

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WINDSTREAM)	
KENTUCKY EAST, LLC, WINDSTREAM)	
KENTUCKY WEST, LLC, AND WINDSTREAM)	CASE NO. 2013-00176
CORPORATION FOR AUTHORITY TO)	
COMPLETE A CERTAIN PRO FORMA)	
INTRA-CORPORATE TRANSACTION)	

ORDER

On May 1, 2013, Windstream Kentucky East, LLC, Windstream Kentucky West, LLC, (collectively, "Windstream Licensees") and Windstream Corporation ("Windstream") (Windstream Licensees and Windstream collectively, "Applicants") filed an application requesting Commission approval of a *pro forma* intra-corporate transaction ("Transaction"). The Transaction will insert a new holding corporation, Windstream Holdings, Inc. ("WHI") into the ownership chain above Windstream.¹

The Transaction will take place in three steps. First Windstream will form WHI as a wholly owned subsidiary. Second, WHI will form a wholly owned subsidiary, Mergerco. Third, Mergerco will merge with and into Windstream, with Windstream as the surviving corporation and a wholly owned subsidiary of WHI.

The Applicants state that this results in Windstream's inserting a new publicly traded holding company at the top of the ownership chain. The existing shares of Windstream stock will be converted to WHI stock on a one-to-one basis—there will be no change in ownership or shareholders and, as a result, is a *pro forma* restructuring.

¹ Windstream is the current holding company for the Windstream Licensees.

Once the Transaction is completed, WHI will have the same public shareholders as Windstream, and the same officers and directors. The Applicants state that, as a result, WHI will have the same financial, managerial, and technical abilities as Windstream and the Windstream Licensees.

The Windstream Licensees have shared corporate operations and functions currently handled by Windstream Communications, Inc. ("WCI"). These operations and functions will be transferred from WCI to Windstream, which as the parent corporation, will conduct these services for the Windstream Licensees. WCI will retain its current telecommunications operations and licenses, including WCI's telecommunications assets in Kentucky.

This application was made under KRS 278.020(5), which requires an acquiring entity to have the "financial, technical and managerial abilities to provide reasonable service." This Transaction is *pro forma*, and the new parent company, WHI, will have the same management and functionality as the predecessor, Windstream. The shareholders will remain the same.

The Commission finds that the information of record in this case filed by the Applicants demonstrates that they have the financial, technical, and managerial abilities to continue providing reasonable service in Kentucky. Consequently, the *pro forma* Transaction should be approved.

IT IS THEREFORE ORDERED that the *pro forma* Transaction of the Applicants is approved.

By the Commission

ENTERED
JUN 28 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2013-00176

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