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Application of The Manti Telephone Company for an Order Approving the Acquisition of the Voting Stock of The Manti Telephone Company by Lynch Telephone Corporation X	<u>DOCKET NO. 24-046-03</u> <u>ORDER APPROVING SETTLEMENT STIPULATION</u>
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ISSUED: December 19, 2024

### **SYNOPSIS**

The Public Service Commission (PSC) approves the settlement stipulation and approves Lynch Telephone Corporation X's ("Lynch") acquisition of The Manti Telephone Company's ("Manti") voting stock.

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### **BACKGROUND**

On September 5, 2024, Manti and Lynch (together the "Applicants") filed a joint application ("Application") seeking approval of Lynch's purchase of Manti's voting stock. Applicants entered into a Stock Purchase Agreement whereby Lynch would acquire 100% of the issued and outstanding shares of Manti (the "Transaction").<sup>1</sup>

### **PROCEDURAL HISTORY**

1. A virtual scheduling conference was held September 13, 2024, and a Scheduling Order and Notice of Hearing ("Scheduling Order") was issued September 16, 2024.
2. The Applicants filed the written direct testimonies of Dallas Cox, Brad Welch, and Stephen Moore on September 20, 2024.

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<sup>1</sup> See Settlement Stipulation at 2, ¶1.

3. The Division of Public Utilities (DPU) did not file written comments or testimony in this docket.

4. There were no intervenors in this docket.

5. The Applicants and DPU (collectively, the “Parties”) filed a Settlement Stipulation (the “Settlement”) on October 29, 2024.

6. The Parties filed a Joint Motion to Vacate the Scheduling Order except for the Hearing Date on October 31, 2024, which was granted and denied in part resulting in the suspension of all deadlines in the Scheduling Order except for the intervention and hearing dates established in the Scheduling Order.

7. The PSC held an evidentiary hearing to consider the Settlement on December 4, 2024, during which witnesses for the Parties provided sworn testimony and other evidence supporting the Settlement.

### **THE SETTLEMENT STIPULATION**

In the Settlement, the Parties stipulate and agree that, among other things, the Transaction: (1) will not affect the PSC’s ability to regulate Manti and that Manti will continue to abide by and meet its regulatory obligations to Utah customers; (2) will not negatively impact Manti’s operational documentation or service offerings; (3) will not negatively impact rates charged or quality of service; and (4) is in the public interest.<sup>2</sup>

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<sup>2</sup> See *id.* at 3-4, ¶¶1-8.

The Parties further stipulate that costs relating to the Transaction will not be included in Manti's "revenue requirement and Universal Public Telecommunications Service Support Fund ... calculation[,] and any "[a]cquisition adjustments, transaction premiums, and goodwill amortization, if any, arising from the Transaction will not be included in Manti's revenue requirement/UUSF calculation post-Transaction."<sup>3</sup>

### **HEARING**

At hearing, the Parties testified that, among other things, the terms of the Settlement are just and reasonable in result, and approval of the Settlement is in the public interest. Witnesses for Applicants also testified that their written testimony remained unchanged,<sup>4</sup> and after that testimony was filed the Transaction was approved by the Federal Communications Commission on November 25, 2024.<sup>5</sup> There was no opposition to the Settlement.

Based on the PSC's review of the Application and the Settlement, and considering there is no opposition, the PSC enters the following Findings of Fact, Conclusions of Law, and Order.

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<sup>3</sup> *Id.* at 4, ¶16.

<sup>4</sup> Clarification relating to paragraph 4 of the Settlement was also provided by all witnesses. See e.g., Hearing video at 11:30-13:30 (Lynch), 22:10-22:40 (Manti), and 28:50-29:20 (DPU), available at: <https://www.youtube.com/live/qAzCR17NxT4>

<sup>5</sup> See <https://docs.fcc.gov/public/attachments/DA-24-1183A1.pdf> (Domestic 214 Application Granted for the Transfer of Control of The Manti Telephone Company to Lynch Telephone Corporation X, DA/FCC#: DA 24-1183, WC Docket No. 24-93, November 25, 2024).

**FINDINGS, CONCLUSIONS OF LAW, AND ORDER**

Settlements of matters before the PSC are statutorily encouraged. To approve a settlement, the PSC must consider the interests of the public and other affected persons and find the settlement is just and reasonable in result.<sup>6</sup> Based on our consideration of the Application, the submitted written testimony, the Settlement, and the testimony at hearing, and because there is no opposition, the PSC finds and concludes that the record evidence supports that the Settlement and its terms are just and reasonable and in the public interest.

Accordingly, the PSC approves the Settlement and grants the Application, as conditioned and supplemented by the Settlement.

DATED at Salt Lake City, Utah, December 19, 2024.

/s/ John E. Delaney  
Presiding Officer

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<sup>6</sup> See Utah Code Ann. § 54-7-1.

Approved and Confirmed December 19, 2024 as the Order of the Public Service Commission.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#337197

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on December 19, 2024, a true and correct copy of the foregoing was served upon the following as indicated below:

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