

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WINDSTREAM KENTUCKY)
EAST, LLC AND WINDSTREAM KENTUCKY)
WEST, LLC FOR A DECLARATORY RULING)
THAT APPROVAL IS NOT REQUIRED FOR)
THE TRANSFER OF A PORTION OF THEIR)
ASSETS; (2) ALTERNATIVELY FOR APPROVAL) CASE NO. 2014-00283
OF THE TRANSFER OF ASSETS; (3) FOR)
A DECLARATORY RULING THAT)
COMMUNICATIONS SALES AND LEASING,)
INC. IS NOT SUBJECT TO KRS 278.020(1); AND)
(4) FOR ALL OTHER REQUIRED APPROVALS)
AND RELIEF)

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO WINDSTREAM KENTUCKY EAST, LLC AND WINDSTREAM
KENTUCKY WEST, LLC

Windstream Kentucky East, LLC and Windstream Kentucky West, LLC (collectively "Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 1, 2014. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the

preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Applicants shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Applicants fail or refuses to furnish all or part of the requested information, Applicants shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. If the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to paragraphs 16 and 17 of the Application, which state that Communication Sales and Leasing, Inc. ("CSL") will own but not operate or manage the subject assets.

a. Explain the contention that CLS is not a utility as that term is defined in KRS 278.010(3)(e).

b. Are the subject assets currently being used for the transmission or conveyance of any message by telephone or telegraph for the public for compensation?

c. After the proposed transfer, will the subject assets be used for the transmission or conveyance of any message by telephone or telegraph for the public for compensation?

2. Provide a copy of the Internal Revenue Service private letter approving the transfer of subject assets into a Real Estate Investment Trust ("REIT").

3. Refer to Exhibit 4 of the Application, page 1, "Leased Property." What legal effect will the contemplated transaction have upon easements and rights of ways currently owned by the Applicants that will be transferred to the REIT?

4. Refer to Exhibit 4 of the Application, page 1, "Leased Property." What legal effect will the contemplated transaction have upon pole attachments and pole-attachment rates currently charged by the Applicants and included in the Applicants' current tariffs?

a. Who will receive the revenue generated by pole-attachment fees if the transaction goes into effect?

b. Who will be responsible for performing make-ready work associated with pole-attachment requests? Explain how such investments will be accounted.

c. Who will be responsible for ensuring compliance with National Electrical Safety Code ("NESC") inquiries or enforcement actions conducted by the Commission?

d. If penalties or other sanctions result from Commission enforcement actions, who will be responsible for compliance?

e. Describe in detail the inspection procedures that will be in place to ensure that facilities along pole routes, including all attachments and appurtenances, remain in compliance with Commission requirements, including the NESC.

5. How will the contemplated transaction affect line extensions?

6. How will the contemplated transaction affect obtaining right of way for line extensions?

7. Provide any communications or documentation from the Federal Communications Commission ("FCC") stating that the contemplated transaction does not need FCC approval. If no such document or communication exists, cite to the relevant law exempting the contemplated transaction from FCC approval and explaining why the contemplated transaction is governed by this law.

8. Describe, in detail, the facilities that will not be transferred to the REIT because of the American Recover and Reinvestment Act. Explain why these facilities will not be transferred to the REIT.

9. Refer to paragraph 22 of the Application, which states that the Applicants already lease some facilities in Kentucky. Explain why the Applicants lease these facilities and provide examples of these facilities.

10. Refer to paragraph 70 of the Application, which states that the Applicants serve approximately 353,000 access lines. Provide the number of access lines the Applicants have in Kentucky and provide the number of these access lines that are basic local exchange customers.

11. As a result of the proposed transaction, do the Applicants expect an increase or decrease in the number of Applicants' employees in Kentucky? Explain your answer.

12. Refer to paragraph 78 of the Application, which states that cellular telecommunications companies utilize REITs to construct towers. Provide examples of

this arrangement and describe how these arrangements are similar to those of the contemplated transaction, and how they are not similar.

13. Explain why CSL recently reincorporated in Maryland from Delaware.

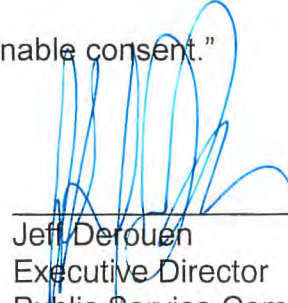
14. Provide the gross intrastate revenues for the Applicants for the fiscal years ending in 2013 and 2012. Is the contemplated transaction expected to negatively impact these revenues? Explain your answer.

15. Can the Applicants acquire their own lines and facilities similar to those proposed to be transferred to the REIT. Explain your answer.

16. Refer to Exhibit 4 of the Application, page 3, which states, "Tenant cannot enter into any Swap Agreement with a third party without Landlord's reasonable consent."

a. Describe in what situations the Applicants may enter into a Swap Agreement.

b. Explain what constitutes "reasonable consent."



Jeff Derouen
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DATED SEP 23 2014

cc: Parties of Record

Case No. 2014-00283

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