant to price cap regulation.

South Slope is an Iowa telephone cooperative that presently serves five exchanges (approximately 11,330 access lines) within its existing Iowa study area. South Slope is an Issuing Carrier in the NECA interstate access tariffs, and receives settlements from NECA on an average schedule basis. South Slope has never elected to operate pursuant to price cap regulation, and will continue to operate as an average schedule carrier after its acquisition of the Amana assets.

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<sup>2</sup> See, e.g., In the Matter of Petition for Waivers Filed by Union Telephone Company, Inc. and U S WEST Communications, Inc. Concerning Section 61.41(c)(2) and 69.3(e)(11) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules, Memorandum Opinion and Order, 12 FCC Rcd. 1840 (1997); In the Matter of Petitions for Waivers Filed by Alpine Communications, L.C., Butler-Bremer Mutual Telephone Company, Clarksville Telephone Company, Dumont Telephone Company, Grand River Mutual Telephone Corporation, Heartland Corporation, South Central Communications, Inc., Universal Communications, Inc., and U S WEST Communications, Inc. Concerning Sections 61.41(c)(2), 69.3(e)(11), 69.3(i)(4), 69.605(c) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules, Memorandum Opinion and Order, 12 FCC Rcd. 2367 (1997).

## II. COMPLIANCE WITH "ONE PERCENT" CONDITION

Petitioners certify that the aggregation of all local telephone exchange transfers and study area waivers involving them and their subsidiaries and affiliates during the year 2000 will not cause a shift in Universal Service Fund ("USF") cost recovery in an amount equal to or greater than one percent of the total USF assistance for 2000. Therefore, to the extent that the "one percent" limitation adopted by the Commission in US West Communications, Inc. and Eagle Telecommunications, Inc., 10 FCC Rcd 1771 (1995), remains relevant and applicable, the subject transaction complies with it.

## III. THE COMMISSION'S STUDY AREA FREEZE SHOULD BE WAIVED

Part 36 of the Commission's Rules "freezes" the definition of "study area" to the boundaries which were in existence on November 15, 1984.<sup>3</sup> This "freeze" was due, in part, to the Commission's concern over the level of interstate cost recovery by local exchange carriers (LECs) from the Universal Service Fund (USF). According to the Commission, action was taken, in part, "to ensure that LECs do not set up high cost exchanges within their existing service territories as separate study areas to maximize high cost support."<sup>4</sup> The Commission also recognized, however, that its rules were not aimed at discouraging "the acquisition of high cost exchanges or the expansion of service to cover high cost areas."<sup>5</sup> The Common Carrier Bureau ("Bureau") has implemented this decision by holding that changes in study areas that "result

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<sup>3</sup> See 47 CFR Part 36, Appendix--Glossary.

<sup>4</sup> Eagle Decision, 10 FCC Rcd. at 1773 ¶ 10, citing In the Matter of MTS and WATS Market Structure, Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board, CC Docket Nos. 78-72 and 80-286, 50 Fed. Reg. 939 (Jan. 8, 1985).

<sup>5</sup> In the Matter of MTS and WATS Market Structure, Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board, CC Docket Nos. 78-72 and 80-286, 49 Fed. Reg. 48325, 48337 ¶ 65 (Dec. 12, 1984).

from the purchase or sale of exchanges in arms-length transactions” “do not conflict” with the concerns prompting the study area freeze.<sup>6</sup> The Commission has also established a three-prong test for deciding whether study area waivers should be granted. The Commission should approve such waiver requests if it determines:

[F]irst, that the change will not affect adversely the USF support program;

[S]econd, that the state commission having regulatory authority does not object to the change; and

[F]inally, that the public interest supports grant of the waiver.<sup>7</sup>

As demonstrated herein, the overall concern prompting the “freeze” in study areas is not an issue in this transaction, and the Commission’s three-prong test will be satisfied.

Accordingly, Amana Colonies and South Slope respectfully request that the Commission grant the study area waiver permitting: (1) the deletion of the Amana exchange from the consolidated Iowa study area of Amana Colonies and Heartland; and (2) the addition of the exchange to South Slope’s existing Iowa study area.

**A. The USF Impact Arising From This Transaction**

Pursuant to Section 54.305 of the Commission’s rules, carriers purchasing high cost exchanges can only receive the same level of universal service high cost support per line as the seller received prior to the sale. Accordingly, since neither company currently receives USF,

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<sup>6</sup> In the Matter of Contel of the West Petition for Waiver of Section 36.125(f), Sections 36.154(e)(1) and (2), and the Definition of “Study Area” contained in Part 36, Appendix-Glossary, of the Commission’s Rules, Oregon-Idaho Utilities, Inc., Petition for Waiver of the Definition of “Study Area” contained in Part 36, Appendix-Glossary, of the Commission’s Rules, Memorandum Opinion and Order, 5 FCC Rcd. 4570, 4571 ¶ 9 (1990) (emphasis added).

<sup>7</sup> See Eagle Decision, 10 FCC Rcd. at 1772 ¶ 5 (footnotes omitted).

there will be no impact from these transactions. This transaction, therefore, is a non-event for purposes of the USF, at this time.

**B. The Iowa State Utilities Board Does Not Object To The Proposed Change In Study Area Boundaries**

On September 11, 2000, the Iowa State Utilities Board (Iowa Utilities Board) issued an Order<sup>8</sup> approving the sale of the Amana exchange to South Slope. In the Order, the Iowa Utilities Board also states that it has no objection to the FCC granting a study area waiver consistent with the transfer of the Amana exchange from Amana Colonies to South Slope.

**C. The Public Interest Will Be Served By Grant Of The “Study Area” Waivers Requested Herein**

The proposed transaction will expand the local calling areas for South Slope’s customers, as well as the customers of the Amana exchange. There were no objections filed before the Iowa Utilities Board to the sale of the Amana exchange to South Slope. Moreover, the Iowa Utilities Board finds “that South Slope has demonstrated a history of providing local exchange telecommunications service in compliance with the Board’s rules and requirements and that it is ready, willing, and able to provide comparable service in the Amana exchange.”<sup>9</sup>

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<sup>8</sup> In re: Amana Colonies Telephone Company, d/b/a HickoryTech, and South Slope Cooperative Telephone Company, Docket No. SPU-00-14, Order Approving Joint Application for Discontinuance of Service and Authorizing Transfer of Certificate, issued September 11, 2000 (Iowa Utility Board Order).

<sup>9</sup> Iowa Utility Board Order at 2.

IV. RESPONSES TO JUNE 21, 1995 PUBLIC NOTICE

South Slope has provided a description of the to-be-acquired service area, as well as its proposed operations and upgrades in the to-be-acquired exchange.<sup>10</sup> Moreover, South Slope and Amana Colonies have fully provided the information associated with their respective portions of the transaction as recommended by the Bureau.<sup>11</sup>

In light of the above, Amana Colonies and South Slope believe that the public interest would best be served by the granting of the study area waivers requested herein.

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<sup>10</sup> See Attachments.

<sup>11</sup> See Public Notice, Common Carrier Bureau Establishes Expedited Processing Procedures for Petitioners Seeking Part 36 Study Area Waivers, 10 FCC Rcd. 13228 (1995) (“Study Area Public Notice”). The Acquiring Company’s specific information requested by the Study Area Public Notice is provided herein as Attachment A.

V. CONCLUSION

For the reasons stated herein, Amana Colonies and South Slope respectfully request that the Commission expeditiously review and approve this Petition. This Petition raises no new issues of law, is supported by Commission precedent and the facts demonstrate that the public interest will be served by such an expeditious grant. Amana Colonies and South Slope respectfully submit that an expeditious grant of this Petition will serve the public interest by affording the residents and business customers of this rural exchange the benefits of the planned transfers.

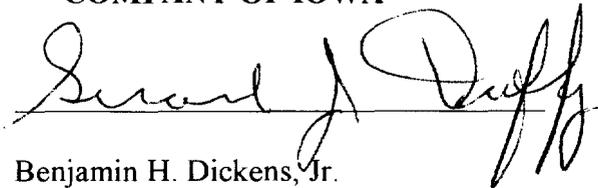
Respectfully submitted,

**SOUTH SLOPE COOPERATIVE TELEPHONE  
COMPANY**

**AMANA COLONIES TELEPHONE COMPANY  
D/B/A HICKORYTECH**

**HEARTLAND TELECOMMUNICATIONS  
COMPANY OF IOWA**

By



Benjamin H. Dickens, Jr.

Gerard J. Duffy

Mary J. Sisak

Blooston, Mordkofsky, Jackson & Dickens

2120 L Street, NW, Suite 300

Washington, DC 20037

(202) 659-0830

Their Attorneys

December 13, 2000

## ATTACHMENT A

### RESPONSE OF AMANA COLONIES TELEPHONE COMPANY, d/b/a HICKORYTECH, HEARTLAND TELECOMMUNICATIONS COMPANY OF IOWA AND SOUTH SLOPE COOPERATIVE TELEPHONE COMPANY TO THE COMMON CARRIER BUREAU'S LIST OF INFORMATION TO ACCOMPANY STUDY AREA WAIVER REQUESTS

1. (No. 1 - 6/21/95 Public Notice) A copy of the order, or other certified document, that states that the state telecommunications regulatory authority does not object to the requested study area waiver.

Response:

Attached as Appendix A.

2. (No. 1 - 9/7/93 Public Notice) Is there any applicable state commission order or plan that creates an obligation on the selling local exchange carrier ("LEC") to upgrade or extend existing service: If so, will the buying LEC be bound by this obligation? The buying LEC should provide information on its plans in this regard, including a description of planned upgrades and extensions of service, costs thereof, proposed timetables, construction, and investment plans.

(No. 2 - 6/21/95 Public Notice) A copy of any order adopted by, or plan imposed by a state commission that obligates the selling and/or purchasing local exchange carrier (LEC) to upgrade or extend existing service.

Response:

There are no outstanding Iowa Utilities Board orders or decisions that will require Amana Colonies or South Slope to upgrade or extend existing services, other than the continuing obligation to upgrade facilities and services on an on-going basis to assure quality service and to meet reasonable customer demand.

3. (No. 2 - 9/7/93 Public Notice) Accounting entries the buyer and seller plan to use to record the transaction.

(No. 6 - 6/21/95 Public Notice) All accounting entries, using actual dollar amounts, if known, and estimated dollar amounts if not known, that the seller and purchaser intend to use to record the transaction for accounting purposes.

Response:

Please refer to Appendix B for an illustration of the accounting entries that Amana Colonies and South Slope plan to use for the contemplated transaction.

4. (No. 3 - 6/21/95 Public Notice) A statement by the purchaser of all planned upgrades to the facilities being acquired with estimates of the costs of those upgrades. That statement should include detailed descriptions of all planned upgrades and extensions of service, the costs of the planned upgrades and extensions of service, proposed timetables for any upgrades, proposed timetables for extension of service, and construction and investment plans.

Response:

South Slope plans to continue to utilize the facilities and equipment that are currently in place to serve the Amana exchange. It will, however, begin to offer customers of the Amana exchange extended area service (EAS) to the other five South Slope exchanges (Ely, Fairfax, Newhall, North Liberty and Norway).

5. (No. 3 - 9/7/93 Public Notice) Any and all studies performed to estimate the effects of the transaction on the Commission's Universal Service Fund (USF). Do these studies include the effects of any state-order or buyer-planned upgrades referred to in Question No. 1 above?

(No. 4 - 6/21/95 Public Notice) The numerical effects of the proposed transaction on the Universal Service Fund (USF). To isolate those effects, estimates should be provided of the seller's and purchaser's USF draw (i.e., receipts from the USF administrator) as if the transferred exchanges (and, in the case of the seller, the remaining exchanges) were set up as a separate study area before and after the planned upgrades. Complete copies of all studies performed in estimating these effects should be included. The studies should be accompanied by an explanation of the extent to which the studies include, and exclude, the effects of any state-orders, or buyer-planned upgrades and/or extensions of service.

Response:

The Amana exchange currently receives no USF support in its existing consolidated Iowa study area of Amana Colonies and Heartland. After the proposed sale, the Amana exchange will continue to receive no USF support in the proposed enlarged Iowa study area of South Slope.

As shown in Appendix C, South Slope estimates that it will receive no USF support. According to NECA's January 1, 2000 Average Schedule USF Loop Cost Formulas, study areas with more than 1,300 loops per exchange will not receive USF. South Slope's Iowa study area had more than 1,300 loops per exchange before the Amana transaction, and will continue to have more than 1,300 loops per exchange after the Amana exchange is added.

6. (No. 5 - 6/21/95 Public Notice) If the proposed transaction will increase USF draw of either the seller or the purchaser, the extent to which local ratepayers will assume the costs of planned upgrades and the extent to which local ratepayers will assume the costs of planned extensions of service.

Response:

The proposed transaction will not increase the USF draw of the seller or buyer.

7. (No. 4 - 9/7/93 Public Notice) An age distribution by account of the plant being sold.

(No. 8 - 6/21/95 Public Notice) A schedule, prepared by the seller, of the plant being sold that includes: the gross book value, accumulated depreciation, and dates of installation of the plant that is subject to the transaction.

Response:

The specific age distribution of the plant by account was not available although the current plant values are included in Appendix B.

8. (No. 5 - 9/7/93 Public Notice) Studies performed to determine the accumulated depreciation that is applicable to the plant being sold.

Response:

The accumulated depreciation amounts are also included in Appendix B.

9. (No. 6 - 9/7/93 Public Notice) Relevant interstate allocation factors, for buyer and seller, for the plant being sold.

(No. 9 - 6/21/95 Public Notice) The interstate separations factors applicable to the seller's remaining plant, and the interstate separation factors that will be applicable to the transferred plant when acquired by the purchaser.

Response:

Allocation factors are not applicable for South Slope because South Slope is an Average Schedule company.

10. (No. 7 – 9/7/93 Public Notice) Pro forma revenue requirements calculations, pre-sale and post-sale, for both buyer and seller.

(No. 10 – 6/21/95 Public Notice) Pro-forma revenue requirement calculations (interstate, intrastate and total), pre-sale, for both the buying and selling LECs.

Response:

Please refer to Appendix D.

11. (No. 8 – 9/7/93 Public Notice) Number of access lines served by the buyer: number of lines affected by the sale.

(No. 11 – 6/21/95 Public Notice) The number of access lines: (i) presently provided in the seller's study area; (ii) presently provided by the purchaser in each study area in that state; and (iii) that will be transferred.

Response:

Amana Colonies has approximately 1,500 access lines in total and this amount will be transferred to South Slope, giving them a total after the purchase of approximately 12,831.

12. (No. 9 – 9/7/93 Public Notice) Number of route miles of subscriber plant being sold.

Response:

The Amana exchange has 17.53 route miles, all of which are being sold to South Slope.

13. (No. 10 – 9/7/93 Public Notice) Does buyer intend to request permission to record amortizations of amounts in Account 32.2005. Telecommunications Plant Adjustment, to Account 6565, Amortization Expense – Other?

(No. 7 – 6/21/95 Public Notice) The buyer's plan for disposition of amounts recorded in Account 32.2005 Telecommunications Plant Adjustment, related to the purchase.

Response:

No. South Slope does not intend to request permission to record amortization of amounts in Account 32.2005. Telecommunications Plant Adjustment to Account 6565 Amortization Expense – Other.

14. (No. 12 – 6/21/95 Public Notice) A map on which each of the following areas has been clearly outlined: (i) the service areas of the exchanges being transferred; (ii) the pre-transfer study area boundaries of the seller; and (iii) the study area boundaries of all study areas that the purchaser (and/or its affiliates) own in the state in which the exchanges are to be transferred are located.

Response:

See Appendix E (attached to original only).

15. (No. 11 – 9/7/93 Public Notice) Does the buyer intend to consolidate purchased areas with its existing study area(s)? If not, provide justification for that approach in light of the concerns expressed by the Joint Board and the Commission in their development of the 1984 rule from which you seek waiver, including maximization of USF support

Response:

Yes, South Slope intends to combine the Amana exchange into its existing Iowa study area.

**APPENDIX A**  
**STATE ORDER**

**STATE OF IOWA**  
**DEPARTMENT OF COMMERCE**  
**UTILITIES BOARD**

**IN RE:**

**AMANA COLONIES TELEPHONE  
COMPANY, d/b/a HICKORYTECH, AND  
SOUTH SLOPE COOPERATIVE  
TELEPHONE COMPANY**

**DOCKET NO. SPU-00-14**

**ORDER APPROVING JOINT APPLICATION FOR DISCONTINUANCE OF  
SERVICE AND AUTHORIZING TRANSFER OF CERTIFICATE**

(Issued September 11, 2000)

On August 11, 2000, Amana Colonies Telephone Company, d/b/a HickoryTech (Amana Colonies) and South Slope Cooperative Telephone Company (South Slope) (collectively, Joint Applicants) filed a joint application pursuant to Iowa Code § 476.20 (1999) for discontinuance of service and Iowa Code § 476.29 for transfer of a certificate. South Slope has entered into an asset purchase agreement to acquire the assets of Amana Colonies necessary to provide local exchange service in the Amana, Iowa, exchange. The acquisition will result in the discontinuance of service in the Amana exchange by Amana Colonies and continuation of the existing service by South Slope.

The Joint Applicants ask to have the certificate of public convenience and necessity presently issued to Amana Colonies for service in the Amana exchange transferred to South Slope. The Joint Applicants further seek Utilities Board (Board) approval of the proposed discontinuance of service by Amana Colonies in the Amana exchange.

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PAGE 2

Amana Colonies is a nonrate-regulated local exchange utility currently providing service in one Iowa exchange. South Slope is a nonrate-regulated local exchange utility currently providing local service in the Ely, Fairfax, Newhall, North Liberty, and Norway exchanges.

Iowa Code § 476.20 provides in relevant part that a utility shall not discontinue service to a community unless permission to do so is obtained from the Board. Rule 199—7.12(5) states that an application to discontinue service incident to a utility property transfer will be granted "if the board finds the transferee is ready, willing, and able to provide comparable utility service." Finally, Iowa Code § 476.29(3) provides for the transference of a local exchange certificate of public convenience and necessity, subject to the Board's approval pursuant to Iowa Code § 476.20(1).

South Slope provides local exchange telecommunications services to approximately 15,000 customers in the five exchanges. The Amana exchange is located immediately south of the Norway exchange with similar service requirements and characteristics as the other exchanges where South Slope is providing service. No objections to the joint application have been filed with the Board.

From the information provided, the Board finds that South Slope has demonstrated a history of providing local exchange telecommunications service in compliance with the Board's rules and requirements and that it is ready, willing, and able to provide comparable service in the Amana exchange.

The Board approves Amana Colonies's application to discontinue service to the Amana exchange, pursuant to 199 IAC 7.12 and Iowa Code § 476.20(1) (1999). The Board also approves the request to transfer Amana Colonies's certificate to

**DOCKET NO. SPU-00-14  
PAGE 3**

serve the Amana exchange to South Slope, pursuant to Iowa Code § 476.29(3) (1999).

South Slope will be required to file new service area boundary maps showing the addition of the Amana exchange, as well as new tariffs within 30 days of this order. Until those tariffs are approved, service to the Amana exchange will be provided by South Slope under the Amana Colonies tariff.

South Slope and Amana Colonies indicated that a waiver of the study area requirements of the Federal Communications Commission (FCC) will be necessary in connection with this transaction. It has been the FCC's policy not to accept a waiver petition until the state regulatory agency has indicated that it does not object to changes in the study area boundaries. The Board affirmatively states that it does not object to the request that a study area waiver be granted by the FCC.

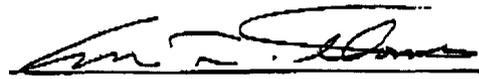
**IT IS THEREFORE ORDERED:**

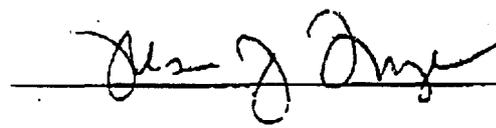
1. The joint application for approval of discontinuance of service and transference of certificate with regard to the Amana exchange, filed August 18, 2000, by Amana Colonies Telephone Company, d/b/a HickoryTech, and South Slope Cooperative Telephone Company is approved to be effective upon the issuance of this order.
2. South Slope Cooperative Telephone Company is directed to file an exchange boundary map showing the addition of the Amana exchange to its territory, new tariffs in its name, and a statement of 2-PIC dialing parity within 30 days of this order.

DOCKET NO. SPU-00-14  
PAGE 4

- 3. An amended Certificate No. 0120 will be issued concurrently with this order.
- 4. Certificate No. 0010 will be cancelled concurrently with this order.
- 5. The Board affirmatively states that it does not object to the request that a study area waiver be granted by the FCC.

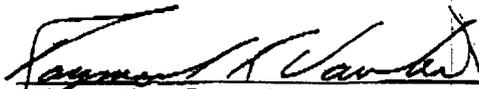
UTILITIES BOARD

  
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ATTEST:

  
Executive Secretary

Dated at Des Moines, Iowa, this 11th day of September, 2000.

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  AMANA COLONIES TELEPHONE COMPANY, d/b/a HICKORY TECH	DOCKET NOS. SPU-00-14  <hr style="border: 0.5px solid black;"/> CERTIFICATE NO. 0010
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**CERTIFICATE**

(Issued September 11, 2000)

On August 18, 2000, Amana Colonies Telephone Company, d/b/a HickoryTech (HickoryTech), and South Slope Cooperative Telephone Company (South Slope) filed a joint application for discontinuance of service, pursuant to Iowa Code § 476.20 (1999) to the Amana exchange and transfer of the certificate to serve the Amana exchange to South Slope. The joint application was identified as Docket No. SPU-00-14 and on September 11, 2000, the Utilities Board (Board) issued an order in which the Board approved the joint application.

Certificate No. 0010 was issued to HickoryTech on March 22, 1994. The certificate was amended on May 16, 1994, and November 4, 1994, to reflect changes in the exchange boundaries. The certificate was amended on September 11, 2000 to reflect the change of the new business to HickoryTech. An order approving an amendment to Certificate No. 0120 and transferring the certificate to South Slope is being issued concurrently with this cancellation of certificate. The certificate is being

DOCKET NO. TCU-00-14, Certificate No. 0010  
PAGE 2

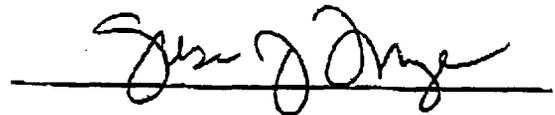
cancelled since HickoryTech pursuant to this certificate only provides service to the Amana exchange and after the transfer it will not provide service.

**IT IS THEREFORE ORDERED:**

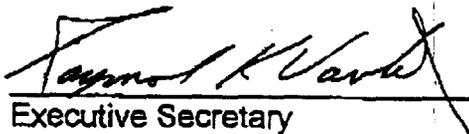
The certificate of public convenience and necessity, identified as Certificate No. 0010, previously issued to Amana Colonies Telephone Company, d/b/a HickoryTech, is hereby cancelled.

**UTILITIES BOARD**

  
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ATTEST:

  
\_\_\_\_\_ Executive Secretary

  
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Dated at Des Moines, Iowa, this 11th day of September, 2000.

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  SOUTH SLOPE COOPERATIVE TELEPHONE COMPANY	DOCKET NO. SPU-00-14  <hr style="border: 0.5px solid black;"/> CERTIFICATE NO. 0120
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**CERTIFICATE**

(Issued September 11, 2000)

On August 18, 2000, South Slope Cooperative Telephone Company (South Slope) and Amana Colonies Telephone Company, d/b/a HickoryTech, filed a joint application for the discontinuance of service by HickoryTech to the Amana exchange, and the transference of the certificate of public convenience and necessity to provide service to the Amana exchange to South Slope. South Slope will provide service to the Amana exchange once it has tariffs approved by the Utilities Board (Board).

The Board issued an order on September 11, 2000, approving the discontinuance of service by HickoryTech, and authorizing the transfer of the certificate to South Slope. South Slope is required to file proposed tariffs withing 30 days of the order which contain a new service territory map, new tariffs in its name, and a statement of 2-PIC dialing parity. South Slope currently has a certificate to provide service to the Ely, Fairfax, Newhall, North Liberty, and Norway exchanges.

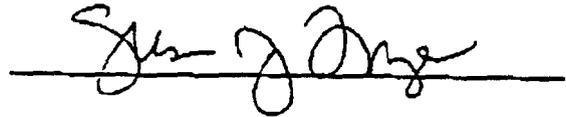
**IT IS THEREFORE ORDERED:**

DOCKET NO. SPU-00-14 Certificate No. 0120  
PAGE 2

This amendment to the certificate of public convenience and necessity, issued pursuant to Iowa Code § 476.29(1) (1999), authorizes South Slope Cooperative Telephone Company to furnish local telephone service in the exchanges as shown by its tariffs as currently and subsequently approved.

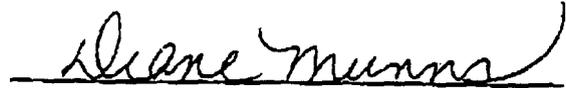
UTILITIES BOARD

  
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ATTEST:

  
Executive Secretary

  
\_\_\_\_\_

Dated at Des Moines, Iowa, this 11th day of September, 2000.

APPENDIX B

SOUTH SLOPE

SUMMARY OF ACCOUNTING ENTRIES

(000)

AMANA COLONIES (SELLERS BOOKS):

Debit Cash (Account 1120)	\$6,500
Debit Accumulated Depreciation (Account 3100)	\$1,516
Credit Plant in Service (Account 2001)	\$2,747
Credit Telephone Plant Adjustment (Account 2005)	\$651
Credit Goodwill (Account 2007)	\$3,910
Credit Gain (Account 7350)	\$708

These amounts are based on a current estimate of the book value of the assets. The entries are the cost of assets being sold at a point in time prior to the sale closing. As such they do not include additional investments, retirements, depreciation or adjustments which will be made in the period interim to the sale closing. Cash entries are based on the Agreement For Purchase And Sale of the Amana exchange in Iowa dated July 21, 2000. These do not represent final cash or asset distributions within the buying group. Until final closing these entries are preliminary and based on Amana Colonies estimates only.

SOUTH SLOPE (BUYER'S BOOKS):

Debit Plant in Service (Account 2001)	\$2,747
Debit Goodwill (Account 2007)	\$5,269
Credit Cash (Account 1130)	\$6,500
Credit Depreciation Reserve (Appropriate Plant Accounts)	\$1,516

Upon consummation of this transaction, South Slope will be recording its respective purchased assets at their original cost and its associated reserve requirements as provided by Amana Colonies.

APPENDIX C  
SOUTH SLOPE  
USF

Line	Description	South Slope 1999	South Slope including Amana Exchange
1)	Number of Loops	11,331	12,831
2)	Number of Exchanges	5	6
3)	Loops per Exchange (Ln 1 / Ln 2)	2,266	2,139

## APPENDIX D

### SOUTH SLOPE PRO-FORMA REVENUE

	<u>Pre - Sale</u>	<u>Post - Sale</u>
Operating Revenue:		
Local Network Services	\$1,986,341	\$2,162,939
Network Access Services	\$5,870,844	\$6,867,147
Carrier Billing & Collection	\$100,335	\$118,767
Miscellaneous Revenue	\$322,974	\$384,911
Less: Uncollectible Revenue	<u>\$41,402</u>	<u>\$42,285</u>
Total Operating Revenue	\$8,239,092	\$9,491,479

### AMANA PRO-FORMA REVENUE

	<u>Pre - Sale</u>	<u>Post - Sale</u>
Operating Revenue:		
Local Network Services	\$176,598	Included in
Network Access Services	\$996,303	Post - Sale for
Carrier Billing & Collection	\$18,432	South Slope
Miscellaneous Revenue	\$61,937	above
Less: Uncollectible Revenue	<u>\$883</u>	
Total Operating Revenue	\$1,252,387	

**APPENDIX E**  
**MAP**  
**(ORIGINAL ONLY)**

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This page has been substituted for one of the following:

- o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.

- o Microfilm, microform, certain photographs or videotape.

- o Other materials which, for one reason or another, could not be scanned into the ECFS system.

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