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COMMISSION

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April 18, 2006

VIA E-MAIL

Dennis G. Howard II
Acting Director
Division of Rate Intervention
Office of Attorney General
Suite 200
1024 Capital Center Drive
Frankfort, Kentucky 40601

RE: P.S.C Case No. 2005-00534

Dear Dennis:

Per your letter of April 13, 2006, I am enclosing a copy of the revised commitment letter with respect to the New Holding Company that will be formed as part of the future spin-off of Alltel's Wireline Business and subsequent merger with Valor Communications Group (a/k/a NewCo and the Merged Wireline Business), and its lenders.

The removal of the operating company guarantees and asset liens for selected regulated subsidiaries, including Alltel Kentucky, Inc., Kentucky Alltel, Inc. and Alltel Holding Corporate Services, Inc., will not affect the financial ability of the New Holding Company to provide reasonable service. The original estimated interest expense savings referred to in Applicants' Amended and Restated Application (\$37.5 million annually) was based on information obtained from Alltel's financial advisors who, at that time the estimate was provided, only could attempt to predict the future condition of the financial markets at the time of the anticipated transaction closing in May or June 2006. Currently, the condition of the credit markets is favorable. Based on the favorable condition of the credit markets and the fact that a number of parties in this proceeding and other similar state approval proceedings have expressed concerns with the operating company liens and guarantees, Applicants decided to forgo them in order to expedite receipt of the remaining required state regulatory approvals. The prospective debt will continue to be secured by liens and guarantees of selected regulated and non-regulated entities.

The above information, along with the enclosed revised commitment letter, addresses the questions raised in your letter. Given that the hearing is a little more than a week away, it is neither reasonable nor practicable to review the responses to the approximately 240 data requests, not including multiple subparts, prior to the hearing as you have suggested. The removal of the Kentucky guarantees and liens renders a substantial number of your requests moot and relieves the need for the Commission to issue any financing approval. Essentially, removal of the liens and guarantees in Kentucky takes the parties back to the relief requested in the Applicant's December 22, 2005 Application. Specifically, the

Dennis G. Howard II

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issues remaining are whether Applicants possess the requisite financial, technical, and managerial ability to provide reasonable service and whether the transfer of control transaction is in the public interest. As I previously have offered, the Applicants stand ready to answer by conference call questions any of the parties or Staff might have. To the extent any of the information developed in such a call reasonably needs to be made part of the record I suspect a reasonable means of doing so can be found.

For the above-mentioned reasons, I respectfully disagree that it is necessary for Applicants to submit another amended application. My letter was sent to inform the parties and the Commission as soon as possible that the Applicants will not be seeking all of the relief sought in the Amended and Restated Application. Parties, of course, are free to abandon requests for relief at anytime, and I am unaware of any authority requiring an amendment to do so. Again, the effect of removing the operating company guarantees and asset liens is to return this case to the substantive posture it was in with the Applicants' December 23, 2005 filing. The Amended and Restated Application merely sought an additional approval, the need for which now has been eliminated. Applicants remain hopeful that approval of the remaining transfer of control transaction will be received in advance of the 120-day statutory deadline and believe that this latest action related to the liens and guarantees will simplify matters and provide the means to accomplish such.

I remain willing to discuss these matters with you or any of the parties.

Sincerely yours,

STITES & HARBISON, PLLC


Mark R. Overstreet

cc: Amy E. Dougherty
Beth O'Donnell
Counsel of Record

J.P. Morgan Securities Inc.

**Merrill Lynch, Pierce, Fenner & Smith
Incorporated**

JPMorgan Chase Bank, N.A.

Merrill Lynch Capital Corporation

April 12, 2006

Private and Confidential

ALLTEL Corporation
One Allied Drive
Little Rock, AR 72202
Attention: Jeffrey R. Gardner
Chief Financial Officer

ALLTEL Corporation
Senior Secured Credit Facilities
Amendment to Commitment Letter

Ladies and Gentlemen:

We refer to the Commitment Letter dated December 8, 2005 among us (together with the schedules and exhibits thereto, the "**Commitment Letter**"). Terms used but not defined in this Amendment (this "**Amendment**") have the meanings assigned thereto in the Commitment Letter.

We hereby agree that the description of the "Guarantors" contained in the Summary of Terms and Conditions attached to the Commitment Letter as Exhibit A is hereby amended by adding the following proviso at the end thereof: "*provided* that Guarantees will not be required from any subsidiary to the extent that the Transaction requires, or the granting of such Guarantee would require, the approval of any state regulatory agency".

Neither the Commitment Letter nor this Amendment may be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the parties hereto. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York. This Amendment may be executed in any number of counterparts, each of which when executed shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

Very truly yours,

J.P. MORGAN SECURITIES INC.

By: _____
Name:
Title:

MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.


By: _____
Name:
Title:

MERRILL LYNCH CAPITAL
CORPORATION

By: _____
Name:
Title:

Accepted and agreed to as of
the date first written above:

ALLTEL CORPORATION

By: 
Name: Richard N. Massey
Title: Executive Vice President

SENIOR SECURED CREDIT FACILITIES

Summary of Terms and Conditions

Capitalized terms not otherwise defined herein have the same meanings as specified therefor in the Commitment Letter to which this Exhibit A is attached.

I. Parties

- Borrower:** ALLTEL Holding Corp., a Delaware corporation (“**Spinco**”) and wholly-owned subsidiary of ALLTEL Corporation (“**Alltel**”), prior to the merger (the “**Merger**”) of Spinco with and into Valor Communications Group, Inc., a Delaware corporation (“**Merger Partner**”), and, after the Merger, the surviving corporation (“**Wireline**”). The Borrower and its subsidiaries are collectively referred to herein as the “**Wireline Companies**”.
- Guarantors:** Each of the Borrower’s present and future direct and indirect domestic subsidiaries and each subsidiary that guarantees the Refinancing Notes, the Distributed Notes or any other debt obligations of the Borrower, will guarantee (each, a “**Guarantee**”, and such subsidiaries, the “**Guarantors**”) the Borrower’s obligations under (x) the Facilities and (y) cash management agreements (the “**Secured Cash Management Agreements**”) and (to the extent relating to the Loans) interest rate protection agreements (the “**Secured Hedge Agreements**”), in each case entered into with a person that is, or was at the time such agreement was entered into, a Lender or an affiliate of a Lender, up to the maximum amount possible without violating applicable fraudulent conveyance laws; provided that Guarantees will not be required from any subsidiary to the extent that the Transaction requires, or the granting of such Guarantee would require, the approval of any state regulatory agency.
- Sole and Exclusive Lead Arrangers and Joint Bookrunners:** J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch & Co. (collectively, in such capacity, the “**Lead Arrangers**”).

Administrative Agent and Collateral Agent: A financial institution to be determined (in such capacity, the “**Administrative Agent**”).

Lenders: A syndicate of financial institutions and other entities, including JPMorgan Chase Bank, N.A. (“**JPMCB**”) and Merrill Lynch Capital Corporation (together, the “**Lead Lenders**”), identified by the Lead Arrangers in consultation with the Borrower (collectively, the “**Lenders**”).

II. Revolving Credit Facility

Type and Amount of Facility: Five-year revolving credit facility (the “**Revolving Credit Facility**”) in a principal amount of \$500 million (the loans thereunder, the “**Revolving Credit Loans**”).

Availability: The Revolving Credit Facility shall be available on a revolving basis during the period commencing on and after the Closing Date and ending on the fifth anniversary thereof (the “**Revolving Credit Termination Date**”), except that Borrowings under the Revolving Credit Facility will only be permitted on the Closing Date as specified on Schedule 1 to the Commitment Letter.

Letters of Credit: A portion of the Revolving Credit Facility not in excess of \$30 million shall be available for the issuance of letters of credit (“**Letters of Credit**”) by JPMCB and other financial institution(s) to be agreed (each, in such capacity, the “**Issuing Lender**”). No Letter of Credit shall have an expiration date after the earlier of (a) one year after the date of issuance and (b) five business days prior to the Revolving Credit Termination Date, *provided* that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above).

Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Credit Loans) on the same business day. To the extent that the Borrower does not so reimburse the Issuing Lender, the Lenders under the Revolving Credit Facility shall be irrevocably and unconditionally obligated to reimburse the Issuing Lender on a *pro rata* basis.

Maturity: The Revolving Credit Termination Date.

Purpose: The proceeds of the Revolving Credit Loans and Letters of Credit shall be used to pay fees and expenses in connection with the Transaction and for working capital and other general corporate purposes of the Wireline Companies.

III. Term Loan Facilities

Type and Amount of Facilities: Term loan facilities in an aggregate principal amount of up to \$3.7 billion (the loans thereunder, the “**Term Loans**” and, together with the Revolving Credit Loans, the “**Loans**”), consisting of subfacilities in the following amounts:

- (i) Tranche A Term Facility – up to \$500 million;
- (ii) Tranche B Term Facility – up to \$2.8 billion; and
- (iii) Tranche C Term Facility – up to \$400 million

The Tranche A and/or Tranche B Term Facility will be reduced or, if applicable, prepaid dollar-for-dollar by the principal amount of any Refinancing Notes issued on or after the Closing Date.

Availability: The Tranche A and Tranche B commitments will expire at the close of business on the Closing Date. The Tranche C commitments will be available for a period of 4 months after the Closing Date for the purposes described below.

Maturity: Tranche A Term Loans – 5 years.
Tranche B Term Loans – 7 years.
Tranche C Term Loans – 5 years.

Purpose: The proceeds of the Tranche A Term Loans and the Tranche B Term Loans shall be used to finance a \$2.4 billion dividend payment to Alltel and to refinance Merger Partner’s existing bank facility identified on Schedule 2 to the Commitment Letter and approximately \$81 million of Alltel’s outstanding bonds. The proceeds of the Tranche C Term Loans shall be used to purchase any of Merger Partner’s outstanding bonds that are tendered pursuant to the terms thereof.

IV. Security

The Borrower's obligations under the Facilities, the Secured Cash Management Agreements and (to the extent relating to the Loans) the Secured Hedge Agreements will be secured by perfected first-priority liens on (i) substantially all of its personal property assets, including without limitation receivables, inventory, equipment, bank accounts, general intangibles, licenses (subject to any applicable regulatory restrictions), patents, brand names, trademarks, contracts (including franchise agreements), capital stock and other equity interests in subsidiaries (but not more than 66% of the voting stock of any foreign subsidiary and subject to any applicable regulatory or contractual restrictions) and other securities and (ii) such other assets as shall be deemed necessary in the reasonable discretion of the Lead Arrangers. The Guarantees will be secured by perfected first-priority liens on all assets of the respective Guarantors of the same types as described in clauses (i) and (ii) above. All of the assets referred to in this paragraph that will be subject to liens may be referred to herein, collectively, as the "Collateral".

Any of Alltel's outstanding bonds that are assumed by Spinco may be equally and ratably secured by such portion of the Collateral as may be required under the applicable indentures.

V. Certain Payment Provisions

Fees and Interest Rates: As set forth on Annex I hereto.

Scheduled Amortization: The Tranche A Term Loans and the Tranche C Term Loans will be amortized quarterly according to the following schedule:

Each quarter during Year 1 – 0%
Each quarter during Year 2 – 1.25%
Each quarter during Year 3 – 2.5%
Each quarter during Year 4 – 3.75%
Each of the first 3 quarters of Year 5 – 5%
Maturity – 55%

The Tranche B Term Loans will be amortized quarterly with (i) 0.25% of the Tranche B Term Loans to be payable quarterly in equal installments in each quarter of the second through the sixth years and the first 3 quarters of the

seventh year and (ii) the balance of the Tranche B Term Loans to be payable at maturity.

Mandatory Prepayment Events:

In addition to scheduled amortization payments and any prepayments required upon the issuance of Refinancing Notes after the Closing Date, 100% of the net proceeds from asset sales (subject to customary option to reinvest proceeds within 365 days) by, and of the proceeds of casualty insurance, condemnation awards and similar recoveries received by, any of the Wireline Companies will be applied, to prepay the Term Loans on a pro rata basis (*provided* that any Lender may elect not to receive any such payment of its Tranche B Term Loans until all of the Tranche A Term Loans and the Tranche C Term Loans have been paid in full) in direct order of scheduled amortization of the applicable Term Loans.

Optional Prepayments and Commitment Reductions:

Loans may be prepaid and unused commitments may be reduced by the Borrower in minimum amounts to be agreed upon. Optional prepayments of Term Loans will be applied (i) proportionately between all outstanding tranches thereof and (ii) ratably to scheduled amortization.

VI. Certain Conditions

Initial Conditions:

The availability of the Facilities shall be conditioned upon the satisfaction of the conditions precedent set forth in Exhibit B to the Commitment Letter on or before December 8, 2006 (the date upon which all such conditions precedent shall be satisfied, the "**Closing Date**").

On-Going Conditions:

The making of each extension of credit (including the initial extension of credit) shall be conditioned upon (a) the accuracy of all representations and warranties in the definitive financing documentation with respect to the Facilities (the "**Credit Documentation**") (including without limitation the material adverse change and litigation representations) and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit.

VII. Certain Documentation Matters

The Credit Documentation shall contain representations, warranties, covenants and events of default customary for

financings of this type and/or companies engaged in a business similar to that of the Wireline Companies and/or deemed appropriate by the Lenders, in each case providing the Lenders with at least the same rights as any similar provisions applicable to the Distributed Notes and/or the Refinancing Notes, including without limitation:

Representations and Warranties:

Corporate existence; corporate power and authority; enforceability of the Credit Documentation; governmental and regulatory approvals (including of the FCC and any similar state agencies); no conflict with law or contractual obligations; financial statements; absence of undisclosed liabilities; no material adverse change; ownership of properties (including copyrights, trademarks and other intellectual property); no material litigation; environmental matters; compliance with laws and agreements; no default; Investment Company Act; Public Utility Holding Company Act; payment of taxes; ERISA and pension plans; accuracy of disclosure; subsidiaries; insurance; labor matters; solvency; liens and collateral matters; licenses/franchises (including of the FCC and similar state agencies); Federal Reserve margin regulations.

Affirmative Covenants:

Delivery of financial information (including annual audited and quarterly unaudited consolidated financial statements), reports, accountants' letters, budgets, officers' certificates and any other information reasonably requested by the Administrative Agent or any Lender; notices of defaults, litigation, regulatory matters and other material events; information regarding collateral; maintenance of existence, material rights and franchises and conduct of business; payment and performance of other obligations; maintenance of properties; insurance; casualty and condemnation; maintenance of books and records; right of the Lenders to inspect property and books and records; compliance with laws and regulations (including environmental laws and FCC and similar state regulations); use of proceeds and Letters of Credit; future subsidiaries; further assurances; maintenance of interest rate hedging agreements; provision of additional guarantees and/or Collateral.

Financial Covenants:

1. Minimum Interest Coverage Ratio (to be determined)
2. Maximum Leverage Ratio of 4.50 to 1.0

Negative Covenants: Limitations on: indebtedness and preferred stock; liens (other than permitted liens) ; fundamental changes (including mergers, consolidations, liquidations and dissolutions); sales of assets; investments, loans, advances, guarantees and acquisitions; sale and leaseback transactions; hedge agreements; dividends and payments in respect of capital stock (with an exception for dividends up to the sum of excess free cash flow (to be defined substantially the same as in Merger Partner's existing credit agreement) and net cash equity issuance proceeds so long as the pro forma Leverage Ratio does not exceed 4.50 to 1.0) and certain payments of debt; transactions with affiliates; restrictive agreements; limitations on capital expenditures; amendment of material documents; changes in fiscal year; changes in lines of business.

Events of Default: Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period to be agreed; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon); cross-default to debt of any of the Wireline Companies in excess of an amount to be agreed; bankruptcy events related to the Borrower and its material subsidiaries; material judgments; certain ERISA events; loss of material regulatory licenses; loss of lien perfection or priority; unenforceability of Guarantees; change of control (the definition of which is to be agreed).

Voting: Amendments and waivers with respect to the Credit Documentation shall require the approval of Lenders holding more than 50% of the aggregate amount of the Loans, participations in Letters of Credit and unused Revolving Credit commitments, except that (a) the consent of each Lender directly affected thereby shall be required with respect to (i) reductions in the amount, or extensions of the scheduled date of amortization or final maturity, of any Loan, (ii) reductions in any rate of interest or any fee or extensions of any due date thereof and (iii) increases in the amount or extensions of the expiry date of any Lender's commitment, (b) the consent of the holders of at least 50% of the aggregate amount of the Revolving Credit commitments or any tranche of Term Loans, as the case may be, shall be required with respect to any amendment or waiver that would adversely affect the rights of the holders

of Revolving Credit commitments or such tranche of Term Loans, as the case may be, differently from the rights of any other Lender and (c) the consent of 100% of the Lenders shall be required with respect to (i) releases of all or substantially all of the Collateral or the Guarantees and (ii) modifications to any of the voting percentages.

Assignments and Participations:

As set forth below, the Lenders shall be permitted to assign and sell participations in their Loans and commitments, subject, in the case of assignments (other than to another Lender or an affiliate of a Lender), to the consent of the Administrative Agent and, unless an Event of Default has occurred and is continuing, the Borrower (which consents shall not be unreasonably withheld); *provided* that, notwithstanding the foregoing, all assignments (including to another Lender or an affiliate of a Lender) in connection with the Revolving Credit Facility shall require the consent of the Administrative Agent and the Issuing Lender.

In the case of partial assignments (other than to another Lender or an affiliate of a Lender), the minimum assignment amount shall be \$1 million or any lesser amount held by the assigning Lender. The Administrative Agent shall be paid a processing and recordation fee of \$3,500 for each assignment (including for assignments to other Lenders or affiliates of Lenders).

Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required as described under "Voting" above.

Pledges of Loans in accordance with applicable law shall be permitted without restriction. Promissory notes shall be issued under the Facilities only upon request.

Yield Protection:

The Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs"

incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I hereto) on a day other than the last day of an interest period with respect thereto.

Expenses and
Indemnification:

The Borrower shall pay (a) all reasonable out-of-pocket expenses of the Administrative Agent and the Lead Arrangers associated with the syndication of the Facilities and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel) and (b) all out-of-pocket expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the Credit Documentation.

The Administrative Agent, the Lead Arrangers and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense arising out of or relating to the Facilities or the use or the proposed use of proceeds thereof or any aspect of the Transaction (except to the extent found by a final, non-appealable judgment of a court of competent jurisdiction to have arisen from the willful misconduct or gross negligence of such indemnified person).

Governing Law and Forum: State of New York.

Counsel to the
Administrative Agent
and the Lead Arrangers:

Davis Polk & Wardwell.

SENIOR SECURED CREDIT FACILITIES

Interest and Certain Fees

Interest Rate Options: The Borrower may elect that the Loans comprising each borrowing bear interest at a rate per annum equal to:

the ABR plus the Applicable Margin; or

the Adjusted LIBO Rate plus the Applicable Margin;

provided that all Loans made on the Closing Date shall be ABR Loans.

The Borrower may elect interest periods of 1, 2, 3 or 6 months for Loans bearing interest based upon the Adjusted LIBO Rate (“Eurodollar Loans”).

As used herein:

“**ABR**” means the highest of (i) the rate of interest publicly announced by the Administrative Agent as its prime rate in effect at its principal office in New York City (the “**Prime Rate**”), and (ii) the federal funds effective rate from time to time *plus* 0.5%.

“**Adjusted LIBO Rate**” means the LIBO Rate, as adjusted for statutory reserve requirements for eurocurrency liabilities.

“**Applicable Margin**” means, for any day, (i) if the Facilities are rated Ba2 or higher by Moody’s and BB or higher by S&P (in each case with a stable outlook), (A) in the case of Revolving Credit Loans, Tranche A Term Loans and Tranche C Term Loans, 1.25% for Eurodollar Loans and 0.25% for ABR Loans, and (B) in the case of Tranche B Term Loans, 1.50% for Eurodollar Loans and 0.50% for ABR Loans, and (ii) otherwise, (A) in the case of Revolving Credit Loans, Tranche A Term Loans and Tranche C Term Loans, 1.50% for Eurodollar Loans and 0.50% for ABR Loans, and (B) in the case of Tranche B Term Loans, 1.75% for Eurodollar Loans and 0.75% for ABR Loans.

“**LIBO Rate**” means the rate at which eurodollar deposits in the London interbank market for 1, 2, 3 or 6 months (as selected by the Borrower) are quoted on the Telerate screen.

Interest Payment Dates: In the case of Loans bearing interest based upon the ABR (“**ABR Loans**”), quarterly in arrears.

In the case of Eurodollar Loans, on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.

Commitment Fee: The Borrower shall pay a fee calculated at the rate of 0.25% per annum, subject to step-downs based upon the Leverage Ratio to be agreed, on the average daily amount of the unused Revolving Credit commitment and the unused Tranche C commitment, payable quarterly in arrears.

Letter of Credit Fees: The Borrower shall pay a commission on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Revolving Credit Loans on the face amount of each such Letter of Credit. Such commission shall be shared ratably among the Revolving Lenders and shall be payable quarterly in arrears.

A fronting fee equal to 0.25% per annum on the face amount of each Letter of Credit shall be payable quarterly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account.

Default Rate: At any time when the Borrower is in default under any of the Facilities, all outstanding amounts under the Facilities shall bear interest at 2% above the rate otherwise applicable thereto.

Rate and Fee Basis: All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.