

# TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

2011 JUN 30  
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June 30, 2011

R. Dale Grimes, Counsel  
Bass, Berry & Sims PLC  
150 Third Ave. South, Suite 2800  
Nashville, TN 37201

RE: Docket 11-0098: Joint Application of United Telephone Company, UTC Long Distance, LLC and United Communications Holdings, LLC Regarding Transfer of Control of United Telephone Company and UTC Long Distance, LLC

Dear Mr. Grimes:

In order to review the above-referenced Joint Application, the Tennessee Regulatory Authority requires additional information. Please provide the information requested below by July 12, 2011, and refer to this correspondence as Data Request No. 1 in the response.

1. Have the Applicants filed a similar application with the FCC? If so, list any action taken and the associated docket number. If a schedule to complete the review of the filing has been established by the FCC, provide such with your response.
2. Provide information demonstrating the financial capability of United Communications Holdings, LLC ("Buyer"). To the extent that Buyer relies on MSouth Equity Partners, LP for capital, please discuss the extent of support available given the language contained in Section 11.21 of the Agreement and Plan of Merger ("United Tel Purchase Agreement") governing the purchase of United Telephone Company ("United Tel").
3. How will Buyer finance the acquisition of United Tel? To the extent Buyer incurs indebtedness to finance the acquisition of United Tel, will the assets of United Tel be pledged as security for the borrowing or will United Tel act as a guarantor for the indebtedness? To the extent Buyer incurs indebtedness to purchase United Tel, will United Tel seek recovery of any expenses related to such indebtedness in any future rate case proceeding?
4. To the extent Buyer incurs indebtedness to finance the acquisition of UTC Long Distance, LLC ("UTC"), will the assets of UTC be pledged as security for the borrowing or will UTC act as a guarantor for the indebtedness?
5. Provide the current capital structure of United Tel. Provide the anticipated capital structure for United Tel after purchase by Buyer.
6. Provide copies of Schedules 3.4(b)(ii) and 3.4(b)(iii) described in the United Tel Purchase Agreement.

If you have any questions or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or e-mail him at [Carlos.Black@tn.gov](mailto:Carlos.Black@tn.gov). Please respond by sending the original and 13 copies either by U.S. Mail or express mail. Alternatively, you may send the original and four (4) copies along with an electronic file to:

Ms. Sharla Dillon, Docket Room Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505  
[Sharla.Dillon@tn.gov](mailto:Sharla.Dillon@tn.gov)

Sincerely,

A handwritten signature in cursive script that reads "Jerry Kettles".

Jerry Kettles, Chief  
Economic Analysis & Policy Division

cc: Terry Wales, William Bradford