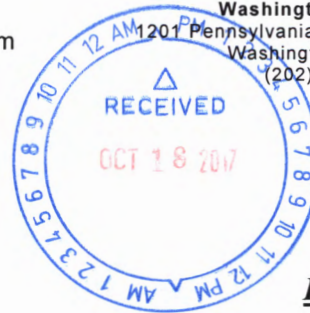


Nashville Office
150 Third Avenue South, Suite 2800
Nashville, TN 37201
(615) 742-6244

R. Dale Grimes
dgrimes@bassberry.com

Washington D.C. Office
1201 Pennsylvania Avenue NW, Suite 300
Washington, DC 20004
(202) 827-2961

October 18, 2017



Hand-Delivery

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

In re: Petition of United Telephone Company, Inc., UTC Long Distance, LLC, and United Communications, Inc. for Approval of Financing Arrangements and Transfer of Control, Docket No. 17-00111

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of Pre-Filed Testimony of William Bradford, filed in support of United Telephone Company, Inc., UTC Long Distance, LLC and United Communications, Inc.'s Petition for Approval of Financing Arrangements and Transfer of Control. This pre-filed testimony is also being filed electronically with the Commission's Docket Manager, Sharla Dillon.

With kindest regards, I remain

Very truly yours,

R. Dale Grimes

Enclosures

23707202.1

**BEFORE THE
TENNESSEE PUBLIC UTILITY COMMISSION**

Petition of)	
)	
United Telephone Company, Inc.,)	
UTC Long Distance, LLC, and)	
United Communications Inc.)	Docket No. 17-00111
)	
Application For Approval to Participate in Certain)	
Financing Arrangements and Change of Control)	

PRE-FILED TESTIMONY OF WILLIAM BRADFORD

I, William Bradford, do hereby testify as follows in support of the application before the Tennessee Public Utility Commission ("Commission") of United Telephone Company, Inc. ("United Telephone"), UTC Long Distance, LLC ("UTC"), and United Communications, Inc. ("UCI") (collectively, "Petitioners"), for approval to participate in certain financing arrangements and change of control.

Q: What is your name and occupation?

A: I am William Bradford, president and CEO of United Communications Holdings, LLC ("United Communications"), the parent Company of United Telephone, UTC, and UCI.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to explain the purpose and necessity of certain financing arrangements that are the subject of this petition.

Q: Are you familiar with the petition that has been filed in this matter?

A: Yes.

Q: Would you summarize the petition?

A: The Petitioners, seek approval, to the extent necessary, from the Commission to participate in certain financing arrangements whereby the Petitioners will incur long-term debt

obligations to replace existing long-term debt obligations and buy-out the remaining ownership of the majority owner of United Communications (the “Transaction”).

The Petitioners further seek, to the extent necessary, approval by the Commission of the resulting transfer of control of United Communications from the current majority owner, MSouth Equity Partners, LP (“MSouth”), to the two remaining co-owners, who as a result of the Transaction, will each hold fifty percent (50%) ownership of United Communications.

Q. Please describe the financing arrangements in further detail.

A: The proposed financing arrangements are expected to consist of a \$3,000,000 senior secured six-year Revolving Credit Facility (the “Revolver”), and \$33,000,000 senior secured six-year Term Loan Credit Facility (the “Term Loan”), collectively referred to as the “Credit Facilities”. The proceeds from the Term Loan along with cash on hand will be used to refinance outstanding principal and interest balances due to CoBank pursuant to the \$31,500,000 term loan approved in Docket No. 15-00078, to redeem the outstanding ownership interests in United Communications owned by MSouth, and other purposes as described in the Commitment Letter. The Proceeds from the Revolver may be used for letters of credit, for capital expenditures, and general corporate purposes. The balance of the amount owed to senior creditors as of June 30, 2017, was \$28,300,000. The new Credit Facilities are approximately the same overall size as the original credit facilities borrowed in early 2016, but the new Credit Facilities will contain a larger, \$3,000,000 Revolver and have an 8 year term instead of a 6 year term, providing a longer term financing solution to Petitioners. Both Credit Facilities are expected to mature within eight (8) years after the closing date. The Commitment Letter attached to the Petition as Exhibit B contains the details of the proposed financing.

Q: Why are the proposed financing arrangements necessary?

A: The proposed financing arrangements will enable the Petitioners to refinance existing obligations, redeem the equity interests of MSouth, and provide additional capital for capital expenditures and other corporate purposes.

Q: What kind of security is being used for these arrangements?

A: 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 described in the Petition.

Q: What impact will these financing arrangements have on customer rates?

A: The financing arrangements will not alter the rates, terms, and conditions under which the Petitioners provide service in Tennessee.

Q: How do these financing arrangements address any public interest concern?

A: 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.

Q: How will the resulting change in control affect operations or customer service?

A: There will be no material effect. The Transaction will not result in any change in the management of the company. The same people who have managed United Communications will remain the managers after the Transaction. The Transaction merely includes the redemption of the ownership interest of MSouth, the current majority owner, which will result in those equity interests returning to United Communications. 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 or levels of customer service in Tennessee.

Q: Does this complete your testimony?

A: Yes.

AFFIDAVIT

My name is William Bradford and the attached is direct testimony and is true and correct to the best of my knowledge.

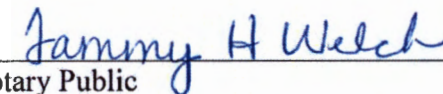


William Bradford
President and CEO
United Communications

County of Marshall)

State of Tennessee)

On this 18 day of October, 2017, personally appeared before me, the above-named William Bradford, known to me personally who was duly sworn and on oath executed the above Affidavit.



Notary Public

My commission expires: July 27, 2020

