

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 5, 2010

IN RE:

**APPLICATION OF NUVOX, INC., NUVOX
COMMUNICATIONS, INC. AND WINDSTREAM
CORPORATION FOR APPROVAL OF A TRANSFER
OF CONTROL OF AN AUTHORIZED
TELECOMMUNICATIONS PROVIDER**

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**DOCKET NO.
09-00184**

ORDER APPROVING *APPLICATION*

This matter came before Director Mary W. Freeman, Director Eddie Roberson and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on December 14, 2009 for consideration of the *Application* filed on November 16, 2009 by NuVox, Inc. ("NuVox"), NuVox Communications, Inc. ("NuVox Communications"), and Windstream Corporation ("Windstream") (collectively, "Applicants").

Windstream, a Delaware corporation, is a communications and entertainment company that is publicly traded on the New York Stock Exchange. Windstream, through its subsidiaries, provides local and long distance telephone services, broadband and high-speed data services and video services to customers primarily in rural areas in sixteen states. Windstream is not a regulated entity and is participating in the transaction solely in its capacity as an acquiring carrier in the merger transaction.

NuVox is a privately-held Delaware corporation. Through its operating subsidiaries, NuVox has operations in forty-eight urban/suburban markets throughout sixteen contiguous

Midwestern and Southeastern states. NuVox is an integrated communications provider of voice and data communications services with approximately 90,000 business customers.

NuVox Communications provides interexchange and competitive local exchange telecommunications services in several states, including Tennessee. In Tennessee, NuVox Communications is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Authority Order in Docket No. 99-00806 issued on February 22, 2000 and Docket No. 04-00309 issued on April 13, 2005. NuVox Communications is a direct, wholly-owned subsidiary of Gabriel Communications Finance Company, a holding company that is a direct, wholly-owned subsidiary of NuVox.

THE APPLICATION

Pursuant to the terms of an Agreement and Plan of Merger dated November 2, 2009, among Windstream, Night Merger Sub, Inc. (“Newco”), a direct, wholly-owned subsidiary of Windstream created for purposes of the merger, NuVox and the Stockholders’ Representative, Newco will merge with and into NuVox, with NuVox continuing as the surviving corporation (the “Transaction”). Specifically, Windstream intends to acquire NuVox in a merger transaction valued at approximately \$643 million. Windstream expects to issue approximately 18.7 million fixed shares of stock valued at \$183 million, based on Windstream’s closing stock price on November 2, 2009, and pay approximately \$280 million in cash as part of the Transaction. According to the *Application*, Windstream will assume estimated net debt of approximately \$180 million. The *Application* states that Windstream intends to finance the acquisition with existing cash and current capacity on its revolving credit agreement.

As a result of the Transaction, NuVox will become the direct, wholly-owned subsidiary of Windstream. Thus, Windstream will be the new ultimate parent company of NuVox Communications. Immediately following consummation of the Transaction, NuVox

Communications will continue to offer the same services, rates, terms and conditions pursuant to its existing authorizations. The transaction will provide each Applicant with access to both companies' advanced network capabilities, technical and financial strengths, and complimentary services, which together are expected to strengthen the Applicant's ability to provide service. The *Application* asserts that the day-to-day operations of NuVox Communications are not expected to change as a result of the transaction. All current customers will continue to be served by NuVox Communications pursuant to its existing telecommunications authorizations. The *Application* asserts that customers will continue to receive their existing services at the same rates, terms and conditions as at present. Any future change in the rates, terms and conditions of service will be made pursuant to Authority requirements. The *Application* states that the transfer of ownership will be transparent to consumers in Tennessee.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-4-113(a) (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services and provides:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

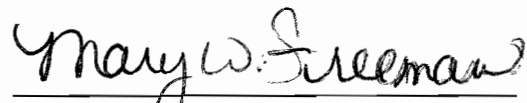
Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, which in pertinent part, states as follows:

Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

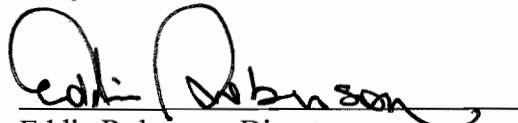
Based on the entire record, the panel found that Windstream is well-qualified to become the new owner of NuVox Communications and that NuVox Communications will continue to have the managerial, technical, and financial qualifications to provide telecommunications services in Tennessee. The panel further found that the proposed transfer of authority will serve the public interest, as NuVox Communications will realize significant synergies and efficiencies by operating as part of Windstream's expanded operations. Thereafter, the panel voted unanimously to approve the *Application* pursuant to Tenn. Code Ann. § 65-4-113(b) (2004) contingent upon approval by the Federal Communications Commission.

IT IS THEREFORE ORDERED THAT:

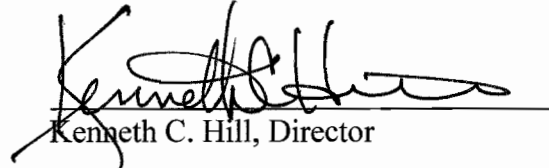
The *Application* filed by NuVox, Inc., NuVox Communications, Inc., and Windstream Corporation is approved contingent upon approval by the Federal Communications Commission. The Applicants shall file with the Tennessee Regulatory Authority any documentation from the Federal Communications Commission regarding subsequent action on the transfer.



Mary W. Freeman, Director



Eddie Roberson, Director



Kenneth C. Hill, Director