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January 18, 2018

Sharla Dillon
Dockets Manager
Tennessee Public Utility Commission
500 Deaderick Street, 4th Floor
Nashville, TN 37242

VIA E-MAIL AND HAND DELIVERY

docket no. 18-00010

RE: Loretto Telephone Company, Inc., et al.
Joint Application for Approval of Transfer of Control

Dear Ms. Dillon:

Attached for filing is a Joint Application for Approval of Transfer of Control. Exhibit A to this Application is **confidential** and is being filed **under seal**, along with an electronic version on disk. Also attached for filing is a proposed Protective Order.

The originals and copies, along with a check for the filing fee, are in route to the Commission.

Best regards.

Sincerely,



A. Scott Ross

ASR:prd

Enclosures

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:)	
)	
Loretto Telephone Company, Inc., and)	No. 18-_____
Loretto Communication Services, Inc.,)	
(both d/b/a Loretto Telecom),)	
LTC Holding Company, Inc., and)	
SkyBest Holding Company, LLC)	

**JOINT APPLICATION FOR
APPROVAL OF TRANSFER OF CONTROL**

Applicants have entered into a stock purchase agreement under which SkyBest Holding Company, LLC (“SkyBest”) will purchase 100% of the stock of LTC Holding Company, Inc. (“LTC”), and thereby transfer control of LTC’s wholly-owned subsidiaries Loretto Telephone Company, Inc. (“Loretto Telephone”) and Loretto Communication Services, Inc. (“Loretto LD”) (the “Transaction”). Applicants respectfully request approval of the Transaction pursuant to Tenn. Code Ann. §§ 65-4-112 and 65-4-113, and as otherwise may be required.

PARTIES

1. Transferor LTC is a Tennessee corporation and a holding company for its wholly-owned subsidiaries, Loretto Telephone and Loretto LD, both doing business as Loretto Telecom.

2. Loretto Telephone is a small, rural independent incumbent local exchange carrier (“ILEC”) in Tennessee with approximately 3,479 access lines. Loretto Telephone’s predecessor acquired its first telephone exchange in 1946. Loretto Telephone was incorporated on May 3, 1956, and has been providing local exchange telephone and exchange access services to customers in portions of Lawrence, Giles and Wayne counties in southern Tennessee since that

time pursuant to authority from the Tennessee Public Utility Commission or its predecessors (“TPUC” or “Commission”). LTC has been, since June 1, 2001, and remains, to date, the sole shareholder of Loretto Telephone.

3. Loretto LD is a Tennessee corporation formed on May 18, 2000, providing interexchange, broadband and medical alert services to Loretto Telephone customers. Loretto LD received its authority from the TPUC on October 28, 2005, in Docket No. 05-00243, to provide resold interexchange telecommunications services in Tennessee. LTC has been, since June 1, 2001, and remains, to date, the sole shareholder of Loretto LD.

4. Transferee SkyBest is a North Carolina limited liability company formed on June 22, 2017. SkyBest is a wholly-owned subsidiary of SkyBest Communications, Inc. (“SkyBest Communications”), which is a wholly-owned subsidiary of Sky Best Communications’ parent, SkyLine Telephone Membership Corporation (“SkyLine”). SkyLine is a local, member-owned telephone cooperative formed on January 4, 1951, providing incumbent local exchange and exchange access services to approximately 27,343 access lines in the following counties and exchanges in North Carolina: Alleghany County (Scottville, Glade Creek, and Sparta exchanges), Ashe County (Baldwin, Creston, Nathans Creek, and Lansing exchanges), Avery County (Banner Elk and Beech Mountain exchanges), and Watauga County (Sugar Grove and Watauga exchanges); and Johnson County, Tennessee (Shady Valley exchange). SkyBest Communications, a North Carolina corporation, provides competitive local exchange (“CLEC”) and exchange access services to approximately 2,921 access lines, predominately in areas bordering SkyLine’s ILEC operations. Within the ILEC and CLEC footprint, SkyBest Communications also offers Internet, video, long distance and home security services. SkyBest Communications offers international toll telecommunications services pursuant to ITC-214-

20000328-00157. SkyLine also holds minority interests in two wireless companies which hold licenses in western North Carolina (39.6% of Carolina West Wireless, Inc. and 39.6% of WSS, L.L.C.). SkyLine also owns 18.99% of Access/On Multimedia, Inc., a regional fiber transport network, which serves north-central and northwestern North Carolina. SkyLine recently acquired 100% of the issued and outstanding shares of the stock in Chesnee Telephone Company, Incorporated (“Chesnee Telephone”), a small, independent ILEC in South Carolina, including its wholly-owned subsidiaries, Chesnee Long Distance, Inc. (FRN 0003765435) (“Chesnee LD”), Chesnee Digital, Inc. and Chesnee Cable, Inc. Chesnee Telephone provides local exchange telephone and exchange access services to customers in Spartanburg and Cherokee counties in northwestern South Carolina, with approximately 2,750 access lines. Chesnee LD provides resold interexchange telecommunications services to Chesnee Telephone customers. Chesnee Cable, Inc., formerly known as Chesnee Communications, Inc., provides digital cable television services in Cherokee and Spartanburg counties in South Carolina. Chesnee Digital, Inc. was created to provide Internet service in Cherokee and Spartanburg counties to Chesnee Telephone Company’s customers.

5. Communications and correspondence for this proceeding should be sent to the following individuals:

For LTC, Loretto Telephone, and Loretto LD

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Desda K. Hutchins, President
LTC Holding Company, Inc.

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For SkyBest

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Kimberly M. Shepherd, Manager
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TRANSACTION

6. The proposed Transaction involves SkyBest's purchase of 100% of the issued and outstanding shares of LTC's common stock. Prior to such purchase, LTC shall redeem all its issued and outstanding shares of Preferred Class A stock and Preferred Class B stock, leaving only its common stock issued and outstanding. As a result of the Transaction, SkyBest will acquire complete control of LTC and its wholly-owned subsidiaries, Loretto Telephone and Loretto LD.

7. A copy of the stock purchase agreement is submitted herewith as CONFIDENTIAL Exhibit A.

PUBLIC INTEREST

8. The grant of this Application will serve the public interest and is in full compliance with applicable law. The proposed Transaction will promote the continued provision of high quality telecommunications services to Loretto customers. The Transaction will be transparent to Loretto Telephone and Loretto LD customers, who will experience no disruption in service as a result thereof. Transferee SkyBest's affiliates, SkyLine and SkyBest Communications, are experienced in the provision of rural telecommunications services and have an excellent record of serving their North Carolina customers. The Transaction will not adversely affect subscribers, competitors or the market for the provision of telecommunications services.

9. Following the consummation of the Transaction, SkyBest will have the requisite managerial, technical, and financial capabilities to continue to operate Loretto Telephone and Loretto LD as currently conducted and provide the same, if not an improved, level of service and options to their current customers.

10. Applicants also have filed an application for approval of the Transaction by the Federal Communications Commission.

CONCLUSION

For the reasons stated above, the public interest, convenience and necessity would be furthered by approving this application for the acquisition by SkyBest Holding Company, LLC of all of the stock of LTC Holding Company, Inc., resulting in SkyBest's clear and complete control of LTC's wholly-owned subsidiaries, Loretto Telephone Company, Inc. and Loretto

Communication Services, Inc., which will permit a continuation of the telecommunications services being provided by Loretto Telephone Company, Inc. and Loretto Communication Services, Inc. Applicants respectfully request approval of the Transaction pursuant to Tenn. Code Ann. §§ 65-4-112 and 65-4-113, and as otherwise may be required.

WHEREFORE, the Applicants respectfully request that the Commission: (1) approve the Transaction described herein; (2) approve the transfer of control of Loretto Telephone and Loretto LD to SkyBest as described herein; and (3) grant such other relief as may be necessary, reasonable, and consistent with the foregoing.

Respectfully submitted,

NEAL & HARWELL, PLC

By: 

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sross@nealharwell.com

Counsel for Applicants

VERIFICATION

I, Desda K. Hutchins, as President of LTC Holding Company, Inc., hereby certify that I have read the foregoing application, and the statements herein are true, complete and correct to the best of my knowledge.

LTC HOLDING COMPANY, INC.

Desda K. Hutchins, President

Desda K. Hutchins

As Its: President

Date: January 8, 2018

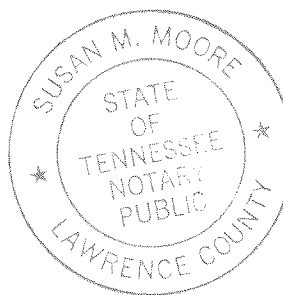
STATE OF Tennessee)

COUNTY OF Lawrence)

SWORN to and subscribed before me this 8th day of January, 2018.

Susan M. Moore
Notary Public

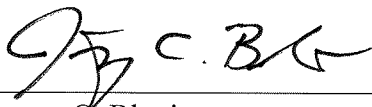
My Commission Expires: 12-3-18



VERIFICATION

I, Jimmy C. Blevins, as Manager of SkyBest Holding Company, LLC, hereby certify that I have read the foregoing application, and the statements herein are true, complete and correct to the best of my knowledge.

SKYBEST HOLDING COMPANY, LLC



Jimmy C. Blevins

As Its: Manager

Date: 1/8/2018

STATE OF NC)

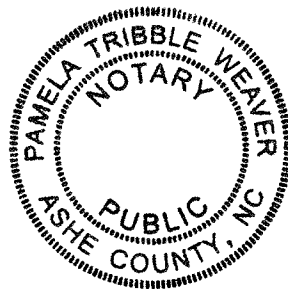
COUNTY OF Ashe)

SWORN to and subscribed before me this 8 day of January, 2018.



Notary Public

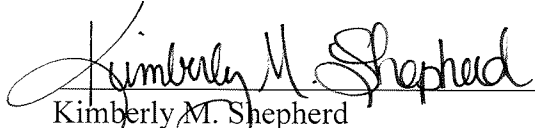
My Commission Expires: 7-24-21



VERIFICATION

I, Kimberly M. Shepherd, as Manager of SkyBest Holding Company, LLC, hereby certify that I have read the foregoing application, and the statements herein are true, complete and correct to the best of my knowledge.

SKYBEST HOLDING COMPANY, LLC



Kimberly M. Shepherd
As Its: Manager

Date: 1/8/2018

STATE OF NC)

COUNTY OF Ashe)

SWORN to and subscribed before me this 8 day of January, 2018.



Notary Public

My Commission Expires: 7-24-21

