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**RECEIVED**

**AUG 31 2018**

**TN PUBLIC UTILITY COMMISSION**  
**DOCKET OFFICE**

August 31, 2018

The Honorable Earl Taylor  
Executive Secretary, Tennessee Public Utility Commission  
c/o Sharla Dillon, Dockets and Records Manager  
502 Deaderick Street  
4th Floor  
Nashville, TN 37243

**Re: Proposed Transaction Between United Communications Holdings, LLC and  
MTE Holdings LLC**

Dear Mr. Taylor:

On behalf of United Communications Holdings, LLC, and MTE Holdings LLC, this letter advises the Tennessee Public Utility Commission ("TPUC") of a proposed transaction between these two entities, and explains why, after analysis of the applicable laws and regulations, we believe this transaction does not require approval by the TPUC and that no filings with the TPUC are necessary.

***Entities Involved***

The following entities are relevant to the proposed transaction:

- United Communications Holdings, LLC ("UCH"), a Delaware limited liability company;
- United Telephone Company ("UTC"), a wholly-owned subsidiary of UCH and market-regulated company;
- United Communications, Inc. ("UCI"), a wholly-owned subsidiary of UTC and market-regulated company;
- UTC Long Distance, LLC, a wholly-owned subsidiary of UCH and market-regulated company;
- Middle Tennessee Electric Membership Corporation ("MTEMC"), a Tennessee non-profit corporation; and
- MTE Holdings, LLC, ("MTEH") wholly-owned subsidiary of MTEMC.

### ***Description of Proposed Transaction***

The proposed transaction will involve the purchase by MTEH of 875,000 newly-issued Class A membership interests in UCH. Contemporaneous with that purchase, UCH will redeem 137,000 Class A membership interests in UCH held by Mr. William Bradford and all outstanding Class B membership interests in UCH. Upon consummation of this transaction, MTEH will hold 875,000 Class A membership interests in UCH, which will represent 68.6% voting and equity, Mr. Bradford will hold 304,343 Class A membership interests in UCH which will represent 23.8% voting and equity, and Mr. Eugene B. Johnson will hold 96,891 Class A membership interests in UCH which will represent 7.6% voting and equity. UCH will be directly controlled by a Board of Managers ("Board"). Initially, the Board will be composed of five members, with two members appointed by Mr. Bradford and Mr. Johnson and three members appointed by MTEH. The day-to-day operations of UCH will not change after the closing of the proposed transaction. Mr. Bradford will remain in his current position as President and Chief Executive Officer of UCH and Mr. Johnson will remain in his current position as Chairman. Further, UTC and UTC Long Distance, LLC will continue to be wholly-owned subsidiaries of UCH. United Communications, Inc. will continue to be a wholly-owned subsidiary of UTC.

### ***Applicable Legal Provisions and Rationale***

UTC is a telecommunications company providing services in Tennessee. UTC elected market regulation pursuant to Tenn. Code Ann. § 65-5-109 on May 1, 2018 (See Exhibit 1, attached).<sup>1</sup>

Tennessee law provides that companies that elect market regulation are exempt from all TPUC jurisdiction except for the specifically enumerated items set forth in subsection (n) of the statute. Tenn. Code Ann. § 65-5-109(n). It is our understanding that the proposed transaction does not implicate any of the explicit items in subsection (n) that would give rise to TPUC jurisdiction. Though approval is sometimes required for a public utility to transfer its authority to provide utility services derived from its certificate of public convenience and necessity under Tenn. Code Ann. § 65-4-113(a), subsection (n) does not provide the TPUC jurisdiction over transfer of certificates from market-regulated companies under Tenn. Code Ann. § 65-4-113. A recent Commission letter regarding a similar proposed transaction between Loretto Telephone Company, Inc. et al. and Skybest Holding Company, LLC confirmed that approval of a transfer of control governed by § 65-4-113 is not a regulatory requirement which applies to market-regulated companies. (See Exhibit 2, attached (Letter to A. Scott Ross, Feb. 9, 2018, TPUC Docket No 18-00010)). It is our further understanding that the TPUC may not impose requirements related to the issuance or maintenance of a certificate on any market-regulated

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<sup>1</sup> To the extent relevant or necessary, UTC Long Distance, LLC has also elected to operate pursuant to market regulation pursuant to notice letter filed with the TPUC on August 30, 2018. (See Exhibit 3, attached).

entity or its affiliates under Tenn. Code Ann. § 65-5-109(v).<sup>2</sup> Thus, the proposed transaction does not require any filings or TPUC approval.

The proposed transaction will benefit the residents of Middle Tennessee by providing additional capital to UCH and its subsidiaries to expand its broadband network and services. These additional capital resources will allow UCH and its subsidiaries to continue to provide new services and expand existing services to rural unserved and underserved areas of Middle Tennessee. UCH understands that its market-regulated subsidiaries remain subject to, and will comply with, the jurisdictional requirements of Tenn. Code Ann. § 65-5-109 as applicable, throughout and after the conclusion of the proposed transaction.

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

Sincerely,



R. Dale Grimes

RDG:ddi

cc: Mr. Jerry Kettles, Chief of Economic Analysis and Policy Division, TPUC  
Mr. William H. Bradford, President & CEO, United Communications Holdings, LLC  
Denise R. Miller, Esq., Secretary/Treasurer, MTE Holdings, LLC

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<sup>2</sup> UTC and UCI (f/k/a UTC Video Concepts, LLC), hold a state-issued Certificate of Franchise Authority issued by the former Tennessee Regulatory Authority on January 11, 2012. (See Exhibit 4, Certificate of Franchise Authority, TRA Docket 11-00208). "Tenn. Code Ann. § 65-5-109(n)(4) provides that the Commission may exercise jurisdiction over video service franchises. While Tenn. Code Ann. § 7-59-304(a)(5)(A) sets out certain requirements for the transfer of a franchise certificate, no transfer is occurring under the proposed transaction. UTC and UCI are the present holders of the video franchise certificate, and they will remain the holder of the certificate post-closing of the proposed transaction.



WILLIAM H. BRADFORD  
PRESIDENT & CEO

April 25, 2018

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

RECEIVED  
2018 MAY - 1 AM 11:19  
T.C.U.C. DOCUMENT ROOM  
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Via email and US Mail

Re: United Telephone Company's Notice of Intent to Operate Pursuant to Market Regulation  
Docket No. 18-00054

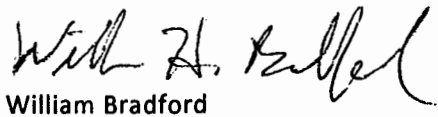
Dear Mr. Taylor:

Enclosed for filing please find the original and five (5) copies of this letter to notify the Tennessee Public Utility Commission of the intent of United Telephone Company, a Tennessee corporation, to operate pursuant to market regulation, in accordance with T.C.A. § 65-5-109.

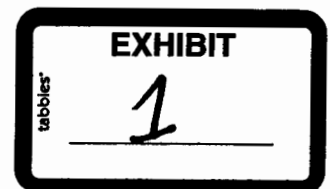
Please stamp one copy "filed" and return to me in the enclosed self-addressed stamped envelope.

Should you have any questions concerning this matter, please do not hesitate to contact me (931.364.4355) or Tommy Welch (931.364.4324).

Best Regards,

  
William Bradford

Cc: Tommy Welch



UNITED COMMUNICATIONS

1501 15th Street, Suite 1000, Nashville, TN 37203

1-800-370-4327 | www.utcom.net



## TENNESSEE PUBLIC UTILITY COMMISSION

502 Deaderick Street  
Nashville, Tennessee 37243

February 9, 2018

A. Scott Ross, Esq.  
Neal & Harwell  
1201 Demonbreun Street, Ste. 1000  
Nashville, TN 37203

Mr. Ross:

I am writing to you concerning your filing in TPUC Docket No. 18-00010. Based upon information in the *Joint Application For Approval Of Transfer of Control* ("Joint Application"), control of Loretto Telephone Company, Inc. (Loretto Telephone) and Loretto Communications Services, Inc. (Loretto LD) will be transferred to Skybest Holding Company, LLC (SkyBest). The transfer of control results from SkyBest purchasing 100% of the stock of LTC Holding Company, Inc. (LTC HoldCo). LTC HoldCo wholly-owns Loretto Telephone and Loretto LD.

Loretto Telephone notified the agency that it elected Market Regulation pursuant to a letter dated December 29, 2014 placed in Docket No. 14-00167. Loretto LD filed its notice that it elected Market Regulation on January 31, 2018 in Docket No. 18-00015. T.C.A. § 65-5-109(n) provides a description of the regulatory requirements that apply to companies that elect Market Regulation. The transfer of control described in the Notice is governed by T.C.A. 65-4-113 which is not a regulatory requirement that applies to companies that have elected Market Regulation. As such, the transfer of control described in the *Joint Application* does not require approval. Given that no approval of the transaction described in *Joint Application* is required, this docket will be closed.

If you have any questions concerning this matter feel free to call me at 615-770-6894.

Sincerely,

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

Jerry Kettles  
Director, Economic Analysis



**BASS BERRY SIMS**

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**AUG 30 2018**

August 30, 2018

**TN PUBLIC UTILITY COMMISSION  
DOCKET OFFICE**

*Via Hand-Delivery*

Chairman Robin Morrison  
c/o Sharla Dillon, Dockets and Records Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

***In re: UTC Long Distance, LLC's Notice of Intent to Operate Pursuant to  
Market Regulation***

Dear Chairman Morrison:

Enclosed please find an original and five (5) copies of UTC Long Distance, LLC's Notice of Intent to Operate Pursuant to Market Regulation. This Notice is being filed electronically with TPUC'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

25323196.1





WILLIAM H. BRADFORD  
PRESIDENT & CEO

August 29, 2018

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

Via email and US Mail

Re: UTC Long Distance, LLC's Notice of Intent to Operate Pursuant to Market Regulation  
Docket No. \_\_\_\_\_

Dear Mr. Taylor:

Enclosed for filing please find the original and five (5) copies of this letter to notify the Tennessee Public Utility Commission of the intent of UTC Long Distance, LLC, a Tennessee LLC, to operate pursuant to market regulation, in accordance with T.C.A. § 65-5-109.

Please stamp one copy "filed" and return to me in the enclosed self-addressed stamped envelope.

Should you have any questions concerning this matter, please do not hesitate to contact me (931.364.4355) or Tommy Welch (931.364.4324).

Best Regards,

A handwritten signature in black ink, appearing to read 'William H. Bradford', written over a horizontal line.

William Bradford

Cc: Tommy Welch

UNITED COMMUNICATIONS

100 Taylor Street | 11th Floor | Nashville, TN 37203

T: 606.779.2227 | F: 606.779.2228 | www.united.net

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**January 11, 2012**

**IN RE:**

**APPLICATION OF UNITED TELEPHONE COMPANY ON  
BEHALF OF ITSELF AND ITS WHOLLY OWNED  
SUBSIDIARY, UTC VIDEO CONCEPTS, LLC FOR A  
STATE-ISSUED CERTIFICATE OF FRANCHISE  
AUTHORITY**

**DOCKET NO.  
11-00208**

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**CERTIFICATE OF FRANCHISE AUTHORITY**

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On December 12, 2011, United Telephone Company on Behalf of itself and its wholly owned Subsidiary, UTC Video Concepts, LLC, ("United" or "Applicant") filed with the Tennessee Regulatory Authority ("TRA") its application for a state-issued certificate of franchise authority to provide cable or video service in several municipalities and communities throughout Tennessee as directed in Tenn. Code Ann. § 7-59-301, *et seq.*, also known as the Competitive Cable and Video Services Act ("CCVSA"). Pursuant to the CCVSA, issuance of this state-issued Certificate of Franchise Authority hereby conveys:

1. A nonexclusive grant of authority to provide cable or video service in the areas set forth in the application;<sup>1</sup>
2. A nonexclusive grant of authority to construct, maintain and operate facilities through, along, upon, over and under any public rights-of-way, subject to the laws of the state of Tennessee, including the lawful exercise of police powers of the municipalities and counties in which such service is delivered;
3. Notwithstanding the provisions of paragraphs 1 & 2 above, this grant of authority is subject to lawful operation of the cable and video service by the Applicant or its successor in interest; and,
4. Notwithstanding the provisions of paragraphs 1 & 2 above, this grant of authority does not confer upon the holder of the state-issued certificate of franchise authority the right to place facilities on private property without the owner's consent to such placement, except that nothing herein shall alter the condemnation authority provided pursuant to Tenn. Code Ann. § 65-21-204 for internal improvements or as provided in title 29, chapter 16 of the Tennessee Code.

**BE IT HEREBY ISSUED.**

  
Kenneth C. Hill, Chairman



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<sup>1</sup> According to the Application, United will serve the cities of Brentwood, Chapel Hill, Estill Springs and Nolensville plus the unincorporated areas of Bedford, Davidson, Franklin, Marshall, Moore, Rutherford and Williamson counties within the footprint of United Telephone Company.