STATE OF SOUTH CAROLINA

(Caption of Case)

Notification of Horry Telephone Cooperative, Inc.'s Acquisition of its Wholly-Owned Subsidiary, HTC Communications, LLC, Pursuant to S. C. Code Ann. Section 58-9-10

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET NUMBER: _____ - _____ - _____

(Please type or print)


**Submitted by:** Margaret M. Fox, Esquire

**Address:** McNair Law Firm, P. A.
P. O. Box 11390
Columbia, SC 29211

**SC Bar Number:** 65418
**Telephone:** 803-799-9800
**Fax:** 803-753-3278
**Other:**
**Email:** pfox@mcnair.net


NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

## DOCKETING INFORMATION (Check all that apply)

☐ **Emergency Relief demanded in petition**

☐ **Request for item to be placed on Commission's Agenda expeditiously**

☐ **Other:** _____

| INDUSTRY (Check one) | NATURE OF ACTION (Check all that apply) | | |
|---|---|---|---|
| ☐ Electric | ☐ Affidavit | ☒ Letter | ☐ Request |
| ☐ Electric/Gas | ☐ Agreement | ☐ Memorandum | ☐ Request for Certification |
| ☐ Electric/Telecommunications | ☐ Answer | ☐ Motion | ☐ Request for Investigation |
| ☐ Electric/Water | ☐ Appellate Review | ☐ Objection | ☐ Resale Agreement |
| ☐ Electric/Water/Telecom. | ☐ Application | ☐ Petition | ☐ Resale Amendment |
| ☐ Electric/Water/Sewer | ☐ Brief | ☐ Petition for Reconsideration | ☐ Reservation Letter |
| ☐ Gas | ☐ Certificate | ☐ Petition for Rulemaking | ☐ Response |
| ☐ Railroad | ☐ Comments | ☐ Petition for Rule to Show Cause | ☐ Response to Discovery |
| ☐ Sewer | ☐ Complaint | ☐ Petition to Intervene | ☐ Return to Petition |
| ☒ Telecommunications | ☐ Consent Order | ☐ Petition to Intervene Out of Time | ☐ Stipulation |
| ☐ Transportation | ☐ Discovery | ☐ Prefiled Testimony | ☐ Subpoena |
| ☐ Water | ☐ Exhibit | ☐ Promotion | ☐ Tariff |
| ☐ Water/Sewer | ☐ Expedited Consideration | ☐ Proposed Order | ☐ Other: _____ |
| ☐ Administrative Matter | ☐ Interconnection Agreement | ☐ Protest | _____ |
| ☐ Other: _____ | ☐ Interconnection Amendment | ☐ Publisher's Affidavit | |
| | ☐ Late-Filed Exhibit | ☐ Report | |

Print Form  Reset Form

MCNAIR
ATTORNEYS

M. John Bowen, Jr.

jbowen@mcnair.net
T (803) 799-9800
F (803) 753-3219

November 18, 2010

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Caroina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29210

Re: Notification of Horry Telephone Cooperative, Inc.'s Acquisition of its Wholly -Owned Subsidiary, HTC Communications, LLC, Pursuant to S. C. Code Ann. § 58-9-10

Dear Ms. Boyd:

Horry Telephone Cooperative, Inc. ("Horry") hereby notifies the Commission that it will assume all of the assets, liabilities and obligations of HTC Communications, LLC ("HTC Communications"), a single-member limited liability company of which Horry is the sole member. It is Horry's understanding that Commission approval is not required to complete this transaction.[1] We are submitting the within information for informational and notice purposes to ensure the continuing accuracy of the Commission's records. All services currently being provided by HTC Communications will be provided by Horry, and all authorizations held by HTC Communications will be transferred to and assumed by Horry. In addition to being excepted from the requirement to obtain Commission approval pursuant to S.C. Code Ann. § 58-9-310, this transaction is *pro forma* in nature because it does not involve a change of control.[2] Horry intends to complete the transaction on or before January 1, 2011.

---

[1] *See* S.C. Code Ann. § 58-9-310 ("a telephone cooperative association may acquire or incorporate a subsidiary corporation or a susidiary cooperative association without the approval of the Commission.") HTC Communications, LLC is a single-member limited liability company of which Horry is the sole member. Horry will assume all of the assets, liabilities, and obligations of HTC Communications. Horry respectfully submits that this transaction is essentially identical to an acquisition of a susidiary corporation for purposes of Commission approval. In fact, there is even less reason to require Commission approval for this transaction, because there is less structural separation between a single-member LLC and its sole member than there is between a subsidiary corporation and its parent. HTC Communications' predecessors, HTC Communications, Inc., and Horry Telephone Long Distance, Inc., were subsidiary corporations of Horry.

[2] *See* 47 C.F.R. §§ 63.03(d), 63.24(d). The FCC has noted that "*pro forma* transactions in general have no impact, or a *de minimis* impact, on the public interest . . . [and] reorganizations from one internal subsidiary to another do not as a general matter affect the manner in which service is being provided to the public or raise competitive concerns. *See Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, CC Docket No. 01-150, Report and Order, 17 FCC Rcd 5517, FCC 02-78 (released March 21, 2002) at para. 50.

McNair Law Firm, P. A.
1221 Main Street
Suite 1600
Columbia, SC 29201

Mailing Address
Post Office Box 11390
Columbia, SC 29211

mcnair.net

Description of the Parties

Horry Telephone Cooperative, Inc. was formed as a telephone cooperative association pursuant to S.C. Code Ann. § 33-45-10 et seq., and is subject to the Telephone Cooperative Act, S.C. Code Ann. § 33-46-10 *et seq*. Horry has been operating in the State of South Carolina since 1952. Horry is an incumbent local exchange carrier as defined in 47 U.S.C. § 251(h)(1). Horry is a rural telephone company as defined in 47 U.S.C. § 153(37). Horry has been granted authority to operate under an alternative form of regulation. *See* Docket No. 2003-15-C. Horry has been designated by the Commission as an eligible telecommunications carrier (ETC). *See* Commission Order No. 97-958 in Docket No. 1997-239-C. Horry is a carrier of last resort. *See* S.C. Code Ann. § 58-9-10(1)).

HTC Communications was originally incorporated in 1991 under the name Horry Telephone Long Distance, Inc. Its articles of incorporation were amended in 1997 to reflect the new name of HTC Communications, Inc. In January 2006, HTC Communications, Inc. was merged into a limited liability company that was subsequently named HTC Communications, LLC, with the limited liability company being the surviving entity. HTC Communications is authorized by the Commission to provide resold interexchange telecommunications services in the State of South Carolina. *See* Commission Order Nos. 91-1069, 1999-758, and 2009-449 in Docket No. 91-514-C. HTC Communications is authorized to provide local exchange telecommunications service in Horry County and those portions of Georgetown County known as the Waccamaw Neck and the City of Georgetown. *See* Commission Order No. 98-323 in Docket No. 98-049-C; *see also* Commission Order Nos. 98-974 (granting flexible regulatory treatment for local services) and 2009-449 (granting the request of HTC Communications, Inc. to change its name to HTC Communications, LLC). HTC Communications has been designated by the Commission as an eligible telecommunications carrier (ETC) for the purpose of receiving federal universal service support as a wireless carrier in certain areas of South Carolina. *See* Commission Order No. 2008-273 in Docket No. 2007-402-C. The assets of HTC Communications will be distributed to Horry, and Horry will assume all of the liabilities and obligations of HTC Communications. All outstanding agreements and licenses that are not already in Horry's name will be assigned to Horry, the parent company of HTC Communications.

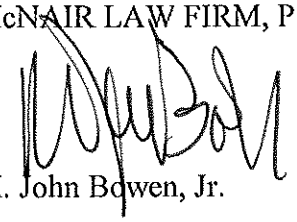
Public Interest

This transaction will benefit and will be virtually transparent to HTC Communications, LLC's customers. These customers will continue to receive the same service they receive today, pursuant to the same rates, terms and conditions. Any future changes in rates, terms, and conditions will be made in accordance with applicable Commission requirements. In addition, HTC Communications, LLC customers will become members of Horry Telephone Cooperative, Inc., and will receive the benefits of cooperative membership, including but not limited to accruing patronage capital credits. HTC will comply with all federal and state requirements regarding the transition of customers from HTC Communications to Horry. The transaction is in the best interest of Horry and its customers, and will not adversely impact the general public interest.

As described herein, Horry submits that no prior Commission approval is required for this transaction. Should the Commission believe that any action is required, Horry respectfully requests that the Commission notify the undersigned counsel at its earliest convenience and not later than December 2, 2010. In the absence of a response from the Commission, Horry will proceed with its plans to consummate the transaction described above on or before January 1, 2011.

Sincerely,

McNAIR LAW FIRM, P.A.



M. John Bowen, Jr.

MJB,Jr./rwm

cc: Nanette S. Edwards, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

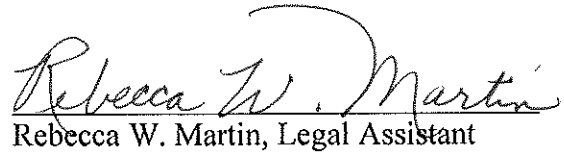
Docket No. _____

**IN RE:**

| | | |
|---|---|---|
| Notification of Horry Telephone Cooperative, Inc.'s Acquisition of its Wholly-Owned Subsidiary, HTC Communications, LLC, Pursuant to S. C. Code Ann § 58-9-10 | ) | **CERTIFICATE OF SERVICE** |

I, Rebecca W. Martin, do hereby certify that I have this date served one (1) copy of the attached Letter upon the following party causing said copy to be deposited with the United States Postal Service, first class postage prepaid and properly affixed thereto, and addressed as follows:

Nanette S. Edwards, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211



Rebecca W. Martin, Legal Assistant
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

November 18, 2010

Columbia, South Carolina