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October 7, 2020

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia SC 29210

**Re: Joint Application for Approval of Internal Corporate Restructuring Involving  
Merger of Chesnee Long Distance, Inc. into Chesnee Cable, Inc., both d/b/a Chesnee  
Communications, and for Transfer of Certificate of Public Convenience and  
Necessity  
Docket No. 2020-205-C**

Dear Ms. Boyd:

Please find enclosed for filing on behalf of Chesnee Long Distance, Inc. and Chesnee Cable, Inc., both d/b/a Chesnee Communications (the "Joint Applicants"), the Direct Testimony of Cindy Rothstein in the above-referenced matter.

Thank you for your assistance.

Sincerely,

Burr & Forman LLP



Margaret M. Fox

cc: Jeffrey M. Nelson, Esq.

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2020-205-C

IN RE: )  
)  
Joint Application for Approval of Internal )  
Corporate Restructuring Involving Merger )  
of Chesnee Long Distance, Inc., into Chesnee )  
Cable, Inc., both d/b/a Chesnee Communications, )  
and for Transfer of Certificate of Public )  
Convenience and Necessity )  
\_\_\_\_\_ )

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Cindy Rothstein. My business address is 1200 NC Hwy 194 North, West  
3 Jefferson, NC 28694.

4 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

5 **A.** I am Chief Financial Officer of SkyLine Telephone Membership Corporation  
6 (“SkyLine”), and CFO of Chesnee Long Distance, Inc. and Chesnee Cable, Inc.

7 **Q. PLEASE BRIEFLY OUTLINE YOUR EDUCATION, TRAINING, AND**  
8 **EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.**

9 **A.** I have worked for SkyLine (a telephone cooperative) for over 7 years, and assumed my  
10 current role in 2013. Prior to being named CFO, I served as Vice President of Finance at  
11 United Telephone Company in Tennessee from 2006-2013, overseeing all financial  
12 operations of the company. Before that, I served on the accounting staff at Loretto  
13 Telephone Company in Tennessee from 1996-2006, where I handled regulatory

1 compliance along with financial responsibilities. I hold a Bachelor of Business  
2 Administration in Accounting degree from Athens State University, and I am a Certified  
3 Public Accountant. As a CPA, I complete 40 continuing education hours each year to  
4 stay current in Financial and Regulatory fields.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING HERE TODAY AND WHAT IS**  
6 **THE PURPOSE OF YOUR TESTIMONY?**

7 **A.** I am testifying on behalf of Chesnee Long Distance, Inc. (“Chesnee LD”) and Chesnee  
8 Cable, Inc. (“Chesnee Cable, Inc.”), both d/b/a Chesnee Communications (the “Joint  
9 Applicants”). By their Application, the Joint Applicants respectfully petition the  
10 Commission, pursuant to S.C. Code Ann. §§ 58-9-310, 58-9-280(B), and applicable  
11 regulations, for approval of an internal corporate restructuring involving the merger of  
12 Chesnee LD into Chesnee Cable and the resulting transfer of the Certificate of Public  
13 Convenience and Necessity (“CPCN”) held by Chesnee LD to Chesnee Cable.

14 **Q. PLEASE GIVE A BRIEF OVERVIEW OF THE JOINT APPLICANTS.**

15 Chesnee LD is a South Carolina corporation that holds a Certificate of Public Convenience  
16 and Necessity, granted by this Commission by Order No. 1999-620 in Docket No. 1999-  
17 307-C, to provide interexchange telecommunications services within the State of South  
18 Carolina. Chesnee was also granted alternative regulation of its service offerings.

19 Chesnee Cable is a South Carolina corporation that provides digital cable television services  
20 in Cherokee and Spartanburg counties in South Carolina. Chesnee Cable was incorporated  
21 in 1996.

22 Both Chesnee LD and Chesnee Cable are wholly owned subsidiaries of Chesnee Telephone  
23 Company, Incorporated, d/b/a Chesnee Communications (“Chesnee Tel”). Chesnee Tel is

1 a wholly owned subsidiary of SkyLine Telephone Membership Corporation (“SkyLine”).  
2 Chesnee LD and Chesnee Cable share common management, employees and office  
3 facilities.

4 **Q. PLEASE DESCRIBE THE PROPOSED CORPORATE RESTRUCTURING FOR**  
5 **WHICH THE JOINT APPLICANTS SEEK APPROVAL.**

6 **A.** As part of a larger corporate restructuring, Chesnee LD will merge into Chesnee Cable,  
7 with Chesnee Cable being the surviving entity. Chesnee Cable will remain a wholly owned  
8 subsidiary of Chesnee Tel. As part of the larger reorganization, Chesnee Tel will move  
9 from being a direct subsidiary of SkyLine to become a subsidiary of SkyBest  
10 Communications, Inc., a wholly owned subsidiary of SkyLine. This change will be at the  
11 holding company level only, and will be transparent to Chesnee Tel’s customers.

12 As the surviving entity to the proposed merger, Chesnee Cable will automatically assume  
13 the assets and liabilities of Chesnee LD. Diagrams showing the current and proposed  
14 corporate structure were attached to the Joint Application as Exhibit B.

15 The corporate restructuring is *pro forma* in nature, and the newly merged entity will  
16 continue to provide the same services as previously provided by Chesnee LD, utilizing the  
17 same facilities and employees. Chesnee LD and Chesnee Cable have both been doing  
18 business as Chesnee Communications, and customers will see no changes on their bills.

19 The restructuring will be transparent to Chesnee LD’s customers, and there will be no  
20 change in the rates and other terms and conditions of the services available to customers.

21

1 **Q. ARE THE JOINT APPLICANTS ALSO REQUESTING A TRANSFER OF**  
2 **AUTHORITY?**

3 **A.** Yes. In addition to approval of the merger, Joint Applicants ask the Commission to  
4 approve the transfer of Chesnee LD's CPCN to Chesnee Cable, including the authority to  
5 operate under alternative regulation.

6 **Q. DOES CHESNEE CABLE POSSESS SUFFICIENT FINANCIAL, TECHNICAL,**  
7 **AND MANAGERIAL RESOURCES TO PROVIDE THE SERVICES FOR WHICH**  
8 **IT SEEKS AUTHORITY?**

9 **A.** Yes. As stated above, Chesnee LD and Chesnee Cable share common management,  
10 employees and office facilities, and they are both wholly owned subsidiaries of Chesnee  
11 Tel. Therefore, Chesnee Cable has the same technical, financial, and managerial resources  
12 available to it that Chesnee LD has. A copy of Skyline Telephone Membership  
13 Corporation and Subsidiaries' Consolidated Financial Statements were submitted under  
14 seal as Exhibit C to the Joint Application, along with a Motion for Protective Treatment.  
15 The Commission previously found that Chesnee LD's technical, financial, and managerial  
16 resources were sufficient to provide the services covered by its CPCN. *See* Commission  
17 Order No. 1999-620, at p. 4. Chesnee LD has been providing interexchange  
18 telecommunications services in the State of South Carolina for over twenty years.

19 **Q. WILL THE SERVICE PROVIDED BY CHESNEE CABLE MEET ALL SERVICE**  
20 **STANDARDS THAT THE COMMISSION MAY ADOPT?**

21 **A.** Yes. The service Chesnee Cable will provide is the same service that Chesnee LD currently  
22 is providing, using the same facilities and employees. The service Chesnee Cable will  
23 provide will meet all service standards that the Commission may adopt.

1 **Q. WILL THE PROVISION OF SERVICE BY CHESNEE CABLE ADVERSELY**  
2 **IMPACT THE AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE**  
3 **SERVICE IN SOUTH CAROLINA?**

4 **A.** No, it will not. Again, it is the same service currently being provided by Chesnee LD.

5 **Q. WILL CHESNEE CABLE ACTIVELY PARTICIPATE IN THE SUPPORT OF**  
6 **UNIVERSALLY AVAILABLE TELECOMMUNICATIONS SERVICE AT**  
7 **AFFORDABLE RATES?**

8 **A.** Yes. To the extent it may be required to do so by the Commission, Chesnee Cable will  
9 participate in the support of universally available telecommunications services at  
10 affordable rates.

11 **Q. WILL CUSTOMERS OF CHESNEE LD SEE ANY DIFFERENCE IN THEIR**  
12 **SERVICE AS A RESULT OF THE TRANSFER OF CHESNEE LD'S CPCN TO**  
13 **CHESNEE CABLE?**

14 **A.** No. As part of the transaction, Chesnee LD customers will become customers of Chesnee  
15 Cable. This change will be transparent to customers, as they will continue to receive the  
16 same service, under the same terms and conditions, using the same facilities and employees  
17 as before the transaction. Additionally, because both Chesnee LD and Chesnee Cable do  
18 business as "Chesnee Communications," customers will not see a change in the name of  
19 their service provider.

20 **Q. ARE THE JOINT APPLICANTS REQUESTING A WAIVER OF ANY**  
21 **APPLICABLE STATE REQUIREMENTS REGARDING A CHANGE IN**  
22 **SERVICE PROVIDERS?**

23 **A.** Yes, to the extent they apply. The Federal Communications Commission ("FCC") has

1 established a streamlined notification process for the sale or transfer of customer bases  
2 from one carrier to another,<sup>1</sup> and has stated that even this streamlined process does not  
3 apply in situations where a corporate restructure is invisible to the affected subscribers.<sup>2</sup>  
4 As the FCC stated, “in such cases, requiring notice of a change that is imperceptible to the  
5 affected subscribers might cause confusion where there would otherwise be none.”<sup>3</sup> The  
6 Commission follows guidelines approved by the FCC with respect to changes in utility  
7 providers. *See* S.C. Code Ann. § 58-3-230. We respectfully submit that no notice is  
8 required in this case, as it would only serve to confuse customers and disrupt the seamless  
9 transition of service.

10 **Q. IS APPROVAL OF THE JOINT APPLICATION IN THE PUBLIC INTEREST?**

11 **A.** Yes. The corporate reorganization is in the public interest in that it will reduce eliminate  
12 unnecessary administrative processes and reduce administrative costs, permitting  
13 additional resources to be devoted to meeting the demands of consumers.

14 **Q. WHAT ACTION ARE YOU ASKING THE COMMISSION TO TAKE IN REGARD**  
15 **TO THIS APPLICATION?**

16 **A.** On behalf of the Joint Applicants, I respectfully request that the Commission:

17 (a) expeditiously grant any and all approvals required to implement the proposed  
18 internal corporate restructuring as described above; and

19 (b) approve the transfer of the CPCN currently held by Chesnee LD to Chesnee

20 Cable and the provision of interexchange telephone services by Chesnee Cable in the

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<sup>1</sup> *See* 47 C.F.R. § 64.1120.

<sup>2</sup> *See* In the Matter of 2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers, First Report and Order in CC Docket No. 00-257 and Fourth Report and Order in CC Docket No. 94-129, FCC 01-156 (rel. May 15, 2001), at para. 13.

<sup>3</sup> *Id.* at para. 13, fn 24.

1 State of South Carolina.

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

3 **A.** Yes, it does.