

**ORIGINAL**

**NEW APPLICATION**



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BEFORE THE ARIZONA CORPORATE COMMISSION

RECEIVED

**COMMISSIONERS**

BOB STUMP - CHAIRMAN  
GARY PIERCE  
BRENDA BURNS  
SUSAN BITTER SMITH  
BOB BURNS

2013 MAY -1 A 11: 23

ARIZONA CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF )  
MCLEODUSA TELECOMMUNICATIONS )  
SERVICES, LLC FOR WAIVER OF A.A.C. R14- )  
2-803 OR, ALTERNATIVELY, FOR APPROVAL )  
TO COMPLETE A *PRO FORMA* INTRA- )  
CORPORATE TRANSACTION )

**DOCKET NO.** T-03267A-13-0124

Arizona Corporation Commission  
**DOCKETED**

MAY -1 2013

DOCKETED BY	<i>MR</i>
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**VERIFIED NOTICE OF INTENT TO REORGANIZE AND**

**APPLICATION FOR WAIVER OF A.A.C. R14-2-803**

**OR, ALTERNATIVELY, FOR APPROVAL OF REORGANIZATION**

**(Expedited Approval Requested)**

McLeodUSA Telecommunications Services, LLC (“Windstream Licensee” or “Applicant”), respectfully requests that the Arizona Corporation Commission (“Commission”) grant a waiver of the requirements of A.A.C. R14-2-803 pursuant to A.A.C. R14-2-806 or, alternatively, grant expedited approval under A.A.C. R14-2-803, to the extent necessary, as well as any other applicable statutes or rules, for Applicant to undertake a *pro forma* intra-corporate transaction (the “Transaction”) that will insert a new holding corporation, Windstream Holdings, Inc. (“WHI”), into the ownership chain above its current parent holding company, Windstream Corporation (“Windstream”).

Under the proposed Transaction, the current parent company, Windstream, will become a wholly owned subsidiary of WHI, a new corporate holding company. The Applicant emphasizes that the Windstream Licensee and its customers will not be impacted by these changes since the only difference is that the Windstream Licensee will be held

1 through a slightly-modified corporate ownership structure, and it will ultimately be  
2 indirectly owned by the same shareholders as before the Transaction. Organization charts  
3 illustrating the proposed *pro forma* intracorporate Transaction insofar as it relates to the  
4 Windstream Licensee are appended hereto as **Exhibit A**. As described more fully below,  
5 the Transaction will establish a revised holding company structure that will provide the  
6 Windstream family of companies with a number of benefits including a more efficient  
7 capital structure and more efficient access to capital markets.

8 In its most recent Annual Report filed with the Commission, Windstream Licensee  
9 generated more than \$1 million of Arizona jurisdictional revenue and is therefore a Class A  
10 investor-owned public service corporation subject to the Commission's Public Utility  
11 Holding Companies and Affiliated Interest Rules, A.A.C. R14-2-801 et seq. (the "Affiliated  
12 Interest Rules"). The Transaction therefore may be considered a Reorganization requiring a  
13 notice of intent under the Affiliated Interest Rules.

14 In support of this filing, the Applicant provides the following information:

15 **I. DESCRIPTION OF APPLICANT AND ITS HOLDING COMPANY.**

16 **A. Windstream Corporation.**

17 Windstream Corporation, a Delaware corporation headquartered at 4001 Rodney  
18 Parham Road, Little Rock, Arkansas 72212, (501) 748-7000, is a publicly traded (Nasdaq:  
19 WIN) S&P 500 diversified communications and entertainment company. Windstream's  
20 subsidiaries provide local and long distance telephone services, data hosting services,  
21 broadband and high-speed data services and video services to customers throughout the  
22 United States. Together, Windstream's operations currently have approximately 3.4 million  
23 connections (*i.e.*, voice lines, high-speed Internet lines, digital television customers) and  
24 approximately \$6 billion in annual revenues. More information about Windstream and its  
25 operations can be found at [www.windstream.com/about](http://www.windstream.com/about).

26 Windstream does not provide telecommunications services in its own right. It owns  
27 and operates a number of licensed telecommunications providers in all states and the

1 District of Columbia, except Alaska, many of which also hold authority from the Federal  
2 Communications Commission (“FCC”) to provide domestic interstate and international  
3 telecommunications services. In Arizona, Windstream’s regulated subsidiaries (the  
4 “Windstream Regulated Subsidiaries”) hold the following authorizations:

- 5 1. McLeodUSA Telecommunications Services, LLC is authorized to provide  
6 local exchange and interexchange services pursuant to Commission  
7 authorization in Docket Nos. T-03267A-96-0515 and T-03267A-99-0705.
- 8 2. Paetec Communications, Inc. is authorized to provide interexchange services  
9 pursuant to Commission authorization in Docket No. T-03663A-98-0676.
- 10 3. Talk America, Inc. is authorized to provide local exchange, alternative  
11 operator services and interexchange services pursuant to Commission  
12 authorization in Docket Nos. T-03342A-97-0129, T-03342A-97-0243, T-  
13 03342A-00-0756 and T-03342A-03-0391.
- 14 4. Windstream Communications, Inc. is authorized to provide interexchange  
15 services pursuant to Commission authorization in Docket No. T-20436A-05-  
16 0909.

17 Paetec Communications, Inc., Talk America, Inc. and Windstream Communications,  
18 Inc. have no physical presence in Arizona and are not Class A investor-owned utilities  
19 subject to the Affiliated Interest Rules. Exhibit A illustrates the current and post-transaction  
20 corporate structure of the Windstream Regulated Subsidiaries in Arizona. A copy of  
21 Windstream’s consolidated financial statements is available in its most-recent 8-K.<sup>1</sup> After  
22 the Transaction is undertaken, the Windstream Regulated Subsidiaries will remain well-  
23 qualified to provide service to their customers, and their operations will continue to be  
24 overseen by the same well-qualified Windstream management team with substantial  
25 telecommunications experience and technical expertise. Management biographies for  
26 Windstream’s executive team are attached hereto as **Exhibit B**.

## 27 **II. CONTACT INFORMATION**

For the purposes of this Application, contacts for the Applicant are as follows:

<sup>1</sup> Windstream’s most recent 8-K (Feb. 19, 2013) is available on the SEC’s website at:  
<http://www.sec.gov/Archives/edgar/data/1282266/000128226613000017/0001282266-13-000017-index.htm>.

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Email: cesar.caballero@windstream.com

28 **III. DESCRIPTION OF THE PRO FORMA TRANSACTION**

29 The *pro forma* Transaction will involve the insertion of a new holding corporation,  
30 Windstream Holdings, Inc., in the ownership chain above Windstream (the current parent  
31 holding company of the Windstream Licensee) (the "Transaction").

32 In order to effectuate the Transaction, three steps are necessary. In Step 1  
33 Windstream will form a wholly owned subsidiary, Windstream Holdings Inc., which will be  
34 a Delaware corporation; in Step 2, Windstream Holdings, Inc. will form a wholly owned  
35 subsidiary, Mergerco, which will be a Delaware corporation; in Step 3 Mergerco will merge

1 with and into Windstream, with Windstream as the surviving corporation and a wholly  
2 owned subsidiary of Windstream Holdings, Inc. (See Exhibit A for a chart illustrating the  
3 Transaction).

4 As a result of the Transaction, Windstream will effectuate the insertion of a new  
5 publicly traded holding company at the top of the ownership chain. At the time of the  
6 Transaction, the existing shares of Windstream stock (which are publicly traded) will be  
7 converted into shares of WHI stock on a one-for-one basis. Thus, the existing shareholders  
8 of Windstream will continue to be the shareholders of WHI after the Transaction takes  
9 place, in the same amounts and percentages as they hold prior to the Transaction. The  
10 Transaction will not result in any change in the ultimate beneficial ownership of the  
11 Windstream Licensee; current Windstream shareholders will continue to hold the same  
12 level of indirect ownership in the Windstream Licensee as they did prior to the Transaction,  
13 albeit through a new holding company. As such, the Transaction is purely *pro forma* in  
14 nature.

15 In addition, the “shared” corporate operations and other service functions currently  
16 handled by Windstream Communications Inc. (“WCI”) on behalf of other Windstream  
17 operating subsidiaries, including the Windstream Licensee, such as shared service corporate  
18 employees (including accounting, treasury, finance, tax, regulatory, legal, human resources,  
19 and marketing support functions), shared contracting functions, centralized procurement,  
20 will be transferred and migrated from WCI to Windstream and as a result will be more  
21 appropriately performed by the corporate parent of the operating companies instead of by a  
22 “sister” operating company as they are today. (As shown on Exhibit A, WCI is currently a  
23 direct subsidiary of Windstream, and therefore a “sister” entity to the Windstream  
24 Licensee.) In addition to serving as the shared service entity that employs shared service  
25 corporate employees and performs shared services on behalf of other operating companies,  
26 WCI holds licenses and provides certain interexchange and other services. Only the shared  
27 corporate services will be assigned to Windstream; the telecommunications operations and

1 licenses currently held by WCI, including those in Arizona, and the assets used to perform  
2 telecommunications services pursuant to those licenses, will remain with WCI following the  
3 *pro forma* Transaction.

4 **IV. PUBLIC INTEREST CONSIDERATIONS.**

5 In Arizona, the standard for consideration of applications filed with the Commission  
6 pursuant to A.A.C. R14-2-803 is that the Commission may “reject the proposal if it  
7 determines that it would impair the financial status of the public utility, otherwise prevent it  
8 from attracting capital at fair and reasonable terms, or impair the ability of the public utility  
9 to provide safe, reasonable and adequate service.”<sup>2</sup> As set forth below, the proposal meets  
10 this standard.

11 The net effect of the Transaction will be that the stock of the Windstream Licensee,  
12 which is today held by Windstream Corporation as the parent and a publicly-traded entity,  
13 will instead be held by Windstream as a first-tier subsidiary of WHI, the new publicly-  
14 traded entity. The stockholders of Windstream Corporation at the time of the Transaction  
15 will become stockholders of WHI; current officers and employees of Windstream  
16 Corporation will become the officers and employees of WHI; and WHI will be the sole  
17 holder of equity interests in Windstream. Thus, WHI will have the power to control the  
18 voting of stock in the Windstream Licensee, just as Windstream does today. There will be  
19 no change in actual working control of the Windstream Licensee, no change in the  
20 membership of its board of directors or in the management of its operations, and no change  
21 in its capital structure. The Windstream Licensee will remain well-qualified to provide  
22 service to their customers, and their operations will continue to be overseen by their existing  
23 management teams. The retail and wholesale services provided by the Windstream  
24 Licensee and the rates, terms and conditions of those services will not change as a result of  
25 the Transaction, and the Arizona customers of Windstream Licensee will not be affected in  
26 any way by the Transaction.

27 \_\_\_\_\_  
<sup>2</sup> A.A.C. R14-2-80(C).

1 With the exception of the transfer of certain shared operations and corporate  
2 employees from WCI to Windstream, the Transaction will be undertaken solely at the  
3 holding company level of the Windstream organization above the Windstream Licensee.  
4 The Transaction will not affect employee headcount in the Windstream family of  
5 companies.

6 The proposed reorganization of Windstream's corporate structure will provide the  
7 company with greater flexibility for future equity and debt transactions, which will increase  
8 its access to capital and benefit the Windstream Licensee and their customers. After the  
9 Transaction, Windstream (as a second tier company) will be the legal successor of the  
10 current parent company's existing obligations, including debt.<sup>3</sup> Moreover, the provision of  
11 shared services for the benefit of multiple operating subsidiaries is more appropriately  
12 undertaken in an intermediate parent holding company entity below the public company  
13 entity and by a "parent" rather than a "sister" operating entity, and the creation of WHI and  
14 assignment of shared services functions to Windstream will accomplish that structure.  
15 Because WCI is not a guarantor of outstanding Windstream debt, transferring the shared  
16 corporate operations functions to Windstream will give the latter entity's creditors  
17 additional security for their debt, which the company anticipates will allow it to obtain debt  
18 capital in future on more favorable terms. These changes also will give WHI more  
19 flexibility to structure future transactions so as to obtain the most favorable tax and  
20 accounting treatment.

21 In sum, these corporate structure changes will increase the overall company's  
22 efficiency and make it more attractive to potential creditors, which should improve its  
23 access to debt and equity capital.

24 **V. RULE 803(A) INFORMATION.**

25 The proposed Transaction and related transfer of control of Windstream Licensee  
26 constitutes a reorganization under the Commission's Affiliated Interests Rules. The

27 <sup>3</sup> The Transaction will neither increase nor decrease any outstanding obligations of the  
Windstream Licensee.

1 proposed Transaction will not impair the financial status of the Applicants or otherwise  
2 prevent the Applicants from attracting capital at fair and reasonable terms nor will it impair  
3 the Applicants' ability to provide safe, reasonable and adequate service. Although generally  
4 described above, Applicants submit the following information pursuant to A.A.C. R14-2-  
5 803(A):

6 **1. The names and business addresses of the proposed officers and directors**  
7 **of Windstream.**

8 **Officers**

*See Exhibit B hereto.*

9 **Directors**

10 Dennis E. Foster  
11 Carol B. Armitage  
12 Samuel E. Beall III  
13 Francis X. Frantz  
14 Jeffery R. Gardner  
15 Jeffrey T. Hinson  
16 Judy K. Jones  
17 William A. Montgomery  
18 Alan L. Wells

19 All of these persons can be reached through Windstream's General Counsel at 4001  
20 Rodney Parham Road, Little Rock, Arkansas 72212.

21 **2. The business purposes for establishing or reorganizing the holding**  
22 **company.**

23 *See "Description of the Pro Forma Transaction," and "Public Interest*  
24 *Considerations" above.*

25 **3. The proposed method of financing the holding company and the**  
26 **resultant capital structure.**

27 Windstream is a publicly traded company with an established capital structure and  
significant financial resources. The methods it uses for financing will not change as a result  
of this Transaction. The Transaction described above will a holding company at the top of  
the Windstream family of companies. At the time of the Transaction, the existing shares of  
Windstream stock (which are publicly traded) will be converted into shares of WHI stock

1 on a one-for-one basis. Thus, the existing shareholders of Windstream will continue to be  
2 the shareholders of WHI after the Transaction takes place, in the same amounts and  
3 percentages as they hold prior to the Transaction.

4 **4. The resultant effect on the capital structure of the utility.**

5 As a result of the Transaction, the Applicants will have a new ultimate parent  
6 company, WHI. The immediate capital structure of the companies below the new holding  
7 company will not change; Windstream Licensee will remain a subsidiary of Windstream  
8 and WHI.

9  
10 **5. An organization chart of the holding company that identifies all  
affiliates and their relationships within the holding company.**

11 *See* Exhibit A hereto. Windstream's current subsidiaries that are  
12 telecommunications carriers are as follows:

13  
14 Cavalier Telephone Mid-Atlantic, LLC  
15 Cavalier Telephone, LLC  
16 Georgia Windstream, LLC  
17 Intellifiber Networks, Inc.  
18 LDMI Telecommunications, Inc.  
19 McLeodUSA Telecommunications Services, LLC  
20 Network Telephone Corp.  
21 Oklahoma Windstream, LLC  
22 PAETEC Communications of Virginia, Inc.  
23 PAETEC Communications, Inc.  
24 Talk America, Inc.  
25 Texas Windstream, Inc.  
26 The Other Phone Company  
27 US LEC Communications, LLC  
US LEC of Alabama, LLC  
US LEC of Florida, LLC  
US LEC of Georgia, LLC  
US LEC of Maryland, LLC  
US LEC of North Carolina, LLC  
US LEC of Pennsylvania, LLC  
US LEC of South Carolina, LLC  
US LEC of Tennessee, LLC  
US LEC of Virginia, LLC  
Valor Telecommunications of Texas, LP dba Windstream Communications  
Southwest

- 1 Windstream Accucomm Telecommunications, LLC
- 2 Windstream Alabama, LLC
- 3 Windstream Arkansas, LLC
- 4 Windstream Buffalo Valley, Inc.
- 5 Windstream Communications Kerrville, LLC
- 6 Windstream Communications Telecom, LLC
- 7 Windstream Communications, Inc.
- 8 Windstream Concord Telephone, Inc.
- 9 Windstream Conestoga, Inc.
- 10 Windstream D&E Systems, Inc.
- 11 Windstream D&E, Inc.
- 12 Windstream Direct, LLC
- 13 Windstream EN-TEL, LLC
- 14 Windstream Florida, Inc.
- 15 Windstream Georgia Communications, LLC
- 16 Windstream Georgia Telephone, LLC
- 17 Windstream Georgia, LLC
- 18 Windstream Iowa Communications, Inc.
- 19 Windstream Iowa-Comm, Inc.
- 20 Windstream IT-Comm, LLC
- 21 Windstream KDL, Inc.
- 22 Windstream KDL-VA, Inc.
- 23 Windstream Kentucky East, LLC
- 24 Windstream Kentucky West, LLC
- 25 Windstream Kerrville Long Distance, LLC
- 26 Windstream Knoxville Data Link, Inc.
- 27 Windstream Lakedale Link, Inc.
- 28 Windstream Lakedale, Inc.
- 29 Windstream Lexcom Communications, Inc.
- 30 Windstream Lexcom Long Distance, LLC
- 31 Windstream Mississippi, LLC
- 32 Windstream Missouri, Inc.
- 33 Windstream Montezuma, Inc.
- 34 Windstream Nebraska, Inc.
- 35 Windstream New York, Inc.
- 36 Windstream Norlight, Inc.
- 37 Windstream North Carolina, LLC
- 38 Windstream NorthStar, LLC
- 39 Windstream NTI, Inc.
- 40 Windstream NuVox Arkansas, Inc.
- 41 Windstream NuVox Illinois, Inc.
- 42 Windstream NuVox Indiana, Inc.
- 43 Windstream NuVox Kansas, Inc.
- 44 Windstream NuVox Missouri, Inc.
- 45 Windstream NuVox Ohio, Inc.
- 46 Windstream NuVox Oklahoma, Inc.
- 47 Windstream NuVox, Inc.
- 48 Windstream of Midwest, Inc.

1 Windstream Ohio, Inc.  
2 Windstream Oklahoma, LLC  
3 Windstream Pennsylvania, LLC  
4 Windstream South Carolina, LLC  
5 Windstream Southwest Long Distance, LP  
6 Windstream Standard, LLC  
7 Windstream Sugar Land, Inc.  
8 Windstream Systems of the Midwest, Inc.  
9 Windstream Western Reserve, Inc.

6 **6. The proposed method for allocating federal and state income taxes to  
7 the subsidiaries of the holding company.**

8 Federal and State income tax allocations among Windstream and its subsidiaries are  
9 consistent with the provisions of Treasury Regulation Sections 1.1552-1(a). Windstream's  
10 approach to allocating tax liability will not materially change as a result of this transaction.

11 **7. The anticipated changes in the utility's cost of service and the cost of  
12 capital attributable to the reorganization.**

13 Applicants notes that as a non-dominant carrier, Windstream Licensee's rates are not  
14 regulated on a cost of service basis, as contemplated by this question. In any event, the  
15 Applicant does not expect any change to the cost of service as a result of the Transaction.  
16 As described above, the Transaction will be transparent and seamless for customers.

17 **8. A description of diversification plans of affiliates of the holding  
18 company.**

19 There are no current plans for diversification or business activities unrelated to  
20 operations of the Windstream Licensee.

21 **9. Copies of all relevant documents and filings with the United States  
22 Securities and Exchange Commission and other federal and state  
23 agencies.**

24 Applicant has provided information on how to access the SEC Form 8-K for  
25 Windstream at note 1, *supra*. All SEC filings made by Windstream are publicly available  
26 on-line. The Applicant will provide such numerous and voluminous documents upon  
27 request.

In addition to Arizona, approval for the Transaction is expected to be sought from

1 the public utility commissions in: California, Colorado, Delaware, District of Columbia,  
2 Georgia, Hawaii, Indiana, Iowa, Kentucky, Louisiana, Maryland, New Jersey, New York,  
3 North Carolina, Ohio, Pennsylvania, Texas, Virginia, and West Virginia. Because the  
4 transaction is *pro forma* in nature, notice of the Transaction will be provided to the FCC.  
5 (Applicants may also be required to file one or more applications to transfer control of  
6 certain wireless licenses held by the Windstream operating companies other than the  
7 Windstream Licensee). Windstream does not expect to make a filing to the U.S. Department  
8 of Justice filing in connection with the Transaction.

9 **10. The contemplated annual and cumulative investment in each affiliate for**  
10 **the next five years, in dollars and as a percentage of projected net utility**  
11 **plant, and an explanation of the reasons supporting the level of**  
12 **investment and the reasons this level will not increase the risks of**  
13 **investment in the public utility.**

14 Applicant notes that a non-dominant carrier in Arizona, the Applicant is not  
15 regulated on a cost of service basis, as contemplated by this question. In any event,  
16 Applicant does not contemplate any changes in annual and cumulative investment in  
17 Windstream Licensee as a result of the Transaction and specific projections for each of the  
18 next five years are not available. The future levels of investment will be determined in  
19 response to market forces and operational needs.

20 **11. An explanation of the manner in which the utility can assure that**  
21 **adequate capital will be available for the construction of necessary new**  
22 **utility plant and for improvements in existing utility plant at no greater**  
23 **cost than if the utility or its affiliate did not organize or reorganize as a**  
24 **public utility holding company.**

25 Applicant notes that as a non-dominant carrier, the Applicant's rates are not  
26 regulated on a cost of service basis, as contemplated by this question. In any event,  
27 Applicant and its affiliates expect to be able to attract capital on terms no less favorable than  
prior to the Transaction. Adequate, and probably increased, capital will be available for  
growth and development in Arizona.

1 **VI. WAIVER OF RULE 803 REQUIREMENTS.**

2 Applicant requests that, pursuant to A.A.C. R14-2-806, the Commission grant a  
3 waiver of the requirements of A.A.C. R14-2-803 with respect to the proposed Transaction  
4 (both with respect to the requirement to file the Notice of Intent at least 120 days prior to  
5 the reorganization and the requirement for the Commission to approve the reorganization).

6 **A. The Proposed Transaction Will Not Directly or Indirectly Result in or**  
7 **Cause an Increase in Applicants' Maximum Rates on File with the**  
8 **Commission for Any Competitive Service.**

9 The Commission has previously granted partial waivers of the Rules. *See e.g.*  
10 Decision Nos. 64737, 68346 and 69212. In granting such waivers, the Commission  
11 determined that only when a transaction "could directly or indirectly result in or cause an  
12 increase in its maximum rate on file with the Commission for any competitive service"  
13 would a company have to make the necessary filings under A.A.C. R14-2-803, R14-2-  
14 804(A), (B), and (C). *See* Decision No. 64737. The Commission granted a waiver for  
15 Windstream's indirect acquisition of Windstream Licensee in 2011, Decision No. 72670,  
16 having determined that waiving the Commission's reorganization notification requirements  
17 in order to allow the companies to effectuate a transfer of control was in the public interest.

18 Likewise, Applicant requests that, pursuant to A.A.C. R14-2-806, the Commission  
19 grant a waiver of the requirements of A.A.C. R14-2-803 with respect to the proposed  
20 Transaction. Windstream Licensee has operated in Arizona for over ten years and has  
21 contributed to the vibrant competitive telecommunications markets. Its customer base in  
22 Arizona is protected by a \$600,000 performance bond, which is among the largest in place  
23 in Arizona. Moreover, as described above, the Transaction is in the public interest. Given  
24 these factors, the Commission need not expend its scarce resources on processing this  
25 application and should grant Applicant a waiver of Rule 803.



1 complete the Transaction and resulting reorganization of a Public Utility Holding Company  
2 under A.A.C. R14-2-803(B).

3 **VIII. RELIEF REQUESTED AND CONCLUSION.**

4 For the foregoing reasons, Applicant submits that the public interest, convenience,  
5 and necessity would be furthered by the approval of the Applicant to undertake the  
6 Transaction as described herein. Therefore, Applicant respectfully requests that the  
7 Commission:

8 1. Waive the requirements of A.A.C. R-14-2-803 pursuant to A.A.C. R-14-2-  
9 806.

10 Alternatively, Applicant requests that the Commission:

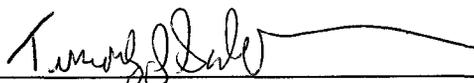
11 1. Waive the requirement of A.A.C. R14-2-803 that the Notice of Intent be  
12 filed at least 120 days prior to the Reorganization; and

13 2. Approve the Applicant's participation in the Transaction pursuant to A.A.C.  
14 R14-2-803 without a hearing.

15 Applicant further respectfully requests expedited consideration and approval of this  
16 Application without hearing so that the Applicant may consummate the proposed  
17 Transaction as soon as possible.

18 RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of May, 2013.

19 ROSHKA DEWULF & PATTEN, PLC

20  
21 

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Fax: (602) 256-6800  
Email: mpatten@rdp-law.com  
tsabo@rdp-law.com

Attorneys for Applicant

1 ORIGINAL and thirteen (13) copies  
2 of the foregoing filed  
3 this 1<sup>st</sup> day of May, 2013, with:

3 Docket Control  
4 1200 W. Washington Street  
5 Phoenix, Arizona 85007

5 Copy of the foregoing hand-delivered  
6 this 1<sup>st</sup> day of May, 2013, to:

6 Lyn A. Farmer, Esq.  
7 Chief Administrative Law Judge  
8 Hearing Division  
9 Arizona Corporation Commission  
10 1200 West Washington  
11 Phoenix, AZ 85007

10 Janice Alward, Esq.  
11 Chief Counsel, Legal Division  
12 Arizona Corporation Commission  
13 1200 West Washington  
14 Phoenix, AZ 85007

13 Steven M. Olea  
14 Director, Utilities Division  
15 Arizona Corporation Commission  
16 1200 West Washington  
17 Phoenix, AZ 85007

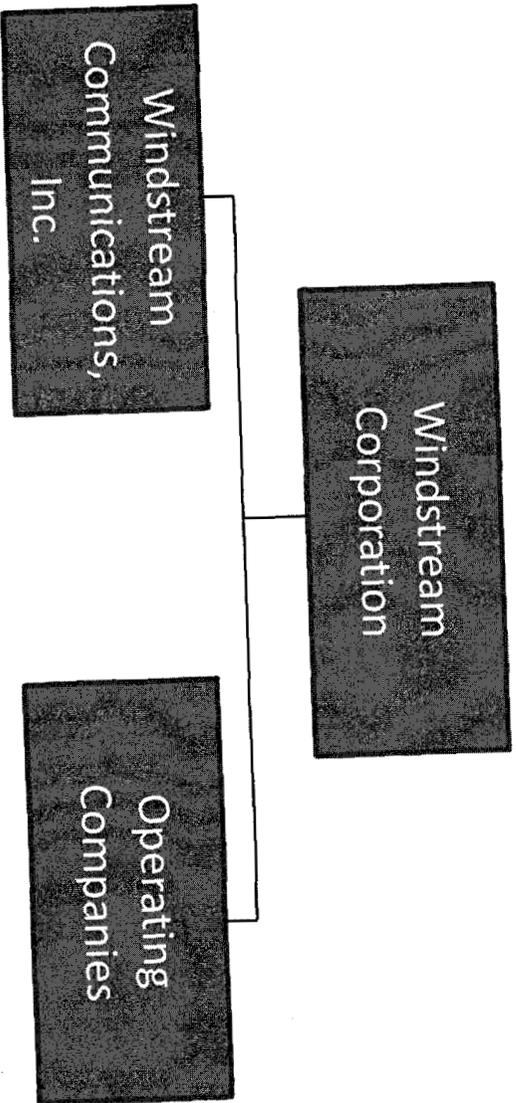
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By 

**EXHIBIT A**

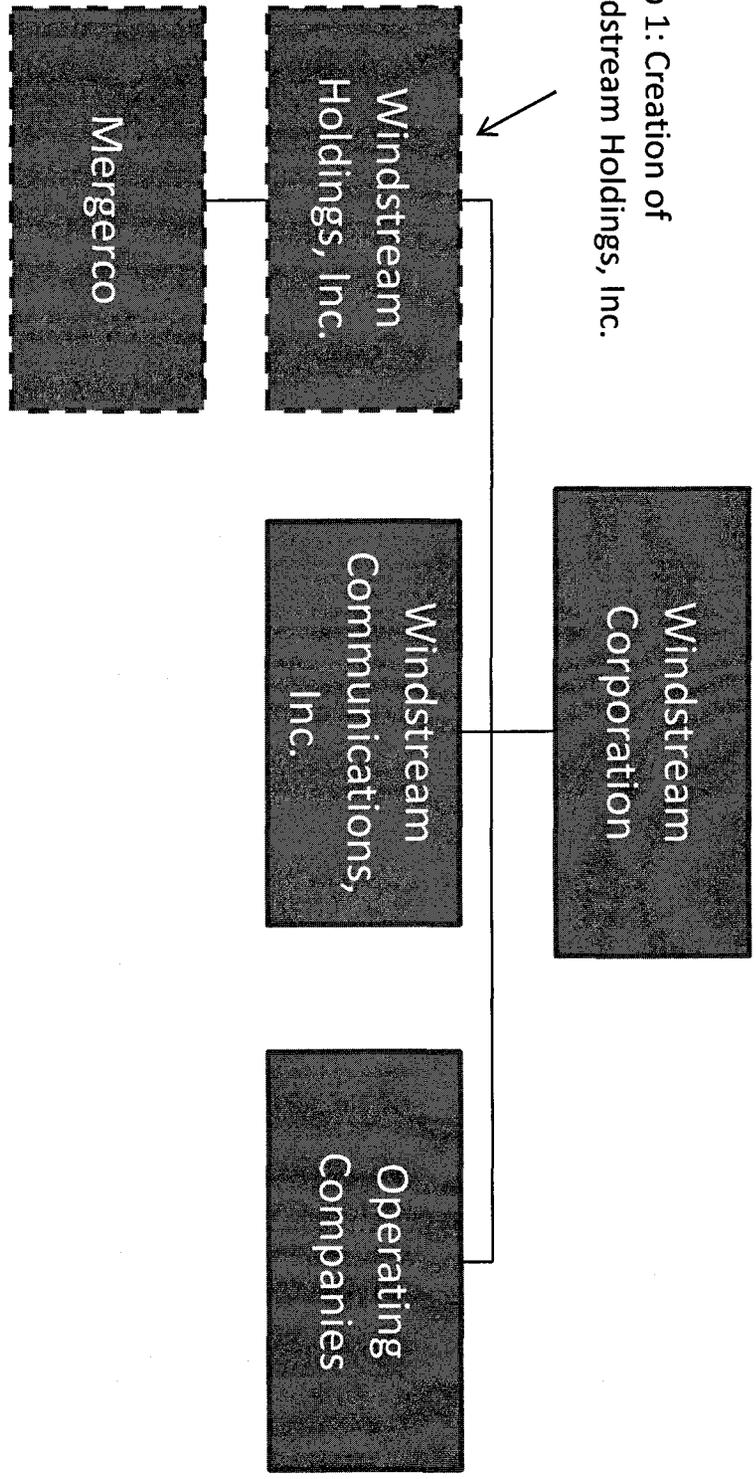
**Diagrams of the Transaction  
and the Pre- and Post-Transaction Corporate Structure of Applicants**

# Current Corporate Structure



# Steps 1 and 2

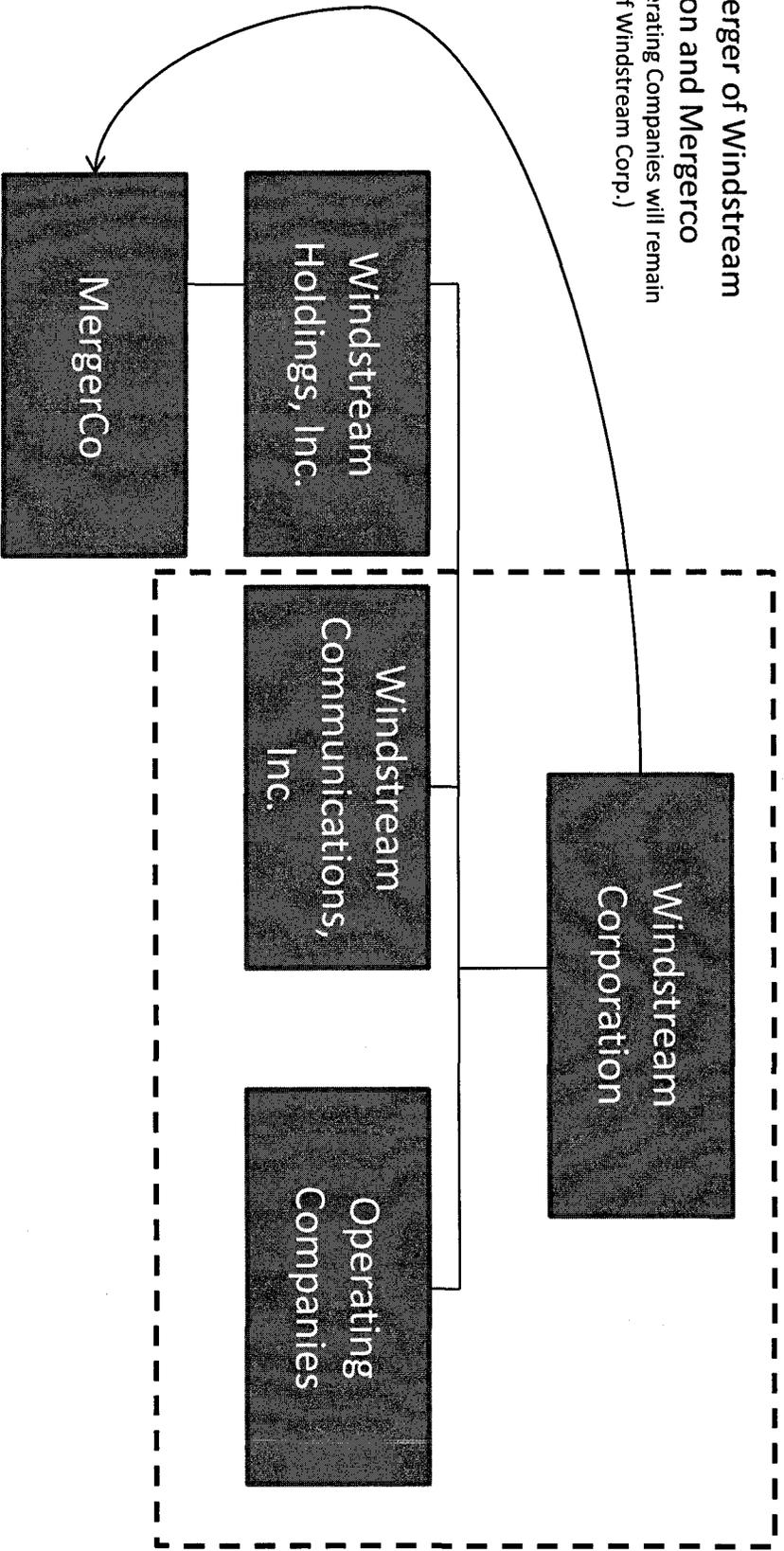
Step 1: Creation of Windstream Holdings, Inc.



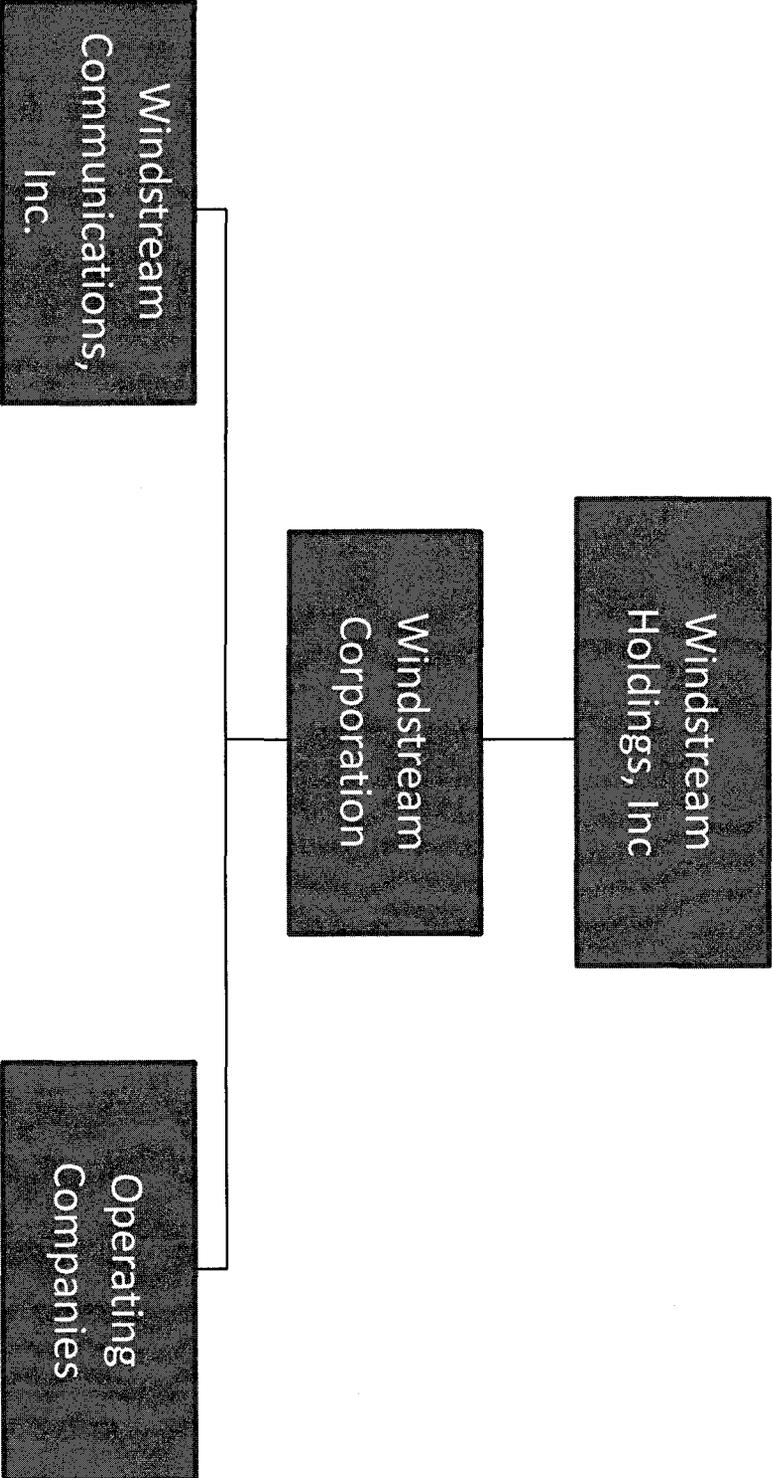
Step 2: Creation of Mergerco

# Step 3

Step 3: Merger of Windstream Corporation and MergerCo  
(WCI and Operating Companies will remain subsidiaries of Windstream Corp.)



# Resulting Corporate Structure



## **EXHIBIT B**

### **Windstream Management Biographies**

#### **Jeff Gardner President & CEO**

Jeff Gardner is president and chief executive officer for Windstream. Gardner has worked in the telecommunications industry for more than 25 years and is executing a focused strategy to transform Windstream and create value for shareholders. Windstream has completed nine acquisitions since its 2006 spinoff from Alltel Corp., adding more than \$4 billion in revenue and creating approximately \$300 million in operating and capital synergies. The company completed four acquisitions in 2010 totaling \$2.2 billion. In 2011, Windstream acquired PAETEC, a leading communications firm for \$2.3 billion.

Gardner was appointed to the position in December 2005. He previously served as executive vice president and chief financial officer of Alltel Corp. He joined Alltel in 1998 when the company merged with 360° Communications.

Gardner is a member of the Business Roundtable, an association of chief executive officers of leading U.S. companies. He also is chairman of the United States Telecom Association.

Gardner earned a degree in finance from Purdue University and an MBA from William and Mary. He is a certified public accountant. He serves on the board of directors of RF Micro Devices, Inc., Arkansas Children's Hospital, Darlington School and Loras College. He serves as chairman of the Arkansas Research Alliance and is chairman of the advisory board for the University of Arkansas for Medical Sciences (UAMS) Center for Distance Health. He also serves on the foundation board at UAMS. Gardner was named a national finalist for the Ernst & Young LLP Entrepreneur of the Year 2010® Award in telecommunications.

#### **Brent Whittington Chief Operating Officer**

Brent Whittington is chief operating officer for Windstream. Whittington oversees the company's business sales and service, network operations, engineering, information technology and enterprise marketing. He previously served as executive vice president and chief financial officer for Windstream.

Whittington was senior vice president of operations for Alltel prior to joining Windstream in December 2005. He joined Alltel in 2002 as vice president of finance and accounting. Before joining Alltel, Whittington worked for Arthur Andersen LLP for eight years, where he held a variety of positions, including audit manager. He serves on the board of directors of Rignet and the board of trustees of The Nature Conservancy of Arkansas.

He holds a degree in accounting from the University of Arkansas at Little Rock.

#### **Tony Thomas Chief Financial Officer**

Tony Thomas is chief financial officer and treasurer for Windstream. Thomas oversees the company's financial, tax, procurement, audit, treasury, risk management and investor relations teams. He previously served as controller for Windstream.

Thomas was vice president of investor relations for Alltel prior to joining Windstream in June 2006. He joined Alltel as director of revenue accounting when it merged with 360 Communications in 1998. He served in various management roles at Alltel including: vice president of corporate financial planning, vice president of finance for the southeast region, vice president of process development and vice president of wireless wholesale roaming. He served as a senior auditor with Ernst & Young before entering the communications industry in 1997.

Thomas holds a master's degree in business administration from Wake Forest University and a bachelor's degree in accountancy from the University of Illinois. He is a licensed certified public accountant.

**John Fletcher**  
**Executive Vice President & General Counsel**

John Fletcher is executive vice president, general counsel and secretary for Windstream. Fletcher is responsible for the company's legal affairs, corporate governance, regulatory reporting and compliance. He was appointed to the position in January 2006.

Fletcher previously was a partner in the law offices of Kutak Rock LLP in Little Rock, Ark., where he specialized in corporate and securities law from 1998 to 2006. He worked at the Rose Law Firm of Little Rock from 1993 to 1998.

He is a graduate of the Southern Methodist University School of Law, where he served on the law journal and was elected to the Order of the Coif. He also is an honors graduate of Duke University.

**David Works**  
**Executive Vice President and Chief Human Resources Officer**

David Works is executive vice president and chief human resources officer for Windstream. He is responsible for the company's human capital strategy, talent acquisition, talent management, employee and labor relations, compensation and benefits. He was appointed to the position in February 2012.

Works previously served as the chief human resources officer for Sears Holdings in Chicago. Prior to joining Sears, Works was a partner at ghSMART, which specializes in the assessment and coaching of executives at Fortune 500 companies. He also held positions with McKinsey & Company and Motorola. Works spent the first seven years of his career as an officer in the U.S. Navy, where he served on a fast-attack nuclear submarine.

Works holds an MBA from the Kellogg School of Management at Northwestern University and a master's degree in mechanical engineering from the University of Connecticut. He has bachelor's degrees in finance and mechanical engineering from the University of Pennsylvania.

**Eric Einhorn**  
**Senior Vice President of Government Affairs & Strategy**

Eric Einhorn is senior vice president of government affairs & strategy for Windstream. Einhorn is responsible for managing the company's regulatory and legislative initiatives and strategies at the federal and state levels. He previously served as vice president of federal government affairs.

Prior to joining Windstream in 2006, Einhorn held positions at AT&T, SBC, and in private legal practice in New York City and Washington, D.C. He also worked at the Federal Communications Commission where he served in several roles, including chief of the

telecommunications access policy division in the wireline competition bureau, and clerked for Judge Roger Strand in federal district court in Phoenix, Ariz.

Einhorn holds a law degree from Boston College Law School, cum laude, where he also served as executive editor of the Boston College Law Review, and an MBA, with distinction, from Cornell University's Johnson Graduate School of Management. He also has a bachelor's degree in industrial and labor relations from Cornell University.

**David Redmond**  
**Senior Vice President – Consumer Services**

David Redmond is senior vice president of consumer services for Windstream. Redmond oversees all consumer sales and service functions, including marketing, call centers and business development. He previously served as vice president of consumer marketing for Windstream.

Redmond joined Windstream as vice president of distribution support in 2008. Previously, he had been sales and marketing director for Charter Communications and director of segment marketing for Alltel after holding a variety of positions with GTE Wireless. He is a member of the governing body of the CMO Collective.

He holds a bachelor's degree in management from the University of South Florida.

**Bob Gunderman**  
**Senior Vice President of Financial Planning and Treasury**

Bob Gunderman is senior vice president of financial planning and treasury for Windstream. Gunderman is responsible for all capital budgeting, forecasting, treasury and capital market functions, debt management, investor relations and risk management. He previously served as vice president of financial planning for Windstream.

Gunderman was vice president of internal audit for Alltel prior to joining Windstream in 2008. He served in various management roles at Alltel including vice president of revenue accounting and revenue assurance, director of financial planning and director of mergers and acquisitions. He was a senior accountant with Deloitte and Touche LLP before entering the communications industry in 1996.

Gunderman holds a degree in accounting from the University of Arkansas and is a Certified Public Accountant. He serves on the board of directors of Ronald McDonald House Charities Of Arkansas.

**John Eichler**  
**Vice President and Controller**

John Eichler is vice president and controller for Windstream. Eichler is responsible for the company's accounting, external reporting and retail billing departments. He previously served as vice president of internal audit for Windstream.

Eichler was vice president of internal audit for Alltel's wireline business prior to joining Windstream in July 2006. Before joining Alltel, Eichler served as a consultant for companies in the communications industry and is a former audit manager for Arthur Andersen LLP.

Eichler holds a degree in accounting and finance from the University of Arkansas. He is a licensed certified public accountant and a certified internal auditor. He serves on the board of directors of Junior Achievement of Arkansas.

**Doug Derstine**  
**President – Integrated Solutions Group**

Doug Derstine is president of the Integrated Solutions Group for Windstream. Derstine leads the company's communications product sales and service business.

Derstine has more than 20 years of telecommunications executive level experience. He came to Windstream from PAETEC, where he was a senior vice president and president of the wholesale business unit and Integrated Solutions Group. Prior to joining PAETEC, he was president, CEO and founder of ALL Acquisition Corp., DBA American Long Lines, Inc., a northeast-based integrated communications provider that merged with PAETEC in 2005. He also had executive roles with U S WATS, Inc., and Teligent.

Derstine holds a bachelor's degree in business management from Moravian College. He serves on the boards of the Ronald McDonald House of Southern New Jersey and sits on the Moravian College Leadership Council.

**John Leach**  
**Senior Vice President - Business Sales**

John Leach is executive vice president of business sales and marketing for Windstream. Leach is responsible for the company's business sales, marketing and sales support organizations. He has more than 20 years of telecommunications and sales experience and was appointed to the position in September 2009.

Leach previously served as South region president for PAETEC Communications. Prior to joining PAETEC in 2007, he was president and chief executive officer of Covista Communications. He also has worked for BellSouth, BTI Communications and Telco Communications Group.

Leach earned a bachelor's degree in business administration from Old Dominion University in Norfolk, Va. He serves on the board of directors of the Little Rock Regional Chamber of Commerce.

**Joe Marano**  
**Executive Vice President – Operations**

Joe Marano is executive vice president of operations for Windstream. Marano is responsible for all field operations and service delivery. Previously, he was senior vice president of business and financial services for Windstream, and before that he directed installation and repair service operations as well as Business Sales for Windstream's North and South Carolina markets as the vice president-general manager.

Marano came to Windstream when Alltel spun off its local telephone operations in July 2006. He began his communications career with Alltel in 1995 and served as a wireless retail operations manager and area manager for local telephone services in Matthews, N.C. After 10 years on active duty in the U.S. Marine Corps, Marano retired from the Marine Corps Reserve as a lieutenant colonel in 2007.

He earned a bachelor's degree in business administration from Villanova University.

**Cindy Nash**  
**Chief Information Officer**

Cindy Nash is chief information officer for Windstream. Nash is responsible for the management and delivery of information technology services, including application and infrastructure support and production services. She previously served as senior vice president of customer service for Windstream.

Nash served as chief information officer for VALOR Telecom prior to joining Windstream in July 2006. She has worked in the telecommunications industry since 1986 and served in a variety of executive management roles, including vice president of information systems for CenturyTel.

Nash holds a bachelor's degree in business administration from Northeast Louisiana University and an executive MBA from the University of Texas at Dallas. She serves on the board of directors of Easter Seals Arkansas and on the University of Arkansas at Little Rock's Management Information Systems Advisory Board.

**Chris Nicolini**  
**Senior Vice President - Data Center Operations**

Chris Nicolini is senior vice president for data center operations for Windstream. Nicolini oversees the company's data center, managed hosting and cloud computing properties. Before joining Windstream, he was senior director of data center operations for Sungard Availability Services. He previously served as an officer in the U.S. Army.

Nicolini holds a Bachelor of Science from West Point and a Master of Business Administration from Emory University.

**Don Perkins**  
**Senior Vice President - Business Marketing**

Don Perkins is senior vice president of business marketing for Windstream. In his role, Perkins has responsibility for business pricing, product development and marketing, strategic marketing, advertising and channel marketing, as well as Pinnacle software sales and operations.

Prior to joining Windstream in 2006, Don served as vice president of marketing for Valor Telecom. He is a 22-year telecom veteran and started his career as a customer service supervisor with Contel in June 1990.

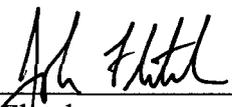
Perkins holds a bachelor of business administration degree with an emphasis in marketing from the University of Texas at Austin.

STATE OF ARKANSAS  
COUNTY OF PULASKI

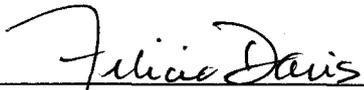
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**VERIFICATION**

I, John Fletcher, state that I am Executive Vice President, General Counsel and Secretary of Windstream Corporation and its applicant subsidiaries (the "Windstream Companies"); that I am authorized to make this Verification on behalf of the Windstream Companies, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
John Fletcher  
Executive Vice President & General Counsel  
Windstream Corporation

Sworn and subscribed before me this 30 day of April, 2013.

  
\_\_\_\_\_  
Notary Public

My commission expires

