

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  HEART OF IOWA COMMUNICATIONS COOPERATIVE AND LAUREL TELEPHONE COMPANY, INC.	DOCKET NO. SPU-05-24
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**ORDER APPROVING JOINT APPLICATION FOR DISCONTINUANCE OF  
SERVICE, AND AUTHORIZING AMENDMENT TO CERTIFICATE**

(Issued December 28, 2005)

On November 28, 2005, Heart of Iowa Communications Cooperative (Heart of Iowa) and Laurel Telephone Company, Inc. (Laurel), filed with the Utilities Board (Board) a joint application for discontinuance of service and transfer of certificate pursuant to Iowa Code §§ 476.20 and 476.29. The filing indicates that Heart of Iowa has executed a stock purchase agreement to transfer all of Laurel's outstanding common stock to Heart of Iowa. Upon completion of the transaction, Laurel will be dissolved and its existing customers will be served by Heart of Iowa.

Heart of Iowa and Laurel request that Certificate No. 0075, issued to Laurel on September 29, 1992, be terminated and Certificate No. 0119, issued to Heart of Iowa on September 29, 1992, and amended October 1, 2001, and June 20, 2002, be amended to include the service area originally served by Laurel. The joint application included a notice provided pursuant to 199 IAC 22.23(2)"e," which states that Laurel customers will be transferred to Heart of Iowa on February 1, 2006, and that there will

not be any change in local exchange rates for transferring customers. The parties state that the notice will be sent to transferring customers prior to January 1, 2006. The notice appears to satisfy all requirements established by 199 IAC 22.23(2)"e."

Iowa Code § 476.20(1) states that a utility shall not discontinue service to a community unless permission is obtained from the Board. The Board's rules at 199 IAC 7.1(6) address the discontinuance of service incident to utility property transfer. Within 30 days, the Board must either approve an application or docket it for further investigation; otherwise, it will be deemed approved. The Board may grant an application if the Board finds the transferee is ready, willing, and able to provide comparable utility service.

Based on the information provided, the Board finds that Heart of Iowa 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 exchanges previously served by Laurel. The Board finds that the requirements of Iowa Code § 476.20(1) are satisfied and will approve the joint request for discontinuance of service by Heart of Iowa and Laurel.

An order canceling Laurel's certificate (Certificate No. 0075) is being issued concurrent with this order and will become effective upon the withdrawal of Laurel's existing tariff. An amendment to Heart of Iowa's certificate (Certificate No. 0119) to reflect the addition of the exchanges originally served by Laurel is also being issued concurrent with this order and will become effective upon the approval of Heart of

Iowa's amended tariff reflecting the incorporation of the exchanges formerly served under Laurel's certificate. In addition, Heart of Iowa will need to file exchange boundary maps for the additional exchanges. The Board will require the filing of amended tariffs and maps within 30 days of this order.

In connection with the transfer, the joint applicants state they will require a waiver from the Federal Communications Commission (FCC) of the FCC's study area requirements. It has been the FCC's policy not to accept a waiver petition unless the state regulatory agency indicates that it does not object to changes in the study area boundaries. In previous transfers of this type, the Board has affirmatively stated that it does not object to the FCC granting a study area waiver.<sup>1</sup> The Board finds that it is appropriate to make the same statement in this docket.

**IT IS THEREFORE ORDERED:**

1. The joint request filed by Heart of Iowa Communications Cooperative and Laurel Telephone Company, Inc., on November 28, 2005, for discontinuance of service and cancellation of certificate is approved.

2. An order canceling Certificate No. 0075, issued to Laurel Telephone Company, Inc., is being issued concurrent with this order and will become effective upon the withdrawal of Laurel's existing tariff.

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<sup>1</sup> See, for example, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom and Norway Rural Telephone Company, "Order Approving Joint Application for Discontinuance of Service and Authorizing Transfer of Certificate," Docket No. SPU-02-2, ordering clause 4, issued March 12, 2002.

3. An order amending Certificate No. 0119, issued to Heart of Iowa Communications Cooperative, reflecting the addition of the exchanges originally served by Laurel Telephone Company, Inc., is being issued concurrent with this order and will become effective upon the approval of Heart of Iowa Communications Cooperative's amended tariff reflecting the incorporation of those exchanges.

4. Heart of Iowa Communications Cooperative is directed to file an amended tariff and exchange boundary maps showing the addition of the exchanges originally served by Laurel Telephone Company, Inc., to its territory within 30 days of 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**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 28<sup>th</sup> day of December, 2005.