

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

**UTAH PUBLIC SERVICE COMMISSION
SETTLEMENT STIPULATION HEARING
DOCKET NO. 25-043-02
FEBRUARY 27, 2026**

John Delaney: [0:19] Good morning, everyone. My name is John Delaney. I'm the Commission's designed presiding officer for this hearing. Today is February 27, 2024, and it's approximately – sorry – 2026, and it's approximately 9 a.m. This is the date and time that's scheduled for the hearing in Docket No. 24043-02, which is 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. And this is a joint application filed by both Gunnison and Lynch. And we're here today – pardon me – to consider the Settlement Stipulation filed by the parties on January 26, 2026. Okay. We're all on the right bus. [1:24] Why don't we start with appearances? And let's begin with the Applicants however order you want to go.

Kira Slawson: [1:32] Good morning. This is Kira Slawson. I represent Lynch Telephone Corporation X and with me is Brad Welch, the COO of the CentraCom entities.

Paul Jones: [1:44] Paul Jones here for the Gunnison Telephone Company. And here with me is Howard Sanders. He goes by Jim.

John Delaney: [1:54] Or Mr. Sanders.

Paul Jones: [1:55] Yes. Or Mr. Sanders.

John Delaney: [1:57] Great. Thank you very much.

John Delaney: [2:03] Okay. [2:03] And for the Division?

Patrick Grecu: [2:05] Good morning. Patrick Grecu, Assistant Attorney General, representing the Division of Public Utilities. The Division's witness this morning will be Kelley O'Connor.

John Delaney: [2:16] Great. Okay. Thank you. I – there's a couple of preliminary matters I want to address and then if you all have some, we can address them but I'll get these out of the way. We're doing something a little bit different today for purposes of a transcript. You might notice there's nobody over here. So we don't have a court reporter today but what we're gonna do is we're recording the hearing and that recording will then be turned over to a third-party transcription service which will then transcribe it and certify back to us that it's a true and accurate representation of the recording. That

1 being said, the same rules apply if we did have a court reporter here,
2 which is make sure your microphone's on when you speak. Please speak
3 directly into that microphone and do so at an appropriate pace and
4 articulation so that it's as clear as possible. One other thing I'll note for the
5 record, that we don't have any intervenors in this matter and also, likely
6 because of the timing of the settlement stipulation, no rebuttal or
7 surrebuttal testimony has been filed by any party. [3:34] Is that accurate?
8
9 Kira Slawson: [3:36] Yes.
10
11 John Delaney: [3:37] Okay.
12
13 Patrick Grecu: [3:37] Yes.
14
15 John Delaney: [3:40] Okay. Great. Miss Slawson, I guess I'll have you call your first
16 witness, please.
17
18 Kira Slawson: [3:46] Thank you. We're gonna – the Joint Applicants are gonna have 2
19 witnesses this morning. We're gonna have Brad Welch and then we're
20 gonna have Mr. Jim Sanders. So first, I'll call Brad Welch on behalf of
21 Lynch Telephone Company – Corporation. Sorry.
22
23 John Delaney: [4:00] Okay. Mr. Lynch, please come up to the stand. This is kind of a
24 newer renewed protocol. It'll help the recording, too, because Melissa can
25 tell you if you're not speaking into the microphone.
26
27 Brad Welch: [4:16] Okay. [Inaudible 4:17].
28
29 John Delaney: [4:17] It is on?
30
31 Brad Welch: [4:18] Yes, it's on.
32
33 John Delaney: [4:19] Okay. Raise your right hand, please. [4:21] You swear to tell the
34 truth?
35
36 Brad Welch: [4:22] Yes.
37
38 John Delaney: [4:23] Okay. You're sworn.
39
40 Brad Welch: [4:24] Thank you.
41
42 John Delaney: [4:24] Please proceed.
43
44 Kira Slawson: [4:25] Good morning, Mr. Welch. [4:26] Would you please state and spell
45 your name for the record?
46

1 Brad Welch: [4:29] Brad Welch, B-R-A-D W-E-L-C-H.
2
3 Kira Slawson: [4:33] And on whose behalf are you offering testimony here this morning?
4
5 Brad Welch: [4:37] Lynch Telephone Corporation X.
6
7 Kira Slawson: [4:40] And can you describe your position with the company?
8
9 Brad Welch: [4:43] I'm the chief operating officer of Central Utah Telephone, Inc.,
10 which is a wholly owned subsidiary of Lynch Tel Corporation X. Central
11 Utah Telephone is the parent company for Bear Lake Communications,
12 Inc., Skyline Telecom, and Manti Telephone Company.
13
14 Kira Slawson: [5:00] Okay. [5:00] So it is fair to say you are the COO of Central Utah
15 Telephone, Bear Lake Communications, Skyline, and Manti at this time?
16
17 Brad Welch: [5:08] Yes.
18
19 Kira Slawson: [5:08] Okay. [5:09] And what are your responsibilities with these
20 corporations?
21
22 Brad Welch: [5:12] I manage and handle the daily business operations of the
23 companies.
24
25 Kira Slawson: [5:17] And have you been authorized to provide testimony on behalf of
26 Lynch in this proceeding?
27
28 Brad Welch: [5:22] Yes. I've been authorized to provide testimony on behalf of Lynch.
29
30 Kira Slawson: [5:26] If this application is granted and the sale of the stock of Gunnison
31 Telephone Corporation is – Telephone Company is approved, what will
32 your role with Gunnison be?
33
34 Brad Welch: [5:38] I will be the chief operating officer of Gunnison Telephone
35 Company. Eddie Cox will be the President, Branch Cox will be the CEO
36 of Gunnison, and Jim Sanders will remain employed by the Company and
37 will provide operational oversight, technical and strategic growth
38 assistance to Gunnison and all of the Utah related companies.
39
40 Kira Slawson: [5:56] Okay. [5:57] And are you aware that direct testimony has been
41 prefiled by you and Mr. Stephen Moore on behalf of Lynch on December
42 18, 2025?
43
44 Brad Welch: [6:07] Yes.
45
46 Kira Slawson: [6:08] And are you familiar with that testimony?

1
2 Brad Welch: [6:10] Yes.
3
4 Kira Slawson: [6:11] Can you tell us who Stephen Moore is?
5
6 Brad Welch: [6:13] Steve Moore is the Vice President of Finance at LICT Corporation
7 and the President of Lynch Tel Corp [10 6:20] – X. Sorry.
8
9 Kira Slawson: [6:22] And have you reviewed your testimony and that of Mr. Moore filed
10 in this docket?
11
12 Brad Welch: [6:26] Yes.
13
14 Kira Slawson: [6:27] Are you familiar with the Joint Application filed in this docket on
15 December 11, 2025?
16
17 Brad Welch: [6:31] Yes.
18
19 Kira Slawson: [6:33] Are there any changes that you would like to make to the
20 Application, your testimony, or the testimony of Steve Moore?
21
22 Brad Welch: [6:39] No.
23
24 Kira Slawson: [6:40] And do you adopt the testimony of Mr. Moore as your own?
25
26 Brad Welch: [6:44] Yes.
27
28 Kira Slawson: [6:45] If I were to ask you the questions – the same questions that were
29 prefiled by you and Mr. Moore, would your answers be the same?
30
31 Brad Welch: [6:52] Yes.
32
33 Kira Slawson: [6:52] Okay. At this point, I'd like to move for the admission of the
34 prefiled direct testimony of Brad Welch and Stephen Moore together with
35 the exhibits.
36
37 John Delaney: [7:05] Do you wanna add the Application to that motion?
38
39 Kira Slawson: [7:07] Yes. Sorry. Including the Application. Thank you.
40
41 John Delaney: [7:09] Okay. Yeah. [7:11] Mr. Grecu, any objections to the motion?
42
43 Patrick Grecu: [7:13] No objection. Thank you.
44
45 John Delaney: [7:14] Okay. Your motion's granted. The information is admitted.
46

1 Kira Slawson: [7:18] Okay. Thanks. [7:20] Have you also reviewed the Stipulation that
2 was entered in this docket on January 26?
3
4 Brad Welch: [7:24] Yes.
5
6 Kira Slawson: [7:25] And do you appear here today to offer support for that Settlement
7 Stipulation?
8
9 Brad Welch: [7:30] Yes.
10
11 Kira Slawson: [7:31] Do you believe the proposed settlement as set forth in the
12 Stipulation is just and reasonable in result?
13
14 Brad Welch: [7:36] Yes.
15
16 Kira Slawson: [7:37] And do you believe that this transaction is in the public interest?
17
18 Brad Welch: [7:41] Yes.
19
20 Kira Slawson: [7:42] At this point, I'd like to move for the admission of the Settlement
21 Stipulation that was filed.
22
23 John Delaney: [7:49] Mr. Grecu, any objection to the motion?
24
25 Patrick Grecu: [7:51] No objection.
26
27 John Delaney: [7:52] Okay. The motion's granted. The Stipulation's admitted.
28
29 Kira Slawson: [7:55] Thank you. [7:56] Mr. Welch, have you prepared a summary of
30 your prefiled testimony and that of Mr. Moore?
31
32 Brad Welch: [8:01] Yes.
33
34 Kira Slawson: [8:02] Please proceed.
35
36 Brad Welch: [8:03] Good morning, Your Honor. I appreciate the opportunity to appear
37 here today. I will provide a summary of the direct testimony in support of
38 the Joint Application of Gunnison Telephone Company and Lynch
39 Telephone Corporation X, which I will refer to as Gunnison and Lynch.
40 On August 25, 2025, Lynch and Gunnison entered into a stock purchase
41 agreement with the shareholders of Gunnison whereby Lynch would
42 acquire all of the shares of Gunnison. Upon closing, Gunnison will be a
43 wholly owned subsidiary of Lynch but will retain its independent
44 corporate status. Because this is a stock purchase, after the transaction is
45 completed, the outside plant and other assets associated with Gunnison's
46 provision of public telecommunication services will continue to be owned

1 and operated by Gunnison. Only the ownership of Gunnison's stock will
2 change. The customers of Gunnison will continue to be customers of
3 Gunnison and Gunnison will continue to provide services in the Gunnison
4 exchanges of Gunnison, Centerfield, Mayfield, Fayette, and Axtell, Utah.
5 The employees of Gunnison will remain employed with the Company but
6 Gunnison will be managed by Eddie Cox, Branch Cox, and me. Our
7 management team has over 100 years of combined experience in
8 providing services in rural Utah and Gunnison's focus will remain on
9 providing quality, reliable voice and data services in the communities and
10 the transition to the Gunnison customers will be seamless. The terms of
11 service will remain the same. There will be no rate increases to customers.
12 Gunnison will continue to abide by all regulatory obligations. There will
13 be no impact to 911 service.
14

15 In short, we believe while the change in ownership will be seamless for
16 the customers, it will be in the public interest for several reasons. Lynch is
17 owned by LICT Corporation. LICT has considerable financial strength
18 with over \$329M in total assets and revenues of over \$34M in 2024.
19 Lynch's acquisition of Gunnison stock will allow greater opportunities for
20 service and operational efficiencies. While employees, service territories,
21 location of assets, and the exchanges will remain largely unchanged,
22 operations will become more efficient. Customers will have access to
23 additional customer service technicians for prompt maintenance,
24 continued upgrades of service and delivery of up-to-date products and
25 technologies to Gunnison's customers. Customers will also benefit from
26 additional employee training and in-house expertise developed by Lynch's
27 family of telephone companies. There will also be operational efficiencies
28 in terms of reduction of corporate overhead and elimination of duplicative
29 functions, systems, and expenses as we consolidate into one billing
30 system, one accounting department, and one human resources department.
31 Our construction teams will be consolidated allowing for better coverage
32 and more efficient access to technicians. However, even with operational
33 efficiencies, because this is a stock purchase, all of Gunnison's existing
34 agreements will remain intact.
35

36 As for the financial aspects of the transaction, the purchase price is
37 confidential but was derived as a multiple of earning before interest, taxes,
38 depreciation, and amortization (EBITDA), consistent with companies of
39 similar size and circumstance. None of the acquisition adjustment,
40 transaction premiums, or goodwill amortization, if any, will be included in
41 Gunnison's revenue requirement or Utah USF calculations post-
42 transaction. Additionally, this transaction is not being financed by a lender
43 and will be held at the Lynch level, so there is no post-transaction impact
44 on any of the Lynch subsidiaries, including Gunnison. In short, because
45 the local nature of the Company will be preserved, the customers will
46 benefit from increased efficiencies and the service quality will remain the

1 same or be improved. I believe this acquisition is in the public interest and
2 should be approved by the Commission. Thank you.
3
4 Kira Slawson: [12:01] Mr. Welch, just one minor question for you. [12:06] I believe you
5 testified – or in your statement, you indicated the revenues of LICT were
6 over \$34M but I believe that should be \$134M. Is that correct?
7
8 Brad Welch: [12:18] That would be correct.
9
10 Kira Slawson: [12:19] Okay. [12:21] And are you aware of any intervenors or objections
11 to this Application?
12
13 Brad Welch: [12:25] No.
14
15 Kira Slawson: [12:26] Has this transaction been approved by the FCC?
16
17 Brad Welch: [12:30] Currently the application for change of control is pending at the
18 FCC and we have no reason to believe it will not be granted.
19
20 Kira Slawson: [12:37] Mr. Welch is now available for cross examination.
21
22 John Delaney: [12:42] Does the Division have any cross-examination questions?
23
24 Patrick Grecu: [12:44] I have no questions. Thank you.
25
26 John Delaney: [12:46] Thank you. Mr. Welch, just one quick question on the FCC
27 approval, why you just testified you have no reason to believe it will not
28 be approved. [12:56] Do you have any idea when it would be approved?
29
30 Brad Welch: [13:00] In a previous transaction, when we've got to this point in the
31 process, it was within a few weeks left. Unfortunately, when we went to
32 file everything initially, it was during a government shutdown and
33 everything got delayed by a few months at a time. And so we've now
34 finalized all of the requests for documentation and all of the questions
35 they've had and in the last circumstance, it was within a few weeks after
36 that that we got the approval.
37
38 John Delaney: [13:26] Okay. [13:27] And is that approval pending – does it have
39 anything to do with the issuance of the order granting or not granting the
40 Settlement Stipulation here?
41
42 Brad Welch: [13:35] I wouldn't believe so because...
43
44 John Delaney: [13:37] [Inaudible 13:37].
45
46 Brad Welch: ...last time it was approved before this.

1
2 Kira Slawson: [13:39] Right.
3
4 John Delaney: [13:39] Yeah. That's what I thought. I just wanted to confirm. Thank you.
5 That's all I have. Thank you. You may be excused.
6
7 Brad Welch: [13:44] Thank you.
8
9 John Delaney: [13:49] And your next witness, whoever's gonna do it.
10
11 Kira Slawson: [13:52] Yep. Mr. Sanders is going to be the next witness.
12
13 John Delaney: [13:57] Wonderful. Please come up, Mr. Sanders. Good morning, Mr.
14 Sanders.
15
16 Howard Sanders: [14:10] Good morning.
17
18 John Delaney: [14:11] Could you raise your right hand, please? [14:13] Do you swear to
19 tell the truth today?
20
21 Howard Sanders: [14:15] I do.
22
23 John Delaney: [14:15] Thank you. You're sworn. Please proceed. [14:19] Is this you, Mr.
24 Jones?
25
26 Paul Jones: [14:20] Yes.
27
28 John Delaney: [14:20] Okay.
29
30 Paul Jones: [14:23] Good morning, Mr. Sanders. [14:24] Will you just...
31
32 Howard Sanders: [14:24] Morning.
33
34 Paul Jones: ...state your name for the – and spell your name for the record?
35
36 Howard Sanders: [14:30] My name is Howard James Sanders. H-O-W-A-R-D J-A-M-E-S
37 S-A-N-D-E-R-S.
38
39 Paul Jones: [14:40] Thank you. [14:41] [Inaudible 14:41] whose behalf this morning
40 are you testifying?
41
42 Howard Sanders: [14:45] On behalf of Gunnison Telephone Company.
43
44 Paul Jones: [14:48] What is your position with [inaudible 14:50]?
45
46 Howard Sanders: [14:52] I am the president and general manager.

1
2 Paul Jones: [14:57] Thank you. [15:01] And what are your responsibilities in that
3 position?
4
5 Howard Sanders: [15:07] I manage the outside plant, inside plant. Direct all of the office
6 technologies.
7
8 Paul Jones: [15:20] Great. And you're authorized to provide testimony on behalf of
9 Gunnison this morning?
10
11 Howard Sanders: [15:26] Yes, I am.
12
13 Paul Jones: [15:27] Great. [15:31] And then if the Application's granted and the sale's
14 approved, what will be your role within Gunnison?
15
16 Howard Sanders: [15:41] I will still be as employed by CentraCom but I will still be under
17 the same management responsibilities that I am now.
18
19 Paul Jones: [15:55] Great. And you – well, the Applicants filed prefiled testimony in
20 this matter. [16:02] Is that correct?
21
22 Howard Sanders: [16:04] Correct.
23
24 Paul Jones: [16:05] And have you reviewed that testimony?
25
26 Howard Sanders: [16:06] I have. Yes.
27
28 Paul Jones: [16:08] And if you were asked that testimony question by question, would
29 it reflect your testimony that you would give today?
30
31 Howard Sanders: [16:14] Yes.
32
33 Paul Jones: [16:15] Okay. And I think it's already been admitted but I'll – just in case,
34 I'll move to admit the prefiled testimony of Mr. Sanders.
35
36 John Delaney: [16:22] For the record, it's already been admitted, so it's in.
37
38 Paul Jones: [16:26] Great. Thank you. [16:29] Is there anything you'd like to change
39 in that – those admissions?
40
41 Howard Sanders: [16:35] No.
42
43 Paul Jones: [16:36] Okay. With that, I'll turn any time over for cross-examination.
44
45 John Delaney: [16:46] Does Mr. Sanders have a summary or...
46

1 Paul Jones: [16:48] Yes. [16:50] Would you like to...
2
3 Howard Sanders: [16:51] I do.
4
5 Paul Jones: ...provide a summary of that testimony?
6
7 John Delaney: [16:54] Please go ahead.
8
9 Howard Sanders: [16:54] I do. The prefiled direct testimony in support of the Joint
10 Application requesting approval of Lynch Telephone Corporation X
11 acquisition of all of the issued and outstanding voting stock of Gunnison.
12 My testimony provides background on Gunnison's operations and the
13 communities we serve, describes how the transaction will affect
14 Gunnison's day-to-day operations, and explains why, from my perspective
15 as Gunnison's president and general manager, the transaction is in the
16 public interest. Gunnison has provided local exchange and public
17 telecommunications services for 117 years including Gunnison,
18 Centerfield, Mayfield, Fayette, and Axtell exchanges. Let me just note I
19 have not been here for 117 years. We currently serve approximately 530
20 access lines. We have deep local roots and a long history of investing in
21 reliable voice and broadband-capable networks for the communities we
22 serve. This transaction is structured as a stock acquisition. After closing,
23 Gunnison will continue to own and operate its existing network facilities
24 and will continue providing service to the same customers in the same
25 exchanges. Customers will remain customers of Gunnison. I do not expect
26 any material customer-facing changes as a result in the ownership change.
27 Rates, terms, and conditions of service are expected to remain unchanged,
28 and essential services such as 911 will not be impacted.
29
30 From an operational standpoint, while ownership will change, continuity
31 will be maintained. After closing, I will no longer serve as Gunnison's
32 general manager. Gunnison's post-closing leadership will include Eddie L.
33 Cox as president, Branch Cox as chief executive officer, and Brad Welch
34 as chief operating officer. I will continue to be involved in support
35 operations after closing as an employee of Central Utah Telephone, Inc.,
36 providing operational oversight, technical and strategic assistance across
37 the affiliated companies, including Gunnison, as needed. Based on my
38 experience with Gunnison and my understanding of the transaction, I
39 believe this is a strong fit. The acquiring organization and its Utah
40 operations share the same rural service focus and local orientation that has
41 guided Gunnison for decades. I believe the transaction will be seamless for
42 customers and will preserve local presence while adding operational depth
43 and resources. I also understand that the change in ownership will not, by
44 itself, change Gunnison's existing support levels from the Utah Universal
45 Service program because those amounts are determined based on
46 Gunnison's reporting and operations rather than who holds the stock.

1 Finally, I believe the transaction will benefit customers and the public by
2 enabling opportunities for operating efficiencies and by improving the
3 customer's ability to maintain, upgrade, and enhance network reliability
4 and broadband capabilities over time. For those reasons, I support the
5 approval of this transaction. That's it.
6
7 Paul Jones: [20:32] Thank you. With that, we just turn it over to any cross-
8 examination that might...
9
10 John Delaney: [20:40] Mr. Grecu, any cross-examination?
11
12 Patrick Grecu: [20:42] Thank you. I just have one question.
13
14 John Delaney: [20:44] Please.
15
16 Patrick Grecu: [20:47] Mr. Sanders, have you reviewed the Settlement Stipulation filed in
17 this docket?
18
19 Howard Sanders: [20:51] Yes.
20
21 Patrick Grecu: [20:52] And is it your position that the Settlement Stipulation is just and
22 reasonable in result?
23
24 Howard Sanders: [20:58] Yes.
25
26 Patrick Grecu: [20:59] Thank you. That's all I have.
27
28 John Delaney: [21:02] Thank you, Mr. Grecu. Mr. Sanders, I do have one question and
29 it's just gonna follow up on Mr. Grecu's question. And it may have
30 already been asked and answered but indulge me. [21:12] Based on your
31 review of the Settlement Stipulation, is it also in the public – is it your
32 opinion that the Settlement Stipulation is in the public interest?
33
34 Howard Sanders: [21:20] Yes, I do.
35
36 John Delaney: [21:21] Okay. Thank you. That's all I have. You may [inaudible 21:24].
37 Okay. [21:30] Why don't we turn to the Division? Mr. Grecu, if you'll call
38 your first witness, please.
39
40 Patrick Grecu: [21:34] Thank you. The Division calls Kelley O'Connor.
41
42 John Delaney: [21:48] Good morning, Ms. O'Connor.
43
44 Kelley O'Connor: [21:49] Morning.
45

1 John Delaney: [21:50] Will you raise your right hand? [21:51] Do you swear to tell the
2 truth?
3
4 Kelley O'Connor: [21:52] Yes.
5
6 John Delaney: [21:52] Okay. Thank you. You are sworn. Please proceed.
7
8 Patrick Greco: [21:55] Thank you. Good morning.
9
10 Kelley O'Connor: [21:58] Good morning.
11
12 Patrick Greco: [22:00] Ms. O'Connor, could you please state and spell your name for the
13 record?
14
15 Kelley O'Connor: [22:03] Kelley O'Connor. K-E-L-L-E-Y O'C-O-N-N-O-R.
16
17 Patrick Greco: [22:12] By whom are you employed?
18
19 Kelley O'Connor: [22:13] The Utah Division of Public Utilities.
20
21 Patrick Greco: [22:16] And what is your business address?
22
23 Kelley O'Connor: [22:19] The Heber Wells Building, 160 East 300 South, Salt Lake City,
24 Utah.
25
26 Patrick Greco: [22:25] And what is your position with the Division?
27
28 Kelley O'Connor: [22:27] Utility analyst.
29
30 Patrick Greco: [22:30] Could you provide a brief overview of your educational
31 background and relevant work experience?
32
33 Kelley O'Connor: [22:37] I have a Bachelor's of Science in Economics and a JD from
34 Baylor University, and I have experience doing financial analysis in the
35 private sector.
36
37 Patrick Greco: [22:49] And have you participated in this docket on behalf of the
38 Division?
39
40 Kelley O'Connor: [22:53] Yes, I have.
41
42 Patrick Greco: [22:55] Did you review the Joint Applicants' Application, supporting
43 exhibits and testimony, and responses to data requests?
44
45 Kelley O'Connor: [23:02] Yes, that's correct.
46

1 Patrick Greco: [23:05] Did you also review the Settlement Stipulation filed in this
2 docket?
3
4 Kelley O'Connor: [23:08] Yes, I did.
5
6 Patrick Greco: [23:10] And did you prepare and cause to be filed your direct testimony
7 which was filed on February 2, 2026?
8
9 Kelley O'Connor: [23:17] Yes.
10
11 Patrick Greco: [23:19] Do you have any changes or corrections to that filing?
12
13 Kelley O'Connor: [23:21] No.
14
15 Patrick Greco: [23:23] And if I ask you the same questions posed in that testimony today,
16 would you provide the same answers?
17
18 Kelley O'Connor: [23:28] Yes.
19
20 Patrick Greco: [23:29] Is it the Division's position that the Settlement Stipulation is just
21 and reasonable in result and approval would be in the public interest?
22
23 Kelley O'Connor: [23:36] Yes, that's correct.
24
25 Patrick Greco: [23:38] Do you have a summary – excuse me. I'd like to move to admit
26 Ms. O'Connor's direct testimony.
27
28 John Delaney: [23:45] Thank you. [23:46] Any objection?
29
30 Kira Slawson: [23:48] No.
31
32 John Delaney: [23:48] Mr. Jones?
33
34 Paul Jones: [23:49] No objection.
35
36 John Delaney: [23:50] I know. Motion is granted. It's admitted.
37
38 Patrick Greco: [23:52] Thank you. [23:54] Ms. O'Connor, do you have a summary to
39 share today supporting approval of the Settlement Stipulation?
40
41 Kelley O'Connor: [23:58] Yes, I do.
42
43 Patrick Greco: [23:59] Please proceed.
44
45 Kelley O'Connor: [24:02] After reviewing the Joint Applicants' filings and the Settlement
46 Stipulation, the Division of Public Utilities recommends the Commission

1 approve the Settlement Stipulation filed on January 26, 2026, in this
2 docket. On December 11, 2025, the Gunnison Telephone Company and
3 Lynch Telephone Corporation X filed with the Commission a joint
4 application requesting an order approving Lynch's acquisition of
5 Gunnison's voting stock, more fully described as the Stock Purchase
6 Agreement. In support of the joint application, the Applicants filed direct
7 testimony on December 18, 2025. During the next few weeks, the Division
8 reviewed the joint application and the initial documentation, which
9 included copies of the purchase agreement and the 2024 annual report of
10 Lynch's parent company, the LICT Corporation. In addition, the Division
11 reviewed the direct testimonies of Brad Welch and Stephen J. Moore on
12 behalf of Lynch and Howard Sanders on behalf of Gunnison. In response
13 to a Division data request, the Company provided more information about
14 the additional benefits of maintaining operations at the Gunnison office
15 and provided an estimated annual cost savings as a result of the purchase.
16 Additionally, the Joint Applicants stated that key management personnel
17 will be retained to provide knowledge of operations and to assist with the
18 smooth transition. The Joint Applicants agreed that the transition will not
19 negatively impact Gunnison customers and that Gunnison will not include
20 stock purchase transaction costs in its revenue requirement for the Utah
21 Universal Service Fund calculations.

22
23 After the Joint Applicants filed direct testimonies, the Applicants and the
24 Division engaged in good-faith and arms-length settlement discussions
25 and reached an agreement on the issues in this docket, as set forth in the
26 Settlement Stipulation. Based on the Division's review of the application,
27 the purchase agreement, the testimonies, and additional information
28 provided in the data request response, the Division concludes that Lynch's
29 acquisition of the voting stock of Gunnison from Gunnison's shareholders
30 is in the public interest, as required under Utah Code Section 54-4-29. The
31 Division also concludes that the Settlement Stipulation is just and
32 reasonable in result. The Division therefore recommends the Commission
33 approve the Settlement Stipulation and adopt the terms and conditions as
34 filed. This concludes my summary. Thank you.

35
36 Patrick Grecu: [26:45] The Division is available for cross-examination and questions
37 from the presiding officer.

38
39 John Delaney: [26:50] Thank you very much. [26:51] Ms. Slawson, any questions for this
40 witness?

41
42 Kira Slawson: [26:54] No. No questions. Thank you.

43
44 John Delaney: [26:55] Okay. [26:55] Mr. Jones, any questions?

45
46 Paul Jones: [26:56] No questions.

1
2 John Delaney: [26:57] Okay. And, Ms. O'Connor, I have no questions for you either.
3 Thank you very much.
4
5 Kelley O'Connor: [27:01] Thank you.
6
7 John Delaney: [27:01] You may step down. Okay. [27:14] Is there anything else we need
8 to address before – while we're all here?
9
10 Kira Slawson: [27:17] No.
11
12 Paul Jones: [27:18] No.
13
14 Patrick Grecu: [27:19] I don't have anything. Thank you.
15
16 John Delaney: [27:20] Okay. Great. Well, thanks, everybody, for all the effort you put
17 into getting us to this point and your preparation and being here today.
18 We'll issue an order in due course and we'll be adjourned. Thank you.
19
20 Patrick Grecu: [27:32] Thank you.
21
22 Paul Jones: [27:33] Thank you.
23
24
25 /ad

March 2, 2026

RE: Transcript: Utah Public Service Commission - Melissa Paschal - Settlement Stipulation
Hearing February 27, 2026

Please be advised that the above-referenced typewritten transcript is a true and accurate transcription of the recorded conversations to the extent that the audio could be clearly heard/understood. Portions that could not be heard or understood have been notated with [inaudible] or highlighted in yellow.

Sincerely,

Mary A. Goehring

Mary A. Goehring
CEO, Transcription Plus, LLC

I certify that this document is a true and accurate transcription of the audio voice file indicated above.

Amy Deutsch

Amy Deutsch, Transcriptionist
Transcription Plus, LLC