

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 15, 2010

IN RE:

**JOINT APPLICATION OF Q-COMM CORPORATION,
KENTUCKY DATA LINK, INC., NORLIGHT
TELECOMMUNICATIONS, INC., NORLIGHT, INC.,
KNOXVILLE DATA LINK, INC. AND WINDSTREAM
CORPORATION FOR APPROVAL OF AN INDIRECT
TRANSFER OF CONTROL OF AUTHORIZED
TELECOMMUNICATIONS PROVIDERS TO
WINDSTREAM CORPORATION**

**DOCKET NO.
10-00166**

ORDER APPROVING *APPLICATION*

This matter came before Chairman Mary W. Freeman, Director Kenneth C. Hill and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 25, 2010 for consideration of the *Application for Approval of Indirect Transfer* ("Application") filed on August 19, 2010 by Q-Comm Corporation (Q-Comm"), Kentucky Data Link, Inc. ("KDL"), Norlight Telecommunications, Inc. ("NTI"), Norlight, Inc. ("Norlight"), Knoxville Data Link, Inc. ("Knoxville") and Windstream Corporation ("Windstream") (collectively, "Applicants"). The Applicants seek approval to complete a transaction at the ultimate parent holding company level between Q-Comm and Windstream through which Windstream will acquire indirect control of KDL, NTI, Norlight and Knoxville - the Tennessee certificated subsidiaries of Q-Comm.

Windstream is a Delaware corporation and a publicly traded S&P 500 diversified communications and entertainment company. Windstream's subsidiaries provide local and long distance telephone services, broadband and high-speed data services and video services to

customers primarily in rural areas in twenty-three states. Windstream's subsidiaries also offer a wide range of Internet Protocol based voice and data services and advanced phone systems equipment to businesses and government agencies. Windstream functions as a holding company and does not provide telecommunications services or hold any telecommunications licenses.

Q-Comm is a privately held Nevada corporation which holds the stock of multiple subsidiaries. Q-Comm's operating subsidiaries operate a fiber optic network that spans 30,000 miles and reaches into twenty-six states.

KDL is a Kentucky corporation and a wholly owned direct subsidiary of Q-Comm. In Tennessee, KDL is authorized to provide (1) intrastate telecommunications service as an interexchange carrier pursuant to Authority Order in Docket No. 99-00408 issued on May 22, 2000 and (2) competing local telecommunications services pursuant to Authority Order in Docket No. 04-00011 issued on April 14, 2004.

NTI is a Wisconsin corporation and a wholly owned direct subsidiary of Q-Comm. In Tennessee, NTI is authorized to provide operator services and/or resell telecommunications services pursuant to Authority Order in Docket No. 96-00890 issued on August 31, 1996.

Norlight is a Kentucky corporation and a wholly owned direct subsidiary of Q-Comm. In Tennessee, Norlight is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services pursuant to Authority Order in Docket No. 01-00112 issued on April 4, 2001, as amended in Docket No. 07-00236 on November 20, 2007.

Knoxville is a Tennessee corporation, a wholly owned subsidiary of KDL and an indirect subsidiary of Q-Comm. In Tennessee, Knoxville is authorized to provide local exchange and interexchange telecommunications services pursuant to Authority Order in Docket No. 06-00186 issued on November 8, 2006.

THE APPLICATION

Pursuant to the terms of an Agreement and Plan of Merger (“Agreement”) dated August 17, 2010 among Windstream, Derby Merger Sub, Inc. (“MergerCo”) (a direct, wholly owned subsidiary of Windstream created for purposes of the merger), Q-Comm and the Stockholders’ Representative, MergerCo will merge with and into Q-Comm, with Q-Comm continuing as the surviving corporation (the “Transaction”). As a result of the Transaction, Q-Comm will become the direct, wholly owned subsidiary of Windstream. Thus, Windstream will be the new ultimate parent company of KDL, NTI, Norlight and Knoxville. This change in ultimate control does not involve a transfer of operating authority, assets or customers.

Immediately following the consummation of the Transaction, KDL, NTI, Norlight and Knoxville will continue to offer the same services, rates, terms and conditions pursuant to their existing authorization, and the only change resulting from the Transaction will be that these certificated entities will be ultimately owned by Windstream and may subsequently change their names to reflect “Windstream” in their names. The proposed Transaction will be virtually seamless and transparent to Tennessee consumers.

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:

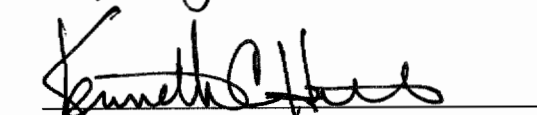
Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the 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.

The panel found that the transfer is in the public interest and, based on assertions in the *Application*, that Windstream has the technical, managerial and financial ability to become the new ultimate owner of these entities. For the most part, the Transaction will be seamless to the customers, except that the Company names may subsequently be changed to reflect their new parent, Windstream. Based on these findings, the panel voted unanimously to approve the transaction described in the *Application* pursuant to Tenn. Code Ann. § 65-4-113, contingent upon approval by the Federal Communications Commission ("FCC"). The Applicants should also file with the Authority any documentation from the FCC regarding subsequent action on the transfer.

IT IS THEREFORE ORDERED THAT:

The *Application for Approval of Indirect Transfer* 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, Chairman


Kenneth C. Hill, Director


Sara Kyle, Director