

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. 25-043-02

DIRECT TESTIMONY OF BRAD WELCH

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 Brad Welch. I am employed by Central Utah Telephone, Inc. (“CUTI”)
4 as the Chief Operating Officer of CUTI, Skyline Telecom (“Skyline), Bear Lake
5 Communications, Inc. (“Bear Lake”), and The Manti Telephone Company (“Manti”).
6 CUTI is a wholly owned subsidiary of Lynch Telephone Corporation X (“Lynch”). Bear
7 Lake and Skyline are wholly owned subsidiaries of CUTI. CUTI, Bear Lake and Skyline
8 do business in Utah as CentraCom (“CentraCom” or the “CentraCom Companies”).

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

10 A. I have been employed with CUTI since 1998, and I have been in the position of COO
11 since June of 2012.

12 **Q. Please describe your professional experience and current responsibilities.**

13 A. As Chief Operations Officer I manage and handle the daily business operations of the
14 companies. I work closely with department heads and supervisors to support the day-to-
15 day activity of employees and the day-to-day operations including supervision and
16 management of outside plant, engineering, sales, and marketing. I implement company
17 strategies into company operations and solve operational problems. Because we are lean
18 operation, I am able to fill in for a lot of roles as needed to ensure operations run
19 smoothly.

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

21 A. Yes. I provided written pre-filed Direct Testimony in Docket 24-046-03 in September of
22 2024, and I appeared on behalf of Lynch in that docket at the Hearing. I have also
23 previously been the President of the Utah Rural Telecom Association and have appeared
24 before the Commission in that capacity.

25 **II. INTRODUCTION**

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

27 A. My direct testimony is prepared on behalf of Lynch. Specifically, I am testifying as to
28 Lynch's Utah operations in support of the Joint Application for Order Approving the
29 Acquisition of the Voting Stock of Gunnison Telephone Company by Lynch Telephone
30 Corporation X filed by Gunnison Telephone Company ("Gunnison") and Lynch (the
31 "Application").

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

33 A. The purpose of my testimony is to describe the transaction by which Lynch will acquire
34 the issued and outstanding shares of Gunnison from the Gunnison shareholders (the
35 "Transaction"), to describe what the management of Gunnison will look like post-
36 Transaction, and to demonstrate to the Commission that the Transaction is in the public
37 interest and should be approved for the State of Utah.

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

40 A. Yes. Two other witnesses are presenting testimony in this proceeding. Mr. Stephen
41 Moore is the President of Lynch and the Vice President of LICT Corporation. Mr. Moore

42 provides an overview and history of Lynch and its parent company LICT Corporation,
43 and demonstrates that Lynch has the managerial, operational and technical ability and
44 experience to own and operate Gunnison. Mr. Moore also describes the compelling
45 features of the Transaction and demonstrates that the financial resources of Lynch will
46 benefit the customers of Gunnison and will be in the public interest. Mr. Jim Sanders
47 provides an overview and history of Gunnison's operations, assets, exchanges, and
48 customers, and demonstrates to the Commission that the Transaction is in the public
49 interest and should be approved by the Commission.

50 **Q. What Utah legal standard does your testimony address?**

51 A. The standard of review is provided in Utah Code Ann. §54-4-29, which provides that no
52 public utility shall purchase or acquire any of the voting securities of any other public
53 utility engaged in the same general line of business without the consent and approval of
54 the Public Service Commission. Such consent shall be given only after investigation and
55 hearing and a finding that said purchase and acquisition of such securities will be in the
56 public interest. As described in the testimony in support of the Application, the
57 acquisition of Gunnison's stock satisfies the criteria of Utah Code §54-4-29 and the
58 Transaction is in the public interest. Additionally, as described below, the Transaction
59 will be transparent to customers, and all of Gunnison's current regulatory and customer
60 obligations will be met on a going-forward basis. The Transaction will create a
61 financially strong provider that has an enhanced ability to invest in local networks,
62 deploy broadband and other advanced services, and provide outstanding service quality to
63 its customers.

64 **III. THE TRANSACTION**

65 **Q. Please describe the Transaction.**

66 A. On August 25, 2025, Lynch entered into a Stock Purchase Agreement with Gunnison and
67 the shareholders of all of the issued and outstanding shares of Gunnison (“SPA”)
68 pursuant to which, upon closing of the Transaction, all of the outstanding shares of
69 Gunnison will be acquired by Lynch. A copy of the SPA was attached to the Application
70 as CONFIDENTIAL Appendix 1. As a result of the Transaction, Gunnison will become a
71 wholly owned subsidiary of Lynch. 25-043-02 BW Direct Testimony Exhibit 1, attached
72 hereto. shows the post-Transaction corporate structure of Gunnison.

73 **Q. As the Chief Operating Officer of the CentraCom Companies, are you familiar with**
74 **the financial aspects of the Transaction?**

75 A. Yes, I am very familiar with the financial aspects of the Transaction. The confidential
76 financial aspects of the Transaction are included in the SPA and discussed more fully in
77 Mr. Moore’s Direct Testimony.

78 **Q. Will the Transaction be financed by a lender?**

79 A. No. As indicated in the SPA, the Transaction contemplates a cash payment to the
80 shareholders of Gunnison.

81 **IV. IMPACT ON DAY TO DAY OPERATIONS**

82 **Q. How will the proposed Transaction impact the operations and day-to-day**
83 **management of Gunnison?**

84 A. Since this is a stock acquisition, after the Transaction is consummated, the outside plant
85 and other assets associated with the provision of public telecommunications services by
86 Gunnison will continue to be owned and operated by Gunnison. The customers of
87 Gunnison will continue to be customers of Gunnison and Gunnison will continue to
88 provide telecommunications services in the Gunnison exchanges of Gunnison,
89 Centerfield, Mayfield, Fayette, and Axtell (the “Gunnison Exchanges”). The Gunnison
90 customers will continue to receive the high-quality services they have come to expect, but
91 the day to day operations of Gunnison will be provided by a new management team with
92 a proven track record of excellent service. Specifically, Eddie L. Cox will be the
93 President of Gunnison, I. Branch Cox will be the Chief Executive Officer of Gunnison,
94 and I will be the Chief Operating Officer of Gunnison. Additionally, eventually,
95 Gunnison may do business, and be marketed as, CentraCom consistent with CUTI, Bear
96 Lake, and Skyline, the other Lynch subsidiaries in Utah.

97 **Q. You described your experience above. Can you please describe the experience of**
98 **Eddie L. Cox and I. Branch Cox?**

99 A. Eddie L. Cox has been in the telecommunications business for 53 years, 41 of which have
100 been in a management capacity for CUTI, Skyline, Bear Lake (and since last year,
101 Manti). I. Branch Cox has been in the telecommunications business for 56 years, 46 of
102 which have been spent running the businesses of CUTI, Skyline, Bear Lake (and since
103 last year, Manti).

104 **Q. Will the current Gunnison management team be involved with Gunnison after the**
105 **Transaction?**

106 A. Yes. Jim Sanders, the current President and General Manager of Gunnison will be
107 employed by the CentraCom Companies. Mr. Sanders will do work for all of the Lynch
108 subsidiaries in Utah, including Gunnison, with his time and expenses being allocated to
109 the various companies for whom he does work. As indicated in the Direct Testimony of
110 Jim Sanders, Mr. Sanders will be available to assist with operational oversight, and
111 technical and strategic growth assistance generally, and with the transition of Gunnison to
112 Lynch specifically to ensure a seamless and transparent experience for the customers.
113 From the customers' perspective, the transfer of the stock to Lynch will be a seamless
114 transaction.

115 **Q. Can you describe the “fit” between Lynch and Gunnison?**

116 A. Both Gunnison and the CentraCom Companies have historically been focused on the
117 local operation of RLECs. Both have deep roots in serving and meeting the
118 communication needs of small rural communities by investing in quality, reliable voice
119 and data networks. Both Gunnison and the CentraCom Companies and their respective
120 employees are dedicated to local community involvement and employee volunteerism
121 and pride themselves on the agility and experience to respond quickly to rapid changes in
122 markets, technology and customer demands. The acquisition of Gunnison by Lynch will
123 be a seamless transition from the customer perspective.

124 **V. IMPACT ON CUSTOMER OBLIGATIONS AND CURRENT**
125 **REGULATORY OBLIGATIONS**

126 **Q. Will the Gunnison customers see any changes in their rates or terms of service?**

127 A. Because this is a stock purchase, the Gunnison rates and terms of service will remain
128 unchanged.

129 **Q. How will the parties ensure a smooth transition for customers?**

130 A. Lynch and Gunnison expect a very smooth transition operationally and for customers
131 since the Transaction is a stock acquisition only. Additionally, as indicated above and in
132 the testimony of Jim Sanders, most of the existing Gunnison employees will continue to
133 be employed by Gunnison or one of the other Lynch subsidiaries in Utah for some period
134 of time. For end-user customers, there will be no significant change, since the name of
135 the company, the rates, terms and conditions will remain the same post-closing.

136 **Q. Will Gunnison continue to comply with all existing regulatory obligations?**

137 A. Yes. After the consummation of the Transaction, Gunnison will continue to abide by all
138 regulatory obligations under which Gunnison currently operates in Utah. The new
139 Gunnison management, which currently manages Lynch's other regulated subsidiaries in
140 Utah, is very familiar with the Utah regulatory requirements and will continue to ensure
141 Gunnison's compliance.

142 **Q. Will 911 service be impacted by the Transaction?**

143 A. No. 911 service, in addition to all of Gunnison's service offerings, will not be impacted
144 by the Transaction.

145 **Q. Will the Transaction impact Gunnison's wholesale relationship with other carriers?**

146 A. No. Currently, Gunnison has a Commission approved Interconnection Agreements with
147 Qwest. The transfer of stock from the shareholders to Lynch will have no impact on this

148 Interconnection Agreement or Gunnison's relationships with other carriers. Wholesale
149 broadband internet access service provided by Gunnison will continue to be provided by
150 Gunnison post-closing.

151 **Q. Will the Transaction impact any state or federal grant programs?**

152 A. No. Gunnison is currently not a recipient of any federal grant programs.

153 **VI. STOCK PURCHASE IS IN THE PUBLIC INTEREST**

154 **Q. Does Lynch have the business, technical, management, and operating experience to**
155 **own and operate Gunnison?**

156 A. Yes. Lynch, through its subsidiaries, CUTI, Skyline, Bear Lake, and Manti has over 60
157 years of experience in providing public telecommunications services to rural
158 communities in Utah. The Utah management team I am a part of with Eddie Cox and
159 Branch Cox, has over 100 combined years of technical, management, and operating
160 experience in small rural areas in Utah. In fact, the Gunnison Exchanges are located in
161 the same county and adjacent to our existing operations, and are, therefore,
162 geographically and culturally similar to our existing exchanges. As a result, Gunnison
163 ownership and service of the Gunnison Exchanges will fit in perfectly with Lynch's
164 existing business strategy and plans.

165 **Q. How will the geographic and cultural similarity of your existing exchanges benefit**
166 **the customers, and be in the public interest?**

167 A. Lynch's Utah Subsidiaries are long-standing local companies. The same is true for
168 Gunnison. The CentraCom customers and the Gunnison customers have been served by

169 local companies. The managers of both companies live, work, and recreate in the
170 communities they serve. Their customers are their neighbors and friends, and both
171 companies have historically felt an obligation to support their communities. With the
172 corporate headquarters of the Gunnison Exchanges only moving down the road, the
173 strong local presence of the local telephone company will be maintained. Additionally, as
174 indicated in the Application and elsewhere in the supporting testimony, the existing
175 management and employees of Gunnison will be employed by Lynch and remain in the
176 community.

177 **Q. Will the customers or public benefit from Lynch's acquisition of Gunnison in other**
178 **ways?**

179 A. Yes. Lynch's acquisition of Gunnison's stock will allow greater opportunities for services
180 and operating efficiencies. For example, customers will have access to additional
181 customer service technicians for prompt maintenance, continued upgrades of service and
182 delivery of up-to-date products and technologies to Gunnison's customers. Customers
183 will also benefit from Lynch's employees' additional training and in-house expertise
184 developed by Lynch's family of telephone companies. Finally, the communities will
185 benefit from the buying power of Lynch's large family of companies to assist with supply
186 chain management and inventory access. Lynch, with its considerable financial resources
187 will focus its resources on improving and upgrading Gunnison's network and facilities to
188 bring faster and more reliable speeds to the customers on a cost-effective basis. The
189 customers will benefit from the operating efficiencies and facility upgrades as may be
190 needed.

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

192 A. Yes. For all the reasons identified in my testimony and the testimony of Stephen Moore
193 and Jim Sanders, the Transaction is in the public interest and will provide many benefits
194 to the current and future customers of Gunnison and Lynch in Utah.

195 **Q. Do you think that any of the Gunnison or existing Lynch customers will be worse off
196 as a result of the Transaction?**

197 A. No. I don't believe there will be any negative impacts to customers. We have committed
198 to maintaining the customer rates and quality services. Because the Transaction is a stock
199 purchase, the Transaction will not disrupt existing service arrangements or regulatory
200 requirements. Additionally, as described in Mr. Moore's testimony, the Transaction will
201 not impair the financial status of Lynch or its subsidiaries, prevent them from attracting
202 capital at fair and reasonable terms, or impair their ability to provide safe, reasonable and
203 excellent service to customers.

204 **Q. Will the Transaction eliminate competition in the Exchanges?**

205 A. No. Because Gunnison is a regulated local exchange carrier, it effectively operates as a
206 monopoly provider for public telecommunications in the Gunnison Exchanges. Lynch's
207 acquisition of Gunnison's stock does not eliminate a competitor, rather, it merely changes
208 the ownership of the company. There is no competitive disadvantage to customers as a
209 result of this Transaction.

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

211 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Direct Testimony of Brad Welch 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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**25-043-02 BW DIRECT TESTIMONY EXHIBIT 1
POST TRANSACTION UTAH REGULATED CORPORATE ORGANIZATION CHART**

