(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF ALBION TELEPHONE COMPANY AND WESTEL, INC. FOR AN ORDER AUTHORIZING THE MERGER OF THE TWO COMPANIES | )))))) | CASE NO.  ALB-T-98-3ORDER NO.  27922 |

On November 13, 1998, an Application was filed by Albion Telephone Company and Westel, Inc. requesting an order from the Commission authorizing the merger of the two companies.  Westel currently is a wholly-owned subsidiary of Albion Telephone, which would be the surviving corpora­tion.  Albion and Westel provide basic local exchange and other telecommunication services in the counties of Cassia (Albion, Elba, Almo, Malta, Raft River), Oneida (Malad, Holbrook), Butte (Arco, Howe, Moore) and Custer (Mackay, Leslie).

On December 7, 1998, the Commission issued a Notice of Application and Notice of Modified Procedure.  Written comments were filed during the comment period (on December 28, 1998) only by the Commission Staff.  Staff recommended approval of the merger of the two companies, but also suggested that approval come with conditions.  First, Staff recommended that the merged company implement uniform rates for CLASS and custom calling features(footnote: 1), and second, Staff recommended a single access rate of $.062635 for the Company.   The access rate is a per minute fee charged by Albion/Westel for originating and terminating toll calls carried by long distance call providers.  Staff’s comments were filed prior to a settlement conference convened by Albion/Westel and Staff on January 6, 1999 in a separate but related case.

As a result of the settlement conference in the related case (consolidated Case Nos. GNR-T-96-9 and GNR -T-97-6) a Stipulation was reached addressing the issues identified by Staff in this case.  Staff  supports the merger of the two companies,  agreeing with the companies that a merger should reduce administrative costs and simplify operations for the companies.  Staff thus recommended that the Commission issue an Order approving the merger of Albion Telephone Company and Westel, Inc., and also recommended that the approval Order contain language to implement the agreed upon resolution to the concerns addressed by Staff. Specifically, Staff recommended the Commission’s Order require the merged companies to (1) adopt uniform rates, on a revenue neutral basis, for custom calling and CLASS features, and (2) implement a uniform intrastate access rate of $.062635.  Staff also suggested revised tariffs and supporting cost studies should be filed by Albion within 90 days of the Commission’s Order.

Based on the record in this case, including the recommendation of Staff, we find that the  Application of Albion and Westel for authorization of their merger should be approved.  Merger of the companies should result in cost savings by eliminating duplicative administrative functions and should also simplify the disparate rates and fees now charged by the companies. We also approve the recommendation of Staff, and as agreed to by the companies, to require Albion following the merger to adopt uniform rates for custom calling and CLASS features and to implement a uniform intrastate access fee of $.062635.

O R D E R

IT IS HEREBY ORDERED that the merger of Albion Telephone Company and Westel, Inc., pursuant to the Application filed by the companies is approved.

IT IS FURTHER ORDERED that Albion Telephone Company, following the merger, shall (1) adopt uniform rates on a revenue neutral basis for custom calling and CLASS features and (2) implement a uniform intrastate access fee rate of $.062635.  Revised tariffs and supporting cost studies shall be filed by Albion within 90 days of this Order.

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. ALB-T-98-3  may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. ALB-T-98-3 .  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of February 1999.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

                                                                                            PAUL KJELLANDER, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**FOOTNOTES**

1:

CLASS is an acronym for Custom Local Area Signaling Service and is used to identify advanced calling features such as caller identification, call forwarding and auto redial.  Custom calling refers to a family of optional enhancements to local exchange telephone service that offer some of the features of on-premise telephone systems to residential and single-line business customers.  The most familiar of these services is Call Waiting.

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

February 24, 1999