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March 16, 2006

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**By Overnight Mail**

Chairman Ron Jones  
c/o Sharla Dillon, Dockets and Record Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

06-00073

**Re: Joint Application of Integra Telecom Holdings, Inc. and Electric Lightwave, LLC for Approval of a Transfer of Electric Lightwave, LLC**

Dear Chairman. Jones:

On behalf of Integra Telecom Holdings, Inc. ("Integra") and Electric Lightwave, LLC ("ELI") (Integra and ELI together, "Applications"), enclosed for filing are an original and thirteen (13) copies of the above-referenced Application relating to the transfer of control of Electric Lightwave LLC, which is authorized to provide telecommunications service in Tennessee. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

Please note that the financial information for Integra provided in Exhibit B is confidential and, therefore, is being filed under seal. Integra is a privately held company that does not disclose its financial statements to the public. Applicants, therefore, respectfully request Exhibit B be treated as confidential and not be disclosed to the public.

Please date-stamp the enclosed extra copy of this filing and return it in envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact me.

Respectfully submitted,

*Brett P Ferenchak*

Brett P. Ferenchak  
Counsel

Enclosures

ORIGINAL

BEFORE THE  
TENNESSEE REGULATORY AUTHORITY

2006 MAR 17 AM 9:22

TRA DOCKET 00073

Joint Application of )

**Integra Telecom Holdings, Inc.** )

and )

**Electric Lightwave, LLC** )

For Approval of a Transfer of Control of )  
Electric Lightwave, LLC )

Docket No. 06-00073

**JOINT APPLICATION**

Integra Telecom Holdings, Inc. ("Integra") and Electric Lightwave, LLC ("ELI") (together "Applicants"), through their undersigned counsel and pursuant to Section 65-4-112 of the Tennessee Code, Tenn. Code Ann. § 65-4.112, and the Rules of the Tennessee Regulatory Authority ("TRA"), request that the TRA grant such authority as may be necessary or required to enable the parties to consummate a transaction whereby Integra will acquire direct control of ELI, a non-dominant carrier currently indirectly controlled by Citizens Communications Company ("Citizens"). ELI holds authority from the TRA to provide intrastate telecommunications services in Tennessee. As a result of the proposed transaction, Integra will acquire 100 percent of the membership interests of ELI.

As described in detail below, although the proposed transaction will result in a change in the direct ownership of ELI, the instant transaction does not involve a transfer of certificates, assets or customers and ELI will retain its authorization to provide intrastate telecommunications

services in Tennessee.<sup>1</sup> Immediately following completion of the transaction, ELI will continue to provide service to its existing customers in Tennessee pursuant to its authorization under the same rates, terms and conditions. Accordingly, this transaction is expected to be virtually transparent to ELI's Tennessee customers.

Applicants respectfully request that the TRA act expeditiously to grant the authority requested herein prior to, but no later than, June 30, 2006, so that Applicants can timely consummate the proposed transaction to meet important business objectives.

In support, the Applicants state as follows:

**I. DESCRIPTION OF THE APPLICANTS**

**A. Integra Telecom Holdings, Inc. ("Integra")**

Integra Telecom Holdings, Inc. is an Oregon corporation with principal offices located at 1201 NE Lloyd Boulevard, Suite 500, Portland, Oregon 97232. Integra is a wholly owned subsidiary of Integra Telecom, Inc. Through its state-specific operating subsidiaries, Integra provides local telephone service, long distance calling, and high-speed Internet access to small and mid-sized businesses in Minnesota, North Dakota, Oregon, Utah, and Washington. Integra also provides long distance services in Montana and Wisconsin. Integra is a facilities-based service provider, operating its network from various switching centers throughout its operating regions. Today, Integra serves over 300,000 access line equivalents across its operating area. Integra differentiates itself by staffing locally based customer care, technical, and account management professionals whose goal is to provide high-level, personalized client service and

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<sup>1</sup> Applicants will seek appropriate TRA approval and provide necessary customer notification if assets, customers or certificates are transferred in the future.

satisfaction and by investing substantial capital in building and operating a facilities based, proprietary operating network.

Integra's operating subsidiaries are authorized to provide telecommunications services in Idaho, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wisconsin. Integra and its operating subsidiaries also are authorized by the Federal Communications Commission to provide interstate and international telecommunications.

Integra's management team has extensive experience in the telecommunications industry. These key managers have managed the operations of both ILECs and CLECs, including Integra. This highly-qualified management team helped Integra become, in 2003, one of the first CLECs to achieve free cash flow positive status. In addition, Integra was one of the first competitive carriers to offer advanced data services over DSL facilities in several of its markets and the first major CLEC, since the downturn in the capital markets in 2000, to repay its original lenders in full when it refinanced its balance sheet in September, 2004. With such success, Integra is qualified to manage ELI's operations following completion of the proposed transaction. Biographies of the key management team are provided as Exhibit A.

Integra is also financially qualified to acquire ELI. A copy of Integra's most recent financial statements is provided *under seal* as Exhibit B. Please note that since this financial information is confidential, it is being filed under seal. Integra is a privately held company, and its financial information is not publicly available. Applicants respectfully request Exhibit B be treated as confidential and not be disclosed to the public.

**B. Electric Lightwave, LLC ("ELI")**

Electric Lightwave, LLC is a limited liability company organized under the laws of Delaware. ELI's current principal place of business is at 4400 NE 77th Avenue, Vancouver, Washington 98662. ELI's sole member is CU Capital LLC ("CU Capital"), a Delaware limited liability company, whose sole member is Citizens Communications Company ("Citizens"), a Delaware corporation.

Founded in 1990, ELI is an integrated communications provider of local telephone, data, network, and long distance services to small and medium enterprise businesses, carriers, and the growing e-commerce market. In parts of the western United States, ELI is a full service telecommunications provider, offering business customers a suite of integrated products and services, including local phone service, switched and dedicated long distance, private networks, advanced data and Internet access services. ELI's current full service markets include Portland, Oregon; Seattle, Washington; Sacramento, California; Phoenix, Arizona; Salt Lake City, Utah; and Boise, Idaho. Nationwide, ELI offers long distance, data, Internet access and broadband transport services.

In Tennessee, ELI is authorized to provide operator services and/or resell telecommunications services pursuant to authority granted by the TRA in Docket No. 98-00578 on August 10, 1999.<sup>2</sup> ELI is also authorized by the Federal Communications Commission to provide interstate and international telecommunications services. ELI provides service to approximately five (5) customers in Tennessee.<sup>3</sup>

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<sup>2</sup> The TRA subsequently approved ELI's request for a name change from Electric Lightwave, Inc., to Electric Lightwave, LLC, in Docket No. 05-00010.

<sup>3</sup> This customer count may include customers that receive exclusively interstate services that are not subject to the TRA's jurisdiction. Applicants include such customers in the customer count solely for the TRA's convenience.

## II. CONTACT INFORMATION

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

For ELI:

Russell M. Blau  
Brett P. Ferenchak  
Bingham McCutchen LLP  
3000 K Street, NW, Suite 300  
Washington, DC 20007-5116  
Tel: (202) 424-7500  
Fax: (202) 424-7647  
Email: [russell.blau@bingham.com](mailto:russell.blau@bingham.com)  
[brett.ferenchak@bingham.com](mailto:brett.ferenchak@bingham.com)

Hilary E. Glassman  
General Counsel  
Citizens Communications Company  
3 High Ridge Park  
Stamford, Connecticut 06905  
Tel: (203) 614-5059  
Fax: (203) 614-4651  
Email: [Hilary.Glassman@czn.com](mailto:Hilary.Glassman@czn.com)

Aloa Stevens  
Director Government & External Affairs - West  
Electric Lightwave, LLC  
3 Triad Center  
Suite 160  
Salt Lake City, UT 84180  
Tel: (801) 924-6356  
Fax: (801) 924-6363  
Email: [astevens@czn.com](mailto:astevens@czn.com)

For Integra:

Jay Nusbaum  
Associate Counsel, Government Affairs  
Integra Telecom Holdings, Inc.  
1201 NE Lloyd Blvd., Suite 500  
Portland, OR 97232  
Tel: (503) 453-8054  
Fax: (503) 453-8221  
Email: [jay.nusbaum@integratelecom.com](mailto:jay.nusbaum@integratelecom.com)

### **III. DESCRIPTION OF THE TRANSACTION**

In order to consummate the proposed transaction, Applicants have entered into a Membership Interest Purchase Agreement (“Agreement”) dated as of February 6, 2006. Pursuant to the Agreement, Integra will purchase from CU Capital all of the issued and outstanding membership interests in ELI, and will thereby become the sole controlling member of ELI. The purchase price to be paid by Integra will be approximately \$247 million including \$243 million in cash plus the assumption of \$4 million in capital leases, subject to customary adjustments. Immediately following the transaction, ELI will continue to operate as a separate subsidiary of Integra. For the TRA’s convenience, pre- and post-transaction corporate organizational charts are provided as Exhibit C attached hereto.

Although the proposed transaction will result in a change in the ownership of ELI, the proposed transaction will not affect the assets ELI currently holds or adversely affect any of the customers who receive service in connection with ELI’s on-going operations. Immediately following the consummation of the transaction, those customers will continue to receive service under the same rates, terms and conditions of service. The transfer of control of ELI to Integra, therefore, is expected to be seamless and virtually transparent to consumers in the State of Tennessee, in terms of the services they receive.<sup>4</sup>

### **IV. PUBLIC INTEREST STATEMENT**

Applicants respectfully submit that the transaction described herein will serve the public interest. The proposed transaction will provide the Applicants with access to each other’s advanced network capabilities, technical and financial strengths and complementary services,

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<sup>4</sup> For branding and customer identity purposes, Integra intends, as part of a transition plan, to adopt a simple, easy to understand single brand entity, utilizing the Integra name, the ELI name, or a combination of the two names. To the extent necessary, Integra will inform customers and the TRA of these changes and obtain any required consents, including any required consents of the TRA.

which together are expected to strengthen the Applicants' ability to expand their offerings and provide more advanced telecommunications services. Applicants expect that the proposed acquisition will enable ELI to continue to offer innovative products and to further strengthen its competitive position to the benefit of Tennessee consumers and the State's telecommunications marketplace.

Further, the transaction will be conducted in a manner that is expected to be virtually transparent to customers of ELI. The transfer of control of ELI will not result in a change of carrier for end user customers. Following consummation of the proposed transaction, ELI will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions.

The public interest will also be served by expeditious consideration and approval of the transaction no later than June 30, 2006. For various important business and financial reasons, including changing market conditions, Applicants require that the transaction be closed as quickly as possible. Applicants emphasize that the proposed transfer of control is expected to be seamless and not result in the discontinuance, reduction, loss, or impairment of service to customers. Accordingly, Applicants request that the TRA commence its examination of the proposed transaction as soon as possible and complete its review no later than June 30, 2006.




V. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application for the transfer of membership interests and control of Electric Lightwave, LLC to Integra Telecom Holdings, Inc. Applicants respectfully request expedited approval by June 30, 2006 to permit Applicants to complete the transaction in a timely manner.

Respectfully submitted,

Jay Nusbaum  
Associate Counsel, Government Affairs  
Integra Telecom Holdings, Inc.  
1201 NE Lloyd Blvd., Suite 500  
Portland, OR 97232  
Tel: (503) 453-8054  
Fax: (503) 453-8221  
Email: [jay.nusbaum@integratelecom.com](mailto:jay.nusbaum@integratelecom.com)

By:



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[brett.ferenchak@bingham.com](mailto:brett.ferenchak@bingham.com)

Counsel to Electric Lightwave, LLC

Dated: March 16, 2006

## **LIST OF EXHIBITS**

Exhibit A	Management Biographies
Exhibit B	Financial Statements of Integra [ <b>CONFIDENTIAL</b> ]
Exhibit C	Pre- and Post-Transaction Corporate Organizational Chart
Verifications	

**EXHIBIT A**

**Management Biographies**

## **Integra Telecom Management Biographies**

### **Dudley R. Slater, Chief Executive Officer**

Mr. Dudley Slater, CEO, who is also a co-founder of the company, heads the company's management team. Mr. Slater has extensive experience in acquiring and managing local and competitive telephone properties. Prior to founding Integra, he served as a Principal of Rural Link Communications, an investment company that invested in and provided management services to a number of ILEC and ICP properties.

Prior to Rural Link, Mr. Slater was Assistant Vice President of Business Development for Pacific Telecom, a consolidator of rural ILEC and related long distance, Internet, and cellular properties where he managed one of the most successful local telephone acquisition programs in the industry. He has completed definitive agreements for over 30 acquisitions, mergers, divestitures or restructurings with aggregate value of approximately \$1 billion. Mr. Slater has 21 years of experience in the telecommunications industry.

### **Jim Huesgen, President and Chief Operating Officer**

Mr. Huesgen has over 26 years experience in the telecommunications industry. He was formerly Executive Vice President and Chief Financial Officer for Pacific Telecom (PTI). In this role, he was responsible for finance, accounting, purchasing, business development, and information services for PTI and all its subsidiaries. As a representative of PTI's parent corporation, PacifiCorp, he was one of the principal negotiators of PTI's \$2.2 billion sale to CenturyTel in 1997. In 1998, he negotiated financing and acquisition as a co-founder of Alaska Communications Systems (ACS), a local exchange, wireless, and Internet service provider with over 320,000 access lines, 70,000 cellular customers, and 26,000 long distance customers. Mr. Huesgen has completed over 40 mergers and acquisitions that total, in the aggregate, over \$5 billion, and he has substantial experience in directing the integration of acquired properties. Mr. Huesgen also was a member of the Telecommunications Advisory Group to the Federal Communications Commission in the early 1980s and assisted in the rewrite of the USOA for telecommunications companies.

### **Matt Fahey, Senior Vice President of Finance**

Fahey, who has been with the company since 2000, formerly served as Integra's corporate finance manager. Prior to joining Integra, Fahey served four years as senior auditor for Arthur Andersen in Portland, Oregon, where he worked primarily with high-tech manufacturing and software companies including Integra. Fahey holds a Bachelor of Business Administration with a focus in finance from Gonzaga University and a post-baccalaureate accounting certificate from Portland State University.

### **Deborah J. Harwood, Vice President and General Counsel**

Ms. Harwood's legal career spans 22 years, of which more than 19 years have been spent in corporate telecommunications practice. She previously served as Vice President and General Counsel for Alaska Communications Systems, Inc. a full-service telecommunications provider in the State of Alaska. Ms. Harwood also held the position of Vice President and Chief Counsel for Electric Lightwave, Inc, a CLEC headquartered in Vancouver, Washington. Prior to Electric Lightwave, Ms. Harwood was Senior Corporate Counsel for Pacific Telecom, Inc. where she was an integral member of the Pacific Telecom transaction team that successfully consummated

telecommunications transactions totaling over \$4 billion. Ms. Harwood is admitted to practice law in the states of Oregon and Washington.

**Julie Rouzee, Chief Technology Officer**

Ms. Rouzee has more than 19 years of experience in the telecom industry, with the last nine years focused on directing large to medium project teams. Prior to joining Integra, Rouzee spent two years as information technology manager at CenturyTel in Vancouver, Washington, and she served as lead project manager for Pacific Telecom, also in Vancouver. Rouzee holds a Bachelor of Arts degree in business and management from Washington State University.

**Carol Wirsbinski, Senior Vice President of Regulatory Affairs**

Ms. Wirsbinski has nearly 20 years of experience in telecommunications and previously served as the Senior Vice President and General Manager of Integra Telecom of Minnesota. She now handles all regulatory relations for the Company. Prior to joining Integra, she served as Market Director for Aerial Communications, where she propelled the Minneapolis market to a number one market ranking. While working for Nextel Communications, she developed indirect marketing channels and deployed revolutionary customer care workflow management systems, while improving their core business process.

**Lisa Hillyer, Vice President Human Resources**

Ms. Hillyer has 13 years experience in human resources in the telecommunications and corporate financing industries. Prior to joining Integra in 1998, Ms. Hillyer served as Human Resources Manager for Southern Pacific Funding Corporation and operated in several HR capacities over the course of nine years with PacifiCorp Financial Services. Ms. Hillyer earned her Bachelor of Science degree from Oregon State University and has achieved Senior Professional in Human Resources certification.

**Dave Bennett, Senior Vice President Network Planning**

Mr. Bennett brings over 30 years experience in the telecommunications industry. Mr. Bennett most recently held the position of Regional Manager, Operations with CenturyTel where he was responsible for overseeing 400,000 access lines in ten states. Prior to that, Mr. Bennett was the Regional Manager of Engineering with CenturyTel where he was responsible for the engineering and implementation of the Capital Construction Program for CenturyTel's western region states. Before joining CenturyTel, Mr. Bennett was the Corporate Manager of Engineering with Pacific Telecom, Inc.

**John Nee, Vice President of Marketing**

Mr. Nee has 10 years experience in sales, marketing and business development. Prior to joining Integra in 2000, Nee held management positions with Sequent Computer Systems (now IBM) and Creativepro.com where he managed strategic partnerships, application services development and e-commerce capabilities. Nee holds a Bachelor of Science degree from Pepperdine University and an MBA from Portland State University.

**EXHIBIT B**

**Financial Statements of Integra**

**[CONFIDENTIAL – SUBMITTED UNDER SEAL]**

The enclosed financial documents are **confidential and filed under seal**. Applicants respectfully request they be treated as confidential and not be disclosed to the public.

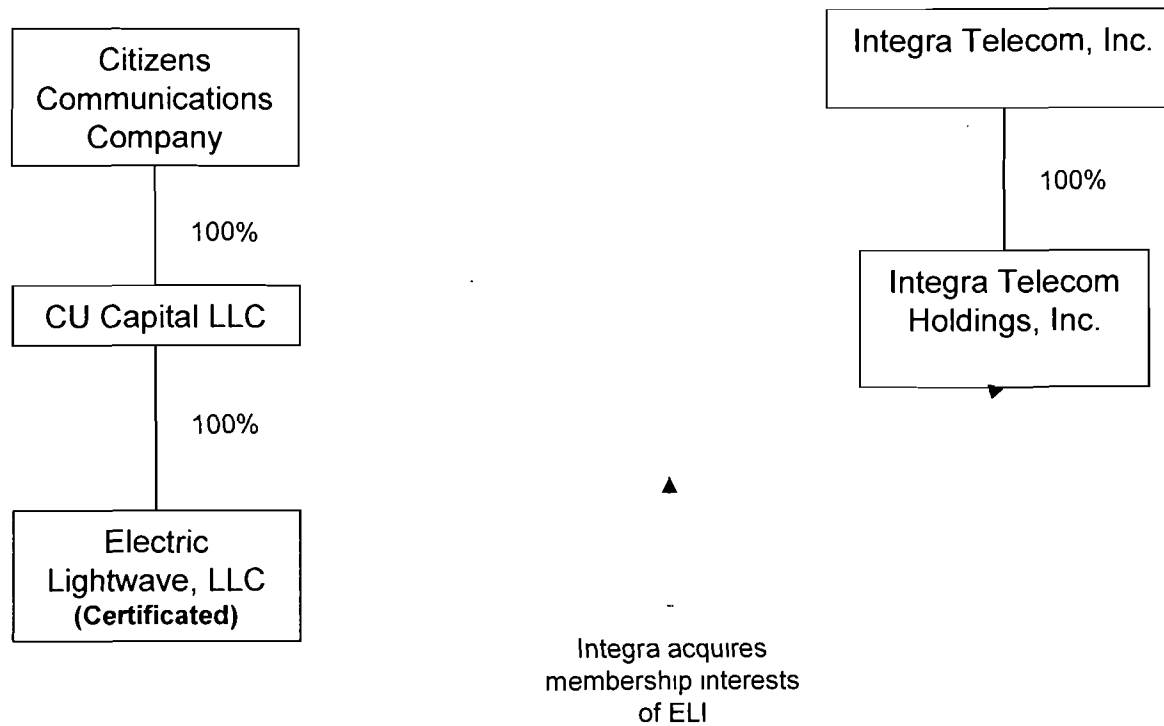
**EXHIBIT C**

**Pre- and Post-Transaction Corporate Organizational Chart**

# Illustrative Chart

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## Pre-Transaction

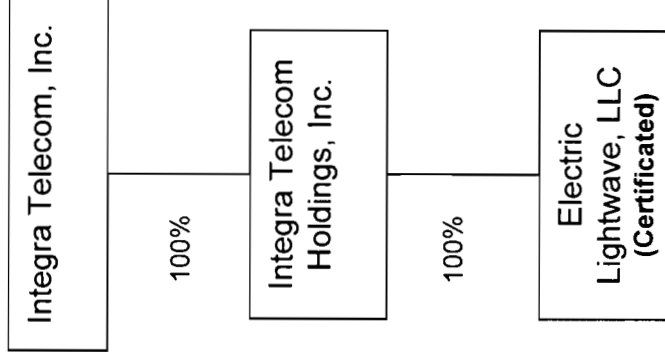
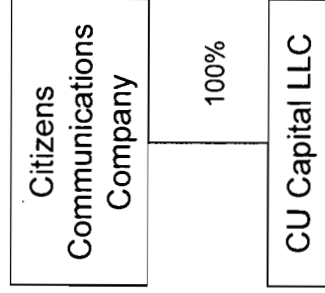




# Illustrative Chart

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## Post-Transaction



## VERIFICATIONS

## VERIFICATION

STATE OF OREGON

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COUNTY OF MULTNOMAH

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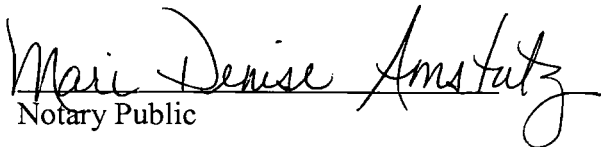
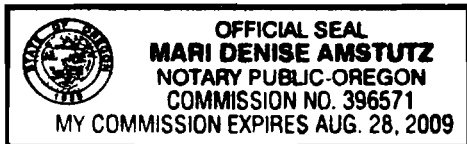
I, Dudley R. Slater, being first duly sworn, state that I am Chief Executive Officer for Integra Telecom Holdings, Inc.; that I am authorized to make this Verification on behalf of Integra Telecom Holdings, Inc.; that the foregoing Application was prepared under my direction and supervision; and that the statements in the foregoing Application are true and correct to the best of my knowledge, information, and belief.



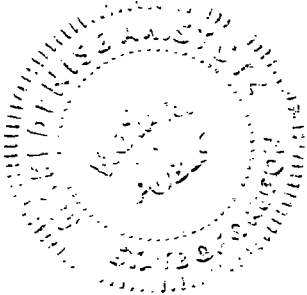
Name: Dudley R. Slater

Title: Chief Executive Officer  
Integra Telecom Holdings, Inc.

SWORN TO AND SUBSCRIBED before me on the 2nd day of March, 2006.

  
Notary Public

My commission expires August 28, 2009



## VERIFICATION

STATE OF OREGON

§

COUNTY OF MULTNOMAH

§

§

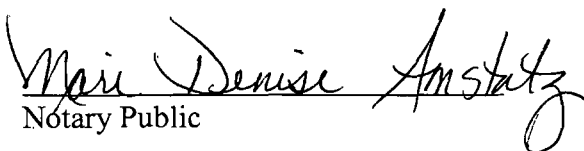
I, Dudley R. Slater, being first duly sworn, state that I am Chief Executive Officer for Integra Telecom Holdings, Inc.; that I am authorized to make this Verification on behalf of Integra Telecom Holdings, Inc.; that the foregoing Application was prepared under my direction and supervision; and that the statements in the foregoing Application are true and correct to the best of my knowledge, information, and belief.



Name: Dudley R. Slater

Title: Chief Executive Officer  
Integra Telecom Holdings, Inc.

SWORN TO AND SUBSCRIBED before me on the 2nd day of March, 2006.

  
Notary Public

My commission expires August 28, 2009

