

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Gunnison Telephone Company for an Order Approving the Acquisition of the Voting Stock of Gunnison Telephone Company by Lynch Telephone Corporation X

Docket No. 25-04-02

DIRECT TESTIMONY OF STEPHEN J. MOORE

ON BEHALF OF

LYNCH TELEPHONE CORPORATION X

December 18, 2025

1 **I. IDENTIFICATION OF WITNESS**

2 **Q. Please state your full name, place of employment and position.**

3 A: My full name is Stephen J. Moore. I am employed by LICT Corporation (“LICT”) as the
4 Vice President of Finance. In that role I am also the President of Lynch Telephone
5 Corporation X (“Lynch”).

6 **Q. How long have you been employed in that position?**

7 A. I have been employed with LICT since April 2014, and I have been in the position of the
8 Vice President of Finance since April 2014. I have been President of Lynch since
9 February 5, 2020.

10 **Q. Please describe your educational experience and current responsibilities.**

11 A. I hold a bachelor’s degree in finance from Iona College in New Rochell New York and a
12 MBA with a concentration in accounting from Long Island University in Dobbs Ferry,
13 New York. My current responsibilities include managing all aspects of the finances and
14 accounting for LICT, a publicly traded company with several rural operations that are
15 solely focused on broadband and telecommunications. This includes financial reporting
16 and compliance for a publicly traded company with close to 400 employees.

17 **Q. Have you testified or appeared before this Commission in the past?**

18 A. Yes, I provided pre-filed written Direct Testimony on behalf of Lynch Telephone X in
19 Docket 24-046-03, in September of 2024.

20 **II. INTRODUCTION**

21 **Q. On which party’s behalf are you filing testimony in this proceeding?**

22 A. My direct testimony is prepared on behalf of Lynch, which has joined with Gunnison
23 Telephone Company (“Gunnison”) to file the Joint Application for Order Approving the
24 Acquisition of the Voting Stock of Gunnison Telephone Company by Lynch Telephone
25 Corporation X (the “Application”).

26 **Q. What is the purpose of your testimony?**

27 A. I am testifying in support of the Application. My testimony will provide a brief overview
28 of LICT and Lynch, and demonstrate that Lynch has the managerial, operational and
29 technical ability and experience to manage Gunnison post-closing. I will also describe the
30 compelling features of the transaction by which Lynch will acquire the issued and
31 outstanding shares of Gunnison from the Gunnison shareholders (the “Transaction”). I
32 will also demonstrate to the Utah Public Service Commission (the “Commission”) that
33 the financial resources of Lynch will benefit the customers of Gunnison, and the
34 Transaction will be in the public interest.

35 **Q. Are other witnesses offering testimony in this proceeding on behalf of the Joint**
36 **Applicants?**

37 A. Yes. Two other witnesses are presenting testimony in this proceeding. Mr. Brad Welch is
38 the Chief Operating Officer of Central Utah Telephone, Inc. (“CUTI”), Bear Lake
39 Communications, Inc. (“Bear Lake”), Skyline Telecom (“Skyline”), and The Manti
40 Telephone Company (“Manti”). Mr. Welch describes the Transaction, and demonstrates
41 to the Commission that the Transaction is in the public interest for the State of Utah and
42 should be approved by the Commission. Mr. Howard “Jim” Sanders, President of
43 Gunnison, provides an overview and history of Gunnison’s operations, assets, exchanges,

44 and customers, and demonstrates to the Commission that the Transaction is in the public
45 interest and should be approved by the Commission. The combined direct testimony of
46 all the witnesses demonstrates why this Transaction is in the public interest.

47 **III. THE TRANSACTION**

48 **Q. Please describe the Transaction.**

49 A. On August 25, 2025, Lynch entered into a Stock Purchase Agreement (“SPA”) with
50 Gunnison and the shareholders of Gunnison, pursuant to which, upon closing the
51 Transaction, Lynch will acquire all of the issued and outstanding shares of Gunnison.
52 Upon consummation of the Transaction, Gunnison will become a wholly owned
53 subsidiary of Lynch and will be a sister company to CUTI, Bear Lake, Skyline, and
54 Manti. A CONFIDENTIAL copy of the SPA was attached to the Application as
55 CONFIDENTIAL Appendix 1. A copy of the post-Transaction corporate structure is
56 attached as Exhibit 1 to the Direct Testimony of Brad Welch. Mr. Welch and Mr. Sanders
57 also describe the post-Transaction management of Gunnison.

58 **Q. Are you familiar with the financial aspects of the Transaction?**

59 A. Yes.

60 **Q. Can you please describe the financial aspects of the Transaction?**

61 A. The specifics of the purchase price are set forth in the SPA, which was attached to the
62 Application as CONFIDENTIAL Appendix 1. The shareholders determined a sales price
63 for the stock and approached Lynch with that offer. Lynch reviewed Gunnison’s financial
64 picture, including but not limited to assets, revenue sources, payables, debt, EBITDA,

65 and adjusted EBITDA and determined that the assets were in good shape and the stock
66 price was supported and fair and consistent with companies of similar size and
67 circumstance.

68 **Q. Is there any other information related to the financial aspects of this transaction**
69 **that are relevant to the Commission?**

70 A. Post-Transaction, Gunnison will not include stock purchase transaction costs, such as
71 fees and expenses of financial advisors, consultants and lawyers, or filing fees in its
72 revenue requirement/UUSF calculation. Additionally, acquisition adjustments,
73 transaction premiums or goodwill amortization, if any, arising from the Transaction will
74 not be included in Gunnison's revenue requirement/UUSF calculation post-Transaction.
75 Additionally, this Transaction is not being financed by a lender.

76 **IV. BACKGROUND OF LICT AND LYNCH**

77 **Q. Can you please provide a brief background of LICT?**

78 A. LICT was incorporated in Delaware in 1996 as a subsidiary of Lynch Corporation (now
79 LGL Group Inc.) and was originally named Lynch Interactive Corporation. LICT was
80 spun off from Lynch Corporation in 1999 and has been named LICT Corporation since
81 March 2007. LICT is an integrated provider of broadband, voice, and video services. It
82 provides high-speed broadband services, including internet access, through fiber optic
83 facilities, copper-based digital subscriber lines, fixed wireless, and coax cable via cable
84 modems. LICT also provides a number of other services, including video service through
85 both traditional cable television services and Internet Protocol Television services, Voice

86 over Internet Protocol, wireless voice communications, and several related
87 telecommunications services. On the voice side, LICT's subsidiaries operate as rural
88 local exchange carriers (RLECs) and competitive local exchange carriers (CLECs).

89 **Q. Can you describe LICT's financial strength?**

90 A. LICT has considerable financial strength with over \$329 million in total assets and
91 revenues of over \$134 million as set forth in LICT's Annual Report from 2024 which
92 was attached to the Application as Appendix 2.

93 **Q. Can you describe LICT's operations in Utah?**

94 A. In 2001, LICT acquired the stock of CUTI through its contemporaneously formed
95 subsidiary Lynch. CUTI, and its wholly owned subsidiaries, Bear Lake and Skyline do
96 business as CentraCom. CUTI, Bear Lake, and Skyline are ILECs in the state of Utah. In
97 2024, Lynch acquired all of the outstanding shares of Manti, also an ILEC in the State of
98 Utah.

99 **Q. Please describe the managerial, operational, and technical ability of Lynch and its
100 parent company, LICT.**

101 A. Mario J. Gabelli is the Executive Chairman and Interim Chief Executive Officer of LICT.
102 I am the Vice President – Finance of LICT, and Evelyn Jerden is the Senior Vice
103 President of Regulatory Dynamics of LICT. I am also the President of Lynch in Utah. In
104 Utah, Eddie Cox is the President, Branch Cox is the Chief Executive Officer, and Brad
105 Welch is the Chief Operating Officer of CUTI, Bear Lake, Skyline, and Manti. The
106 senior management officers of Lynch and its subsidiaries are proven leaders in the

107 telecommunications industry and have established a solid, consistent reputation for
108 running well-managed business operations in and throughout rural Utah that focus on
109 providing outstanding and robust telecommunications service. I bring 12 years of national
110 and regional telecommunication experience, and over 30 years of financial and
111 managerial experience. Eddie Cox, Branch Cox, and Brad Welch manage the day to day
112 Utah operations of Gunnison post-Transaction, with over 100 combined years of
113 experience in serving rural Utah customers. Additionally, as indicated in the Application,
114 and the Direct Testimony of Brad Welch and Jim Sanders, Jim Sanders will continue to
115 be involved as employees of CUTI available to assist with the transition of ownership and
116 Gunnison's ongoing operations. Jim Sanders has over ___ years of technical operational
117 and management experience and is an expert in Gunnison's assets, exchanges, operations,
118 and customers. Between us we have stable base of knowledge, experience and leadership
119 to bring to Gunnison and the customers of Gunnison's exchanges.

120 **Q. Please describe the compelling features of the Transaction.**

121 A. I believe the customers will benefit from enhanced service and product capabilities based
122 on LICT's national network, strong product portfolio, and increased scale. Lynch's
123 financial strength and flexibility will benefit Gunnison and its customers and exchanges
124 by permitting quick response to future opportunities and ongoing investment in
125 Gunnison's network. Finally, as demonstrated in the Direct Testimony of Brad Welch
126 and Jim Sanders, and as set forth with more specificity below, Lynch's acquisition of the
127 Gunnison stock will result in operating and capital efficiency through increased

128 economies of scale, reduction in corporate overhead, and elimination of duplicative
129 functions, systems, and expenses.

130 **V. THE STOCK PURCHASE IS IN THE PUBLIC INTEREST**

131 **Q. Do you think the Transaction is in the public interest?**

132 A. Yes. As stated throughout my testimony above, Lynch is well qualified to own and
133 operate Gunnison and to oversee provision of service to the customers in the Gunnison
134 exchanges. LICT has considerable financial strength with over \$329 million in total
135 assets and revenues of over \$134 million. More importantly, the management of Lynch
136 and its subsidiaries have a proven track record of excellent service and efficient
137 management of rural exchanges in Utah. The Transaction is in the public interest because
138 the acquisition of Gunnison's ownership by Lynch will: (i) facilitate efficiencies and
139 access to the financial resources of Lynch and its parent companies; (ii) provide
140 Gunnison customers access to the in house expertise of Lynch and its subsidiaries in
141 regulatory, financial and strategic matters, including participation in federal grant
142 programs and better access to capital; (iii) maintain the local company identity and a
143 commitment to the employees and customers of Gunnison; (iv) allow for the continuation
144 of high-quality local customer service; and (v) allow for the implementation of some
145 necessary technical network improvements to increase speeds and reliability for
146 customers.

147 **Q. Please describe the greater efficiencies and financial strength that will result from**
148 **this Transaction.**

149 A. With the acquisition of Gunnison by Lynch, Lynch will be able to increase local
150 efficiencies by consolidating operations. We will ultimately have one billing system, one
151 accounting department, and one human resources department. Our construction teams
152 will be consolidated, allowing for better coverage and more efficient access to
153 technicians. Gunnison will have access to the buying power of a larger enterprise to assist
154 with supply chain management and inventory concerns. As a result, Gunnison's
155 operations will be more efficient and productive as part of the LICT family of companies.
156 The Transaction also will bring the customers of Gunnison into a larger, financially
157 strong corporate group with a proven track record of obtaining capital on favorable terms.
158 Access to these financial resources will facilitate network facilities upgrades for faster
159 available speeds and reliability, prompt network maintenance, and delivery of up-to-date
160 products and technology to Gunnison's customers.

161 **Q. Please describe how Lynch's in-house expertise will benefit the customers.**

162 A. As a result of the Proposed Transaction, the Gunnison customers will benefit from the in-
163 house expertise and managerial resources of Lynch, and its subsidiaries, in regulatory,
164 financial, and strategic matters, thereby improving access to emerging
165 telecommunications technologies for customers in the Gunnison, Centerfield, Mayfield,
166 Fayette, and Axtell communities. The public interest is served when a transaction
167 positively affects the quality of the communication services or provides new or additional
168 services to customers.

169 **Q. Please elaborate on the benefit of maintenance of local identity and commitment to**
170 **Gunnison's customers and employees.**

171 A. The customers of Gunnison have long been served by a local company. With the
172 acquisition of Gunnison by Lynch, the customers will continue to be served by Gunnison.
173 While Gunnison's corporate headquarters will move to Fairview, Utah (43 miles from
174 Gunnison), Gunnison will maintain a local office in Gunnison, Utah, thereby maintaining
175 a strong local presence. Additionally, many of the Gunnison employees will continue to
176 be employed by Lynch's subsidiaries.

177 **Q. Can you please describe the improvements to customer service that Gunnison's**
178 **customers will enjoy after the Transaction?**

179 A. After the closing of the Proposed Transaction, Gunnison customers will continue to
180 receive excellent customer service from local technicians who have the added benefit of
181 additional training and expertise developed by Lynch's family of telephone companies.
182 Lynch's greater technical and operational resources would allow Gunnison to provide a
183 more positive and robust customer/provider relationship than Gunnison is currently able
184 to provide given its more limited resources.

185 **Q. Do you think that any of the Gunnison or existing Lynch customers will suffer any**
186 **harm as a result of the Transaction?**

187 A. No. I don't believe there will be any negative impacts to customers. As indicated in the
188 Direct Testimony of Brad Welch, because this is a stock purchase, Gunnison's customer
189 rates and quality services will remain unchanged, and we do not anticipate any
190 administrative issues that would negatively impact the customer experience.

191 **VI. ADDITIONAL APPROVALS**

192 **Q. Is Federal Communications Commission (“FCC”) approval required for this**
193 **Transaction?**

194 A. Yes. As indicated in the Direct Testimony of Jim Sanders, Gunnison operates under
195 domestic Section 214 authority. Lynch and Gunnison are filing a Joint Application to
196 Transfer Control to Lynch, with the FCC contemporaneously herewith.

197 **Q. Does this conclude your direct testimony?**

198 A. Yes.

199

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Direct Testimony of Stephen Moore in Support of the Joint Application for Approval of the Acquisition of the Voting Stock of Gunnison Telephone Company by Lynch Telephone Corporation X, Docket 25-043-02 was served the 18th day of December, 2025, as follows:

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