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August 28, 2015

Via Hand-Delivery

The Honorable Earl Taylor
Executive Director
Tennessee Regulatory Authority
c/o Sharla Dillon
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

Docket No. 15-00078

***In re: Petition of United Telephone Company and UTC Long Distance, LLC,
For Approval to Participate in Certain Financing Arrangements***

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of United Telephone Company and UTC Long Distance, LLC's Petition for Approval to Participate in Certain Financing Arrangements. Filed along with this material are four copies of Exhibit 1 which is submitted under seal in a separate envelope. Also enclosed is a check in the amount of Fifty Dollars (\$50.00) to cover the filing fee. This Petition without the exhibit is being filed electronically with the Authority's Docket Manager, Sharla Dillon.

Please file the original and four (4) copies of this material and stamp the additional copy as "filed". Then please return the stamped copy to me by way of our courier.

Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosures

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

Petition of)	
)	
United Telephone Company and)	
UTC Long Distance, LLC,)	Docket No. _____
)	
For Approval to Participate in Certain)	
Financing Arrangements)	

PETITION

1. United Telephone Company ("United Telephone") and UTC Long Distance, LLC ("UTC") (United Telephone, and UTC collectively "Petitioners"), by their undersigned counsel and pursuant to Section 65-4-109 of the Tennessee Code, and any regulations deemed applicable, request approval, to the extent necessary, from the Tennessee Regulatory Authority ("Authority") to participate in certain financing arrangements whereby the Petitioners will incur long-term debt obligations. In addition to borrowing under these facilities, the Petitioners intend to grant a first priority lien in all of their personal assets and material owned real property, along with a security interest in Petitioners' equity interests, to secure the financing arrangements subject to certain exceptions to be determined, as subsequently described. In support of this Petition, Petitioners state:

I. Introduction

2. United Telephone is a corporation organized and existing under the laws of the State of Tennessee, with its principal office located at 120 Taylor Street, Chapel Hill, Tennessee 37034-3123. United Telephone is a public utility, as defined by Tenn. Code Ann. § 65-4-101, and holds a certificate of convenience and necessity issued by this Authority or its predecessor agency. It offers communications services to residential and business customers, including local telephone service and internet services. United Telephone has incumbent local exchange carrier

("ILEC") operations in Bedford, Coffee, Davidson, Franklin, Marshall, Maury, Rutherford and Williamson counties in Tennessee, with over 11,000 access lines. United Telephone serves eight exchanges, all served by a digital switch and inter-connected by over 400 miles of fiber optic cables.

3. UTC is a limited liability company organized and existing under the laws of the State of Tennessee, with its principal office located at 120 Taylor Street, Chapel Hill, Tennessee 37034-3123. UTC provides long-distance service as an interexchange provider.

4. United Telephone and UTC are affiliated companies, both 100% owned by United Communications Holdings, LLC, a Delaware limited liability corporation.

5. For the purposes of this Petition, questions or any correspondence, orders, or other materials should be directed to the following contacts:

R. Dale Grimes
Bass, Berry & Sims PLC
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Nashville, TN 37201
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Email: dgrimes@bassberry.com

II. Request for Approval to Participate in Certain Financing Arrangements

6. The proposed financing arrangements are expected to consist of a \$2,000,000 senior secured six-year Revolving Credit Facility (the "Revolver"), and \$31,500,000 six year Term Loan Credit Facility (the "Term Loan"), collectively referred to as the "Credit Facilities". The proceeds of loans under the Credit Facilities will be used by Petitioners to refinance outstanding principal and interest balances due to senior creditors, to fund capital expenditures, to support letters of credit, to fund costs and expenses associated with closing the Credit Facilities, and for general corporate purposes. The balance of the amount owed to senior creditors as of June 30, 2015, was \$33,899,000. The new credit facilities are approximately the

same overall size of the amount owed to the senior creditors, but UTC anticipates the new facilities will result in interest expense savings to the parties. The remaining balance of the amount owed to the senior creditors will be paid by UTC with cash on hand. Both Credit Facilities are expected to mature within six (6) years after the closing date. The Commitment Letter which contains the details about the proposed financing is attached hereto as **Exhibit A**.

7. All obligations under the Facility are expected to be incurred directly by the Petitioners (as borrowers) or guaranteed by the Petitioners, subject to certain exceptions to be determined. The Facility will also be secured by a first priority lien in all of Petitioners' personal assets and material owned real property, subject to certain exceptions to be determined. The Petitioners also intend to grant a security interest in all of their equity interests, subject to certain exceptions to be determined.

8. The Petitioners' participation in these financing arrangements will not result in a change in the Petitioners' management or in their day-to-day operations; nor will it adversely affect the Petitioners' current or expected operations in Tennessee. Accordingly, Petitioners request that the Authority approve the participation of the Petitioners in the financial arrangements described herein.

9. Under Tenn. Code, Ann. § 65-4-109, the Authority shall approve the proposed assumption of debt obligations if it finds that it will be made in accordance with the law and that the Authority approves the purpose of the assumption of debt obligations.

III. Public Interest Considerations

10. The financing arrangements described herein are consistent with the public interest and will not impair the ability of the Petitioners to perform services to the public. The financing arrangements will enable the Petitioners to refinance existing obligations, will provide additional capital for capital expenditures and other corporate purposes, will be entirely

transparent to Tennessee consumers, and will not alter the rates, terms, and conditions under which the Petitioners provide service in Tennessee. The financing arrangements will not cause a change in the control of the Petitioners.


11. The new credit facilities are approximately the same balance as the current credit facilities, which have a balance of \$33,899,000 as of June 30, 2015. The Petitioners anticipate that the new facilities will result in interest expense savings.

12. The financing arrangements described herein serve the public interest in promoting competition among telecommunications carriers by providing the Petitioners with the opportunity to strengthen their financial position. As a result, the financing arrangements are expected to continue to yield financial benefits that ultimately inure to the benefit of the Petitioners' customers.

IV. Conclusion

13. For the reasons stated above, the Petitioners submit that the public interest, convenience, and necessity will be furthered by expeditious Authority approval of the Petitioners' participation in the financing arrangements described herein.

Respectfully submitted,



R. Dale Grimes
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Nashville, TN 37201
Tel: (615) 742-6244
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*Counsel for United Telephone Company and
UTC Long Distance, LLC*

Date: August 28, 2015.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

Petition of _____)
_____))
United Telephone Company and _____)
UTC Long Distance, LLC, _____) Docket No. _____
_____))
For Approval to Participate in Certain _____)
Financing Arrangements _____)

VERIFICATION

STATE OF TENNESSEE _____)
COUNTY OF Marshall _____)

William H. Bradford, being duly sworn, deposes and says:

1. I am the President & CEO of UTC Long Distance, LLC, and am authorized to make this Verification on behalf of UTC Long Distance, LLC.

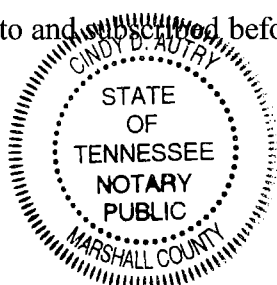
2. I have read the contents of the foregoing Petition for Approval to Participate in Certain Financing Arrangements, and hereby verify that the statements therein contained, insofar as they relate to UTC Long Distance, LLC, are true and accurate to the best of my knowledge, information and belief.

UTC Long Distance, LLC

By: William H. Bradford

Its: President & CEO

Sworn to and subscribed before me this 25th day of August, 2015.



Cindy D. Autry
Notary Public
My commission expires: July 26, 2016

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

Petition of _____)
_____))
United Telephone Company and _____)
UTC Long Distance, LLC, _____) Docket No. _____
_____))
For Approval to Participate in Certain _____)
Financing Arrangements _____)

VERIFICATION

STATE OF TENNESSEE _____)
COUNTY OF Marshall _____)

William H. Bradford being duly sworn, deposes and says:

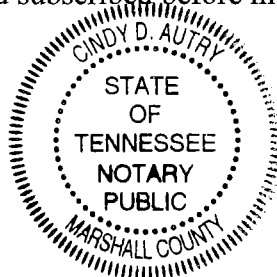
1. I am the President & CEO of United Telephone Company, and am authorized to make this Verification on behalf of United Telephone Company.
2. I have read the contents of the foregoing Petition for Approval to Participate in Certain Financing Arrangements, and hereby verify that the statements therein contained, insofar as they relate to United Telephone Company, are true and accurate to the best of my knowledge, information and belief.

United Telephone Company

By: William H. Bradford

Its: President & CEO

Sworn to and subscribed before me this 25th day of August, 2015.



Cindy D. Autry
Notary Public

My commission expires: July 26, 2016

Exhibit 1

(Filed Under Seal)