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VIA ELECTRONIC FILING

Patricia Van Gerpen Executive Director South Dakota Public Utilities Commission State Capitol Building 500 East Capitol Avenue Pierre, SD 57501-5070

Re: Mergers and Reorganization of McCook Cooperative Telephone Company, Inc., Hanson Communications, Inc., Tri-County Telcom, Inc., and Emery Cablevision, Inc., into TrioTel Communications. Inc.

Dear Mr. Johnson:

This letter is to notify the South Dakota Public Utilities Commission (the "Commission") pursuant to the requirements of SDCL § 49-31-20 that Hanson Communications, Inc. ("Hanson"), a wholly-owned subsidiary of McCook Cooperative Communications, Inc. ("McCook"), Tri-County Telcom, Inc. ("Tri-County"), a wholly-owned subsidiary of Hanson, and Emery Cablevision, Incorporated ("Emery"), a wholly-owned subsidiary of Tri-County, intend to merge with and into McCook, at which time, McCook will amend its Articles of Incorporation and become TrioTel Communications, Inc. The mergers and reorganization will be conducted pursuant to the terms and conditions of an Agreement and Plan of Reorganization, dated as of September 17, 2009 (the "Plan of Reorganization"), entered into by and among McCook, Hanson, Tri-County, and Emery.

Pursuant to SDCL 47-18-5.1, the Plan of Reorganization provides that at the time of closing: (i) Emery will merge with and into Tri-County; (ii) Tri-County will merge with and into Hanson; and (iii) Hanson will merge with and into McCook. Following the merger of McCook and Hanson, McCook will reorganize as TrioTel Communications, Inc. ("TrioTel"), and continue to own all of the property and hold all of the contract and regulatory rights and permits used or useful in the operation of the other corporations, and will continue to provide local telephone exchange services within the exchanges, cable television service, high-speed internet service and other related communications services of the other corporations, but will do so under the common ownership, management, and administration of TrioTel.

If you have any questions regarding the Reorganization, or require any clarification or further information, please feel free to contact me at your earliest convenience at (605) 335-4950. Thank you for your assistance and consideration in this matter.

Sincerely,

CUTLER & DONAHOE, LLP

Ryan J. Taylor
For the Firm

RJT:djd

cc: Bryan Roth

BEFORE THE SOUTH DAKOTA

PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE AMENDMENT OF THE CERTIFICATE OF AUTHORITY OF MCCOOK COOPERATIVE TELEPHONE COMPANY

DOCKET	NO.	

APPLICATION FOR APPROVAL OF AN AMENDMENT TO CERTIFICATE OF AUTHORITY

COME NOW, the Applicants, Tri-County Telcom, Inc. ("Tri-County") and McCook Cooperative Telephone Company ("McCook") by and through their undersigned counsel, and pursuant to SDCL § 49-31-59 request the following from the South Dakota Public Utilities Commission (the "Commission"):

- approval of the "sale," by merger of the Emery and Clayton, South Dakota local telephone exchanges in the manner set forth in this Application and in the Agreement and Plan of Reorganization entered into by and among Emery Cablevision Incorporated ("Emery"), Tri-County, Hanson Communications, Inc. ("Hanson"), and McCook, as described herein; and
- 2) approval of an amendment to the Certificate of Authority held by McCook Cooperative Telephone Company to permit it to offer local exchange service to the former customers of Tri-County Telcom, Inc. in the Emery and Clayton, South Dakota exchanges.

IN SUPPORT THEREOF, Applicants do state and declare as follows:

1. Applicant McCook is a South Dakota cooperative headquartered in Salem, South Dakota. McCook presently operates six local telephone exchanges having approximately 1,998 access lines in the Cities of Canova, Center, Spencer, Winfred, Alexandria, and Salem, South Dakota and the surrounding areas. McCook presently provides enhanced 911 services in all of its

local telephone exchanges. In addition to its telephony services, McCook offers various other communications services including: (i) high-speed internet access service; and (ii) cable television service to approximately 750 subscribers in the Cities of Canova, Spencer, Alexandria, and Salem, South Dakota. McCook is the sole shareholder and parent corporation of Hanson Communications, Inc., which in turn is presently the sole shareholder and parent corporation of Tri-County Telcom, Inc.

- 2. Applicant Tri-County is a South Dakota corporation and a wholly-owned subsidiary of Hanson. Tri-County presently operates two local telephone exchanges having approximately 384 access lines in the Cities of Emery and Clayton, South Dakota and the surrounding areas. Tri-County presently provides enhanced 911 services in both of its local telephone exchanges.
- 3. McCook, Hanson, Tri-County, and Emery have entered into an Agreement and Plan of Reorganization which contemplates, among other things, the following transactions:
 - (a) At 12:01 a.m. on January 1, 2010, Tri-County will be merged with and into Hanson pursuant to the provisions of SDCL Chapter 47-1A. Upon consummation of the merger, all of the assets and liabilities of Tri-County will become the assets and liabilities of Hanson. As the sole shareholder of Tri-County, Hanson has approved this merger;
 - (b) At 12:02 a.m. on January 1, 2010, Hanson will be merged with and into McCook pursuant to the provisions of SDCL Chapter 47-18. Upon consummation of the merger, all of the assets and liabilities of Hanson will become the assets and liabilities of McCook. As the sole shareholder of Hanson, McCook has approved this merger. The

members of McCook have approved the Agreement and Plan of Reorganization by a vote of 90 to 2 on September 17, 2009;

- (c) All of the patrons formerly receiving local exchange telephone service from Tri-County that meet the requirements for membership under the bylaws of McCook will automatically become members of McCook when title to Tri-County's local exchange service territories is transferred to McCook; and
- (d) Immediately following the reorganization, McCook will change its legal name to TrioTel Communications, Inc.;

(hereinafter the "Plan of Reorganization").

- 4. Prior to the close of business on December 31, 2009, McCook will allocate its 2009 operating margin and its accumulated non-operating margins to its existing members and patrons. No member of McCook will lose any capital credits or any entitlement thereto as a result of the reorganization.
- 5. Following the merger, the former patrons of Tri-County receiving local exchange telephone service and who qualify for membership under the bylaws of McCook, will automatically become members of McCook (to be renamed TrioTel Communications, Inc.). The former patrons of Tri-County will change from being customers of a for-profit corporation to patrons of a cooperative entitled to vote for members of the board of directors of the cooperative and to receive patronage allocations and dividends following the reorganization.
- 6. The public interest will not be harmed by the merger of Tri-County and McCook or by the amendment of McCook's certificate of authority, which amendment will allow McCook to

offer local exchange service in the Emery and Clayton, South Dakota exchanges. There will be no discontinuance, reduction, or impairment of any of the services presently offered by either of Tri-County and McCook to their respective patrons or the public following the merger of Tri-County with and into McCook or in the reorganization of McCook and its former subsidiaries solely as a result of those transactions. There will be no change in the method of calculating or paying any of the taxes payable to the State of South Dakota which Tri-County and McCook are currently subject to. Following the mergers and reorganization, McCook will continue to provide 911 and enhanced 911 services to all of the exchanges presently serviced by McCook and Tri-County. There will be no increase in rates to any of the patrons of the companies involved solely as a result of the merger or reorganization. There will be no reduction in the labor force of any of the companies involved solely as a result of the transaction. As such, the number of available service technicians will not decrease. Due to their current shared management and administrative functions, there will be no noticeable change in the management or operations of the companies for their patrons other than the service provider's name following the reorganization.

7. Following the reorganization, TrioTel Communications, Inc. (f/k/a McCook Cooperative Telephone Company) will serve approximately 2,382 access lines in eight local telephone exchanges. The combined entity will realize savings which may be passed on to the consuming public through economies of scale and further consolidation of management functions. As a considerably larger and more financially sound cooperative, the combined entity will also have greater access to credit, thereby improving its competitive position and enabling the cooperative to

continue to provide modern, state-of-the-art telecommunications services to rural areas of South Dakota.

WHEREFORE, Applicants respectfully request that the Commission grant as follows:

A. Approval of the sale, as defined by SDCL § 49-31-59, of the Emery Exchange and the Clayton Exchange from Tri-County to McCook in the manner set forth in this Application and in the Plan of Reorganization;

B. Amendment of the Certificate of Authority currently held by McCook (to be renamed TrioTel Communications, Inc.) to permit it to provide local telephone exchange service in the Emery Exchange and in the Clayton Exchange on and after January 1, 2010; and

C. Such other relief, consents, or authorizations as the Commission deems necessary or appropriate and in the public interest to consummate the transactions described in this Application.

Dated this 6th day of October, 2009.

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