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January 23, 2006

RECEIVED

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PUBLIC SERVICE COMMISSION

VIA HAND DELIVERY
Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: Amended and Restated Application for Approval of Transfer and Authorization to Guarantee Indebtedness
Case No. 2005-00534

Dear Ms. O'Donnell:

Our firm represents ALLTEL Corporation and its various affiliates, including Kentucky ALLTEL and ALLTEL Kentucky ("ALLTEL"). Enclosed are an original and eleven copies of ALLTEL's Amended and Restated Application for Approval of Transfer and Authorization to Guarantee Indebtedness. Please file the original and ten copies and stamp one copy and return it via our courier. Thanks for your assistance.

Sincerely yours,

James H. Newberry, Jr.

James H. Newberry, Jr.

JHN:kms
Enclosures
cc: Amy Dougherty, Esq. (via hand delivery w/enc.)
Dennis Howard (via mail w/enc.)
David Barberie, Esq. (via hand delivery w/enc.)
Stephen B. Rowell, Esq. (via mail w/enc.)
Doug Brent, Esq. (via mail w/enc.)
Jonathan Amlung, Esq. (via mail w/enc.)
John Selent, Esq (via mail w/enc.)

30393272.3

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

APPLICATION FOR APPROVAL OF THE TRANSFER OF CONTROL OF ALLTEL KENTUCKY, INC. AND KENTUCKY ALLTEL, INC. AND FOR AUTHORIZATION TO GUARANTEE INDEBTEDNESS	))))	CASE NO. 2005-00534

AMENDED AND RESTATED
APPLICATION FOR APPROVAL OF TRANSFER
AND AUTHORIZATION TO GUARANTEE INDEBTEDNESS

Alltel Kentucky, Inc. ("AKI"), Kentucky Alltel, Inc. ("KAI"), Alltel Communications, Inc., Alltel Holding Corp., Valor Communications Group ("Valor"), and Alltel Holding Corporate Services, Inc. (collectively, "Applicants") respectfully submit this Amended and Restated Application (a) requesting the approval of the Kentucky Public Service Commission ("Commission") for the transfer of control of AKI and KAI, (b) requesting approval of the Commission for AKI and KAI to guarantee certain indebtedness of their parent corporation and (c) providing notice of the transfer of long distance resale customers of Alltel Communications, Inc. (the ILECs and the long distance resale businesses collectively, "the Wireline Business") from Alltel Corporation to the entity resulting from the merger of Alltel Holding Corp. and Valor, and Alltel Holding Corporate Services, Inc., respectively. This Application is submitted in compliance with KRS 278.020 and KRS 278.300

I. INTRODUCTION

1. The telecommunications industry has changed dramatically in the last several years and is expected to change even more significantly in the coming years. Intermodal competition, between wireline and wireless telecommunications services for example, is now widespread even in the territories served by Applicants. As a result of intermodal competition and rapidly changing fundamentals of the wireline business, wireline companies need to adapt

their existing business models to more effectively compete. Specifically, wireline businesses will require enhanced strategic flexibility in the future to bring new products and services to the marketplace faster and improve their existing overall customer service. The need to execute strategies faster in the future will require greater focus and access to adequate human and financial capital.

2. As a result of these changes, Alltel Corporation ("Alltel") is separating the Wireline Business from its wireless business and merging the Wireline Business with Valor. In order to carry out the separation, two new subsidiaries of Alltel have been created, Alltel Holding Corp. and Alltel Holding Corporate Services, Inc. This pre-separation corporate structure is illustrated on **Exhibit 1** to this Application.

3. Alltel will first transfer ownership of AKI, KAI and Alltel's other incumbent local exchange company subsidiaries to Alltel Holding Corp. Likewise, customers of Alltel Communications, Inc.'s long distance resale business will be transferred to Alltel Holding Corporate Services, Inc., which will become a wholly-owned subsidiary of Alltel Holding Corp. The ownership of Alltel Holding Corp. then will be transferred from Alltel to Alltel's shareholders, thereby establishing Alltel Holding Corp. (with its subsidiary, Alltel Holding Corporate Services, Inc.) as a stand-alone holding company. After transferring its long distance resale business to Alltel Holding Corporate Services, Inc., Alltel Communications will no longer engage in the long distance resale business. The post-separation corporate structure is illustrated on **Exhibit 2** to this Application.

4. In the final step of this process, Alltel Holding Corp. will merge into Valor, a holding company with its own local exchange company subsidiaries operating in the states of Texas, New Mexico, Oklahoma and Arkansas (resulting in the "Merged Wireline Business").

Following this merger, the shareholders of Alltel will own 85% of the Merged Wireline Business, and the shareholders of Valor will own 15%. Additionally, as described later in this Application, the principal officers of the Merged Wireline Business will be certain current officers of Alltel. The Merged Wireline Business will adopt a name and corporate logo that is presently being determined. The corporate offices of the Merged Wireline Business will be located in Little Rock, Arkansas and initially will be located in office space to be leased from Alltel and in part at a separate location in Little Rock until a single office location separate from Alltel can be obtained in the central Arkansas area. Because end user customers will continue to receive the same rates and high quality service from the same dedicated local operations, the transfer will appear merely as a name change. The Merged Wireline Business corporate structure is illustrated on **Exhibit 3** to this Application.

5. KAI, AKI and other corporate subsidiaries of the Merged Wireline Business will, subject to regulatory approvals, guarantee certain obligations of the Merged Wireline Business, all as described in Paragraphs 39-43 below.

6. In this Application, Applicants request the Commission's approval with respect to the change of control of the Wireline Business as described above. As explained in detail below, this transfer of control is in the public interest and compliant with applicable law. The Merged Wireline Business will continue to have the requisite managerial, technical and financial capability to provide the services that it currently provides. Moreover, the change of control will produce benefits for the wireline local exchange residential and business customers.

7. Separating the Wireline Business into an independent, stand-alone corporate structure and merging with Valor allows the Merged Wireline Business to enhance both strategic flexibility and financial and operational opportunities. The Merged Wireline Business will

increase its focus on providing a full portfolio of high quality services to its residential and business customers. Through its subsidiaries, the new wireline-focused company will continue to meet the needs of local exchange and long distance customers throughout its service areas.

8. In addition, the Applicants seek the Commission's authorization pursuant to KRS 278.300 to guarantee and grant liens for up to $5,740,000,000 of the debt of the Merged Wireline Business.

II. PARTIES INVOLVED IN THE TRANSFER

7. AKI and KAI are certificated by this Commission to provide local exchange services and are wholly-owned subsidiaries of Alltel, with corporate offices located at One Allied Drive, Little Rock, Arkansas. Copies of the articles of incorporation for AKI, KAI and all other applicants have previously been tendered to the Commission with the original application in this proceeding and in a supplemental filing on January 5, 2006 pursuant to 807 KAR 5:001, Section 8.

8. Alltel Communications, Inc., a Delaware corporation, is certificated in this state as a long distance reseller.

9. AKI, KAI and Alltel Communications, Inc., together with Alltel's other subsidiaries, currently provide wireless, long distance, internet, broadband, directory publishing, telecommunications equipment and local communications services in numerous states. As of June 30, 2005, AKI, KAI and their ILEC affiliates served approximately 3.0 million local access lines in fifteen states, including approximately 544,000 access lines in this state. Alltel Communications, Inc. currently provides long distance service in 49 states and operates as a CLEC in 7 states.

10. Alltel Holding Corp., a Delaware corporation, is a newly-formed subsidiary of Alltel. As described above, immediately upon the separation of Alltel's Wireline Business from

its wireless businesses, Alltel Holding Corp. will become the owner of the Wireline Business and then merge into Valor. Alltel Holding Corp. is not seeking authority to become a regulated telecommunications carrier or public utility.

11. Alltel Holding Corporate Services, Inc., a Delaware corporation, is a newly created subsidiary of Alltel and will become part of the Merged Wireline Business. It is seeking authority to become the owner of all of Alltel Communications, Inc.'s current long distance resale and competitive local exchange businesses.

12. Valor Communications Group is a Delaware corporation and is the owner of local exchange operating companies that as of June 30, 2005 provide local exchange service to approximately 530,000 access lines in four states. As a result of its merger with Alltel Holding Corp., Valor will become the owner of the Merged Wireline Business but itself will not be a certificated public utility.

III. REQUIREMENTS FOR APPROVAL OF TRANSFER OF CONTROL

13. KRS 278.020 grants the Commission authority to approve the transfer requested in this Application. In approving this transfer, the Commission must consider whether the transfer (a) is to be made in accordance with law, for a proper purpose and is consistent with the public interest, and (b) is made to a transferee that has the financial, technical and managerial abilities to provide reasonable service. The transfer of control of the Wireline Business satisfies all applicable criteria. The Merged Wireline Business will maintain the capability to provide high quality telecommunications services and introduce advanced services, and the transfer is in the public interest for the reasons set forth herein.

IV. TRANSACTION AND NEW CORPORATE STRUCTURE

14. As described above, Exhibit 1 illustrates the corporate structure of Alltel before the separation and merger described in this Application, Exhibit 2 illustrates the resulting post-

separation corporate structure for Alltel Holding Corp., and Exhibit 3 illustrates the structure that results from the merger with Valor.

15. Although the entities comprising the Wireline Business will become subsidiaries of a different holding company and the entities' names will change, from an operational perspective, little will change. Immediately following the separation and merger, the Merged Wireline Business will continue to provide the same services, at the same rates and pursuant to the same tariffs, albeit under a new name. AKI and KAI will continue as the same legal entities operating and providing local exchange service in Kentucky. Alltel Holding Corporate Services, Inc., as successor to the long distance resale and CLEC businesses, will continue providing the same high quality service that Alltel Communications, Inc. does today. In addition to the incumbent local exchange and long distance resale and CLEC businesses, the Alltel Internet access, broadband, directory publishing, and telecommunications products businesses will also be transferred to the Merged Wireline Business. (The term "the Merged Wireline Business" as used throughout this Application also includes all of these enumerated services and products.) The Merged Wireline Business will maintain the same technical, financial and managerial ability to provide reliable service subsequent to the separation as its does today.

V. CONTINUED TECHNICAL, MANAGERIAL, AND FINANCIAL CAPABILITY

16. The Merged Wireline Business will continue to be managed by very capable, experienced executives and employees, many of whom are transferring from Alltel to the Merged Wireline Business. For example, Alltel Chief Financial Officer, Jeffrey Gardner, has been named Chief Executive Officer of the Merged Wireline Business, and John Koch, Alltel President of Wireline Services, will be the Chief Operating Officer. Attached as **Exhibit 4** is a list of several officers of the Merged Wireline Business and a description of their qualifications. The collective experience of these officers demonstrates that the Merged Wireline Business will

maintain the same technical and managerial ability to continue providing reliable high quality services subsequent to the separation as it does today. In fact, the Merged Wireline Business' senior management team will have an average tenure in the telecommunications industry of nearly 20 years, with over 130 years of combined telecommunications industry experience. Moreover, the Merged Wireline Business will have the necessary financial security as it does today. All of these factors, along with the additional details below, demonstrate that the Merged Wireline Business will continue to possess the technical, managerial, and financial capability necessary to provide high quality service and, thereby, to promote the public interest.

A. Continued Technical Capability

17. The Merged Wireline Business will maintain the same technical capabilities after the transfer of control as it possesses today. All equipment, buildings, systems, software licenses and other assets owned and used by the Merged Wireline Business in the provision of its service will remain assets of AKI or KAI or will transfer to the Merged Wireline Business or a subsidiary thereof. For example, the Signaling System 7 network used by the Wireline Business to provide routing of communications traffic will be transferred to the Merged Wireline Business.

18. Some assets held by an Alltel affiliate are jointly used to provide services to the Wireline Business and one or more other affiliates that may not become part of the Merged Wireline Business. However, to the extent the Merged Wireline Business requires continued use of these assets or services from Alltel, they will be provided through lease arrangements or service agreements with the separated Alltel companies.

19. Following the transfer of control, the Merged Wireline Business will continue to own or have arrangements to use all of the necessary network assets and ordering, provisioning,

billing, and customer care capabilities required to continue to provide high quality retail and wholesale services seamlessly.

B. Continued Managerial Capability

20. The Merged Wireline Business will employ personnel experienced and dedicated to the provision of high quality communications service. The customer service, network and operations functions that are critical to the success of the Wireline Business today will persist, and the business will be staffed to ensure that continuity. For example, AKI and KAI's local operations will continue to be staffed and managed by employees with established ties to the community and extensive knowledge of the local telephone business.

21. The Merged Wireline Business will continue to receive certain centralized management services. The Merged Wireline Business will be staffed by many of the same experienced and knowledgeable persons currently providing these services. Presently, centralized functions include human resource, finance, tax, media, legal, planning, general support, and information services, thereby allowing the individual ILECs to benefit from the efficiencies enjoyed with centralized support services. After the transfer of control, the Merged Wireline Business will continue to receive similar centralized management services and thus, will continue to enjoy efficiencies from centralized support services and the benefits of an experienced staff.

C. Continued Financial Capability

22. Upon the transfer of control, the Merged Wireline Business will continue to be financially capable of fulfilling all of the requirements of a public utility. This capability will be unaffected by the change in the corporate parent.

23. Attached as **Exhibit 5** are the pro forma balance sheet and income statement for the Merged Wireline Business. The Merged Wireline Business will serve approximately 3.4

million access lines in 16 states. Its revenues are estimated to be approximately $3.4 billion per year and is expected to generate approximately $1.7 billion of annual operating income before depreciation and amortization. The Merged Wireline Business will clearly retain the financial stability to succeed in the ever-increasing competitive telecommunications marketplace.

24. The parent company of the Merged Wireline Business, which among other things will raise capital for AKI and KAI, will possess the financial capability to allow the Merged Wireline Business to provide high quality telecommunications services to customers. Upon completion of the separation and merger, the Merged Wireline Business will be a publicly traded company, whose stock is expected to be traded on the New York Stock Exchange. Moreover, the Merged Wireline Business will be one of the largest independent local exchange carriers in the nation. The Merged Wireline Business will have the ability to raise capital in order to invest in network, employees and information systems to continue providing high quality service.

25. The Merged Wireline Business expects to generate ample cash flow and pay an attractive dividend to investors. These sound financial characteristics ensure that the Merged Wireline Business will have the fiscal stability to position itself in the industry to pursue strategies necessary to assist the Merged Wireline Business in succeeding in a competitive environment.

26. The Merged Wireline Business' capital structure will include a mix of debt and equity that balances financial risk with business risk while maintaining an appropriate cost of capital, thereby maximizing the value of the Merged Wireline Business. The Merged Wireline Business' debt financing has already been committed by two of the world's largest banks, JP Morgan and Merrill Lynch. The debt to equity ratio of the parent company will provide sufficient leverage to produce specific benefits for the Merged Wireline Business and the

resulting debt leverage will be among the lowest in the RLEC industry. The planned capital structure and dividend policy are reasonable relative to the company's size, service areas, industry position, operating income, and cash flow.

27. All of the above facts demonstrate that the Merged Wireline Business will maintain the requisite financial capability to fully support its operations subsequent to the transfer of control.

VI. THE PUBLIC INTEREST

28. The Merged Wireline Business will operate in an industry that has been and continues to be subject to rapid technological advances, evolving consumer preferences, and dynamic change. These factors, combined with regulatory developments, create an environment in which the interests of the wireline business are best served by the separation. The establishment of the Merged Wireline Business as part of an independent, stand-alone wireline-centric corporation serves the public interest by allowing Alltel's separated ILECs to focus squarely on building their local wireline operations to provide a full range of high quality services to local residential and business customers.

29. This separation has the beneficial effect of better aligning the interests of the Merged Wireline Business with the interests of its customers. The company's strategic wireline focus will allow for a stronger local emphasis and permits the Merged Wireline Business to provide services tailored to the needs of its customers. The separation and merger, other than a change of name, will be virtually transparent to customers.

30. The Merged Wireline Business will ensure that service quality and the customer experience remain high priorities. Customers will experience no less than business as usual, but very likely an improved experience, as the Merged Wireline Business enhances service delivery, product development, and customer interaction.

VII. TRANSPARENCY TO CUSTOMERS

31. Up to and after the separation and merger, customer will receive the same full range of products and services that it offered prior to the separation, at the same prices, and under the same terms and conditions. Currently, AKI and KAI offer bundles of local calling and custom calling features combined with other services via sales of their own services or their own services combined with the services of another provider sold via a sales agency arrangement. These bundled offerings were designed to meet the customer demand for a true "one stop shop" for communications needs. As described above, the Merged Wireline Business will enter into the necessary arrangements to allow it to continue providing bundled service offerings.

32. Significantly, the customer interface with the Merged Wireline Business will not change. Customers will continue to call existing numbers to order new services, report service problems, and inquire about billing or other customer care issues. The Merged Wireline Business will provide customers notice of the transfer and name change via bill messages. A sample customer notice will be provided to the Commission in advance of its distribution.

33. The Merged Wireline Business will concentrate on the local operations of wireline customers and local affairs will continue to be managed by men and women with established local relationships and extensive knowledge of the local telephone business. Applicants' participation in the local community will be ongoing and continue to be of great importance. Furthermore, the senior executive team will be comprised of many of the same executives that have guided Alltel's local operations in the past. Their experience and expertise, combined with new flexibility to pursue wireline-only strategic goals, will ensure that the Merged Wireline Business service quality and standards will remain at the highest levels.

34. The Merged Wireline Business will provide the same high quality local exchange and resold long distance service it does today, subject to the same rules, regulations, and

applicable tariffs. The mere transfers of control will not effect the existing regulation, service quality obligations, or tariffs.[1] Further, any subsequent end user rate changes by the Merged Wireline Business will continue to be governed by the same rules and procedures. Similarly, the terms and prices for existing wholesale services under applicable access tariffs will remain unchanged as a result of this transfer. Finally, the transfer of control will not impact the terms of any existing interconnection agreements or obligations under state and federal laws regarding interconnection.

35. Applicable Labor contracts entered into by the Wireline Business will remain in effect in accordance with the terms and conditions of those agreements.

36. Consequently, for the reasons stated above, the separation of Alltel's wireline and wireless interests and merger with Valor serves the public interest. Such transfers of control allow increased operational focus and customer attention.

VIII. AUTHORIZATION TO ASSUME OBLIGATION OR LIABILITY

37. KRS 278.300(1) prohibits any utility from assuming any obligation or liability with respect to the evidences of indebtedness of another person until it has been authorized by the Commission. Although AKI and KAI are not assuming any debt or primary liability, they will be guaranteeing and granting liens in their assets with respect to the holding company debt as previously described and, therefore, approval of this Commission appears to be required.

38. KRS 278.300(3) states that the Commission shall not approve any assumption unless, after investigation of the purposes and uses of the proposed assumption, the Commission finds that the assumption (a) is for some lawful object within the corporate purposes of the utility, (b) is necessary or appropriate for or is consistent with the proper performance by the

[1] Although this transfer will not result in substantive tariff changes, Applicants will amend tariffs to reflect their new names.

utility of its service to the public and will not impair its ability to perform that service, and (c) is reasonably necessary and appropriate for such purpose.

39. As described above, the Merged Wireline Business' capital structure will include a mix of debt and equity that balances financial risk with business risk while maintaining an appropriate cost of capital, thereby maximizing the value of the Merged Wireline Business. A Schedule of Proposed Debt summarizing the proposed indebtedness of the Merged Wireline Business is set forth on **Exhibit 6** supplied herewith.

40. Two of the world's largest banks, JP Morgan and Merrill Lynch (the "Lenders"), have delivered a commitment (the "Commitment Letter") to provide senior secured credit facility borrowings of the Merged Wireline Business in an amount up to $4.2 billion (referenced to in the Commitment Letter and hereafter as the "Facilities"). A copy of the Commitment Letter is supplied herewith as **Exhibit 7**. The transactions will also require the Merged Wireline Business to issue senior unsecured notes in an amount no les than $1.54 billion (which notes are referred to in the Commitment Letter and hereafter as the "Notes"). To the extent that the Notes exceed $1.54 billion, the borrowings available under the Facilities will be reduced by a corresponding amount. The terms of the Notes will be determined based on market conditions in a private placement or public offering to be conducted prior to the closing of the transactions.

41. The debt to equity ratio of the parent company will provide sufficient leverage to produce specific benefits for the Merged Wireline Business and the resulting debt leverage will be among the lowest in the RLEC industry. The planned capital structure and proposed dividend policy are reasonable relative to the company's size, service areas, industry position, operating income, and cash flow.

42. As part of the Commitment Letter, and as specified in the Exhibits to the Commitment Letter, the Lenders have required that all affiliates of the Merged Wireline Business, including AKI and KAI, guarantee the Facilities, Secured Cash Management Agreements and Secured Hedge Agreements associated with the senior secured debt financing of the transactions at issue here (the "Facility Guarantees"). Additionally, and as further specified in the Exhibits to the Commitment Letter, the Facility Guarantees are to be secured by perfected first-priority liens on the assets of the respective guarantors, including AKI and KAI as described in the Commitment Letter (the "Liens"). The terms and conditions of the Facilities, Secured Cash Management Agreements and Secured Hedge Agreements associated with the senior secured debt financing of the transactions at issue here are also identified in the Commitment Letter.

43. While the terms of the Notes will be determined by market conditions at the time of the offering of the Notes, it is expected that all affiliates of the Merged Wireline Business, including AKI and KAI, will also be required to give their Guarantees of all obligations under the Notes (the "Note Guarantees"). However, the Notes will be unsecured and will not be secured by Liens.

44. The Applicants do not yet have final loan documents from the Lenders and may not receive such documents prior to Commission approval of this Application. The Applicants will forward the final loan documents to the Commission upon receipt.

45. Valor currently has $400 million in Senior Notes that will be assumed by the Merged Wireline Business to the extent the holders of such notes do not require the surviving corporation to repurchase the notes pursuant to certain rights that will be triggered by the transactions. To the extent that the Valor Senior Notes remain outstanding, the amount of the

borrowings available under the $4.2 billion Facility will be correspondingly reduced by the dollar amount of such outstanding notes, and all affiliates of the Merged Wireline Business, including AKI and KAI, will be required to give their Guarantees of all obligations under Valor Senior Notes (the "Valor Note Guarantees;" the Facility Guarantees, Note Guarantees, and the Valor Note Guarantees are referred to collectively as the "Guarantees") and the Liens may apply equally and ratably to secure the obligations under the Valor Senior Notes. To the extent the Valor Senior Notes are tendered by their holders pursuant to the rights triggered by the transactions, borrowings will be made under the Facilities in the amounts required to repurchase such tendered Valor Senior Notes.

46. The Guarantees will be contingent liabilities of AKI and KAI. In all respects, the Facilities and the Notes will be serviced by the consolidated cash flows of the holding company for the Merged Wireline Business resulting from the transaction described in the Applications. Necessarily, AKI and KAI are not in any manner making retail or wholesale rate adjustments as a result of the Guarantees and the Liens. The Guarantees and the Liens will provide specific benefits to the Merged Wireline Business by significantly reducing the debt servicing costs of the senior secured facility and the Notes. The interest savings resulting from the Guarantees and the Liens are estimated to be approximately $37.5 million annually.

47. The sources and uses of funds for the debt financing herein addressed are described in the Commitment Letter and are summarized on Exhibit 6 to this Amended and Restated Application. At the closing of the transactions, it is expected that the Guarantees will involve an aggregate of up to $5.74 billion in obligations as set forth in the Schedule of Proposed Debt. None of those funds and none of their associated obligations are directly payable by AKI and KAI. However, as fully described in the Application and the Commitment Letter, the

Guarantees and the Liens are required for recapitalization of the Merged Wireline Business of which AKI and KAI will be a part, as all contemplated by KRS 378.300.

48. The financial statements filed with the Application as Exhibit 5 support this Amended and Restated Application. Additional financial statements will be filed as soon as they are available.

49. The Applicants submit that the Commission should find, as set forth in KRS 278.300, that the undertaking of the Guarantees and the Liens by AKI and KAI:

(a) Is for a lawful object within the corporate purposes of AKI and KAI;

(b) Is necessary and appropriate for or consistent with the proper performance by AKI and KAI of their service to the public and will not impair the ability of AKI and KAI to perform that service; and

(c) Is reasonably necessary and appropriate for such purpose.

WHEREFORE, for the foregoing reasons, Applicants have demonstrated that transferring control of the Wireline Business from Alltel Corporation to the Merged Wireline Business satisfies KRS 278.020, KRS 278.300 and is in the public interest. As the Merged Wireline Business will continue to have the requisite technical, managerial, and financial capability to provide quality communications services, Applicants request that the Commission approve the transaction described herein pursuant to KRS 278.020. The Applicants further request that the Commission authorize AKI and KAI to guarantee the obligations of the Merged Wireline Business as set forth above and that the Commission grant any other necessary and proper relief.

Respectfully submitted this ____ day January, 2006.

ALLTEL KENTUCKY, INC.
KENTUCKY ALLTEL, INC.
ALLTEL COMMUNICATIONS, INC.
ALLTEL HOLDING CORP.
VALOR COMMUNICATIONS GROUP
ALLTEL HOLDING CORPORATE SERVICES, INC.

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Facsimile: 859-259-0649

By: James H. Newberry, Jr.
COUNSEL FOR APPLICANTS

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the forgoing was served by regular mail to the following, this 23rd day of January, 2006:

Douglas F. Brent, Esq.
Stoll, Keenon & Ogden, PLLC
400 West Market Street, Suite 2650
Louisville, KY 40202
Counsel for Bluegrass Telephone Co., Inc., d/b/a Kentucky Telephone Company and NuVox Communications, Inc.

Jonathan Amlung, Esq.
1000 Republic Building
429 W. Muhammed Ali Blvd.
Louisville, KY 40202
Counsel for Touchstone d/b/a ALEC, Inc and SouthEast Telephone, Inc..

John Selent, Esq.
Dinsmore & Shohl
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Counsel for Brandenburg Telephone Company, Inc.

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Amy E. Dougherty, Esq.
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601
Counsel for Kentucky Public Service Commission

James H. Newberry, Jr.
COUNSEL FOR APPLICANTS

VERIFICATION

AFFIDAVIT

STATE OF ARKANSAS)
) SS:
COUNTY OF PULASKI)

Brent Whittington, being duly sworn according to law, deposes and says that he is Vice President - Finance, and that in this capacity he is authorized to and does make this Affidavit on behalf of Kentucky ALLTEL, Inc. and ALLTEL Kentucky, Inc. and that the facts set forth in the foregoing pleading are true and correct to the best of his knowledge, information and belief.

Brent Whittington

Sworn and Subscribed to before me this 20th day of January, 2006.

(SEAL)

Sandra Jean Wood
Notary Public

My Commission Expires:
September 1, 2011

SANDRA JEAN WOOD
NOTARY
My Comm. Expires
SEPT. 1, 2011
PUBLIC
GRANT COUNTY, ARK.

LIST OF EXHIBITS
AMENDED AND RESTATED APPLICATION
CASE NO. 2005-00534

30395206.1

EXHIBIT 1

PRE-SEPARATION CORPORATE STRUCTURE

EXHIBIT 1

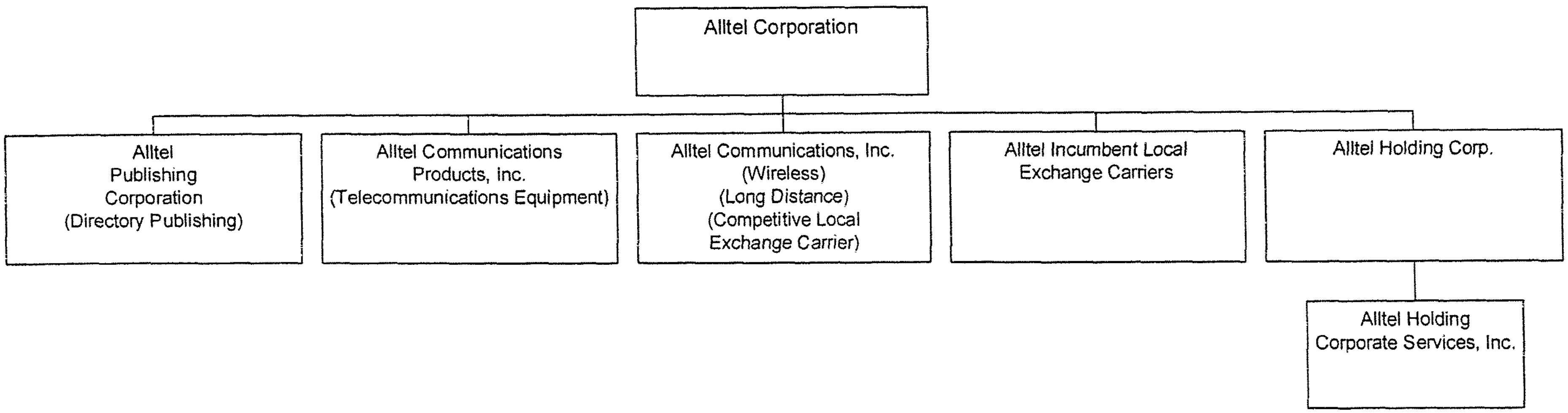


EXHIBIT 2

POST-SEPARATION CORPORATE STRUCTURE

EXHIBIT 2

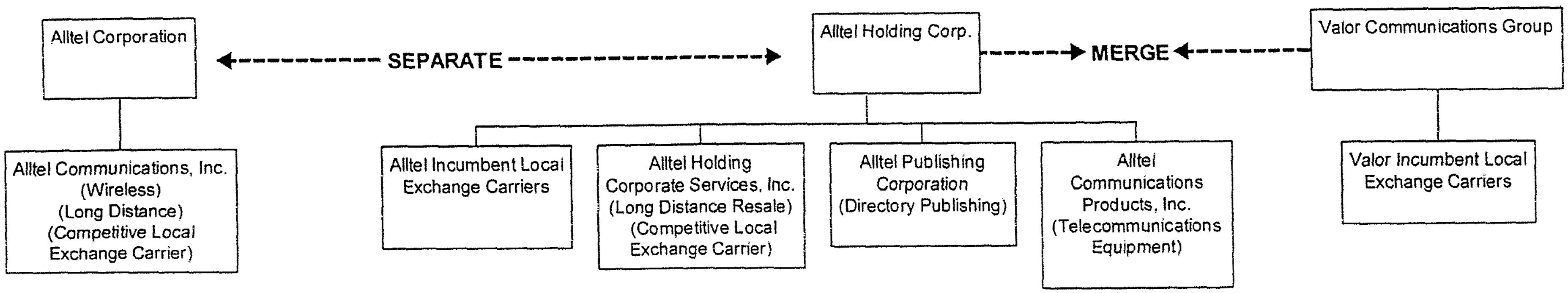
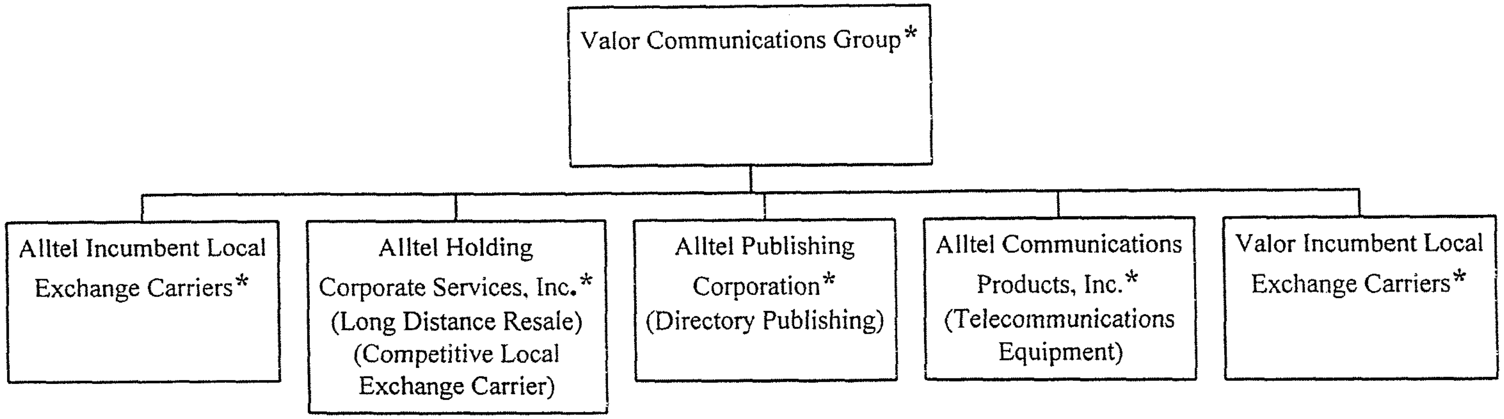


EXHIBIT 3

MERGED WIRELINE BUSINESS

EXHIBIT 3



*** ACTUAL NAMES ARE YET TO BE DETERMINED.**

EXHIBIT 4

MANAGEMENT BIOGRAPHIES

BOARD OF DIRECTORS

Francis X. "Skip" Frantz - Chairman
One Allied Drive
Little Rock, AR
501-905-8111

Francis X. "Skip" Frantz, Executive Vice President – General Counsel and Secretary of Alltel Corporation, has been named Chairman of the Board of the new wireline company to be formed through the spin-off of Alltel's wireline business and merger with VALOR Communications group of Irving, Texas.

Frantz joined Alltel in 1990 as Senior Vice President and General Counsel and was appointed Corporate Secretary in January 1992 and Executive Vice President in 1998. He is responsible for the wireline wholesale services group, federal and state government and external affairs, corporate communications, administrative services and corporate governance.

Prior to joining Alltel, he was a partner in the law firm of Thompson, Hine and Flory, where he represented Alltel in connection with various business transactions and corporate matters for the last several years of his 12-year tenure with that firm.

Mr. Frantz is the 2005-2006 Chairman of the Board and of the Executive Committee of the USTelecom, a telecom trade association that represents 1,200 member companies. During his association with USTelecom, he has served as First Vice Chairman and as a member of the Executive Committee, Nominating Committee and Telecom Reform Task Force Committee.

Dennis E. Foster - Director
600 The Grange Lane
Lexington, Kentucky 40511
859 294 7663

Mr. Foster is currently the Principal in Foster Thoroughbred Investments. Prior to June 30, 2000, he was Vice Chairman of the Board of Alltel; Director of Yellow Corp. and NiSource Inc. He was initially elected as a Director of Alltel in 1998 and during his tenure was Chairmen of the Compensation Committee and member of the Executive Committee. Prior to joining the Alltel Board, Mr. Foster was the president of 360 Communications.

Jeffery R. Gardner - Director
One Allied Drive
Little Rock, AR

501-905-8707

Jeffery Gardner, is currently the Executive Vice President and Chief Financial Officer of Alltel Corporation. In addition to becoming a member of the board of the new wireline company, he has been named President and Chief Executive Officer.

Gardner has been in the communications industry since 1986 and joined Alltel in 1998 when the company merged with 360 Communications

He has held a variety of senior management positions such as Senior Vice President of Finance, which included treasury, accounting and capital markets; President of the Mid-Atlantic Region; Vice President and General Manager of Las Vegas and Director of Finance.

Gardner is a member of the Board of Directors for RF Micro Devices, based in Greensboro, N.C., where he serves on the audit committee. He also serves on the board of the Arkansas Symphony Orchestra, the Arthritis Foundation and Pulaski Academy School in Little Rock.

Gardner received his Bachelor of Science degree in Finance from Purdue University and a Master's degree in Business Administration from William and Mary. He is a Certified Public Accountant.

OFFICERS

Francis X Frantz - Chairman

(See biography above)

Jeffery R. Gardner - President and Chief Executive Officer

(See biography above)

John B. Koch – Chief Operating Officer
One Allied Drive
Little Rock, AR
501-905-8981

John Koch , President – Wireline Services, has been named Chief Operating Officer of the new wireline company to be formed through the spin-off of Alltel's wireline business and merger with VALOR Communications Group of Irving, Texas.

Since joining Alltel in 1998 when the company merged with 360 Communications, Koch has held a variety of management positions such as president – Southeast Region, Executive Vice President of Marketing and Emerging Business and Executive Vice President of Network Services.

Koch previously was with Sprint Cellular, Centel Cellular and has worked as a consultant for the Analytic Sciences Corporation (TASC).

Koch received his Bachelor of Science degree and Master's degree in systems engineering from the University of Virginia.

Brent Whittington – Executive Vice President and Chief Financial Officer
One Allied Drive
Little Rock, AR
501-905-6558

Brent Whittington, Senior Vice President – Operations Support of Alltel Communications, Inc., has been named Executive Vice President and Chief Financial Officer of the new wireline company.

Whittington joined Alltel in 2002. He also served as Vice President – Finance & Accounting.

Prior to joining Alltel, Whittington was an Audit Manager for Arthur Anderson.

He has a degree in accounting from the University of Arkansas in Little Rock.

Whittington is active in his community. He currently serves on the board of Big Brothers and Big Sisters of Central Arkansas