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March 5, 2004

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

VIA UPS

Ms. Stephanie Bell, Executive Director
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: Informational Filing Regarding the Merger of NewSouth Holdings, Inc.
and NuVox, Inc.

Dear Ms. Bell:

This filing respectfully notifies the Kentucky Public Service Commission ("Commission") of the proposed merger of equals transaction at the parent holding company level more fully described below between NewSouth Holdings, Inc. and NuVox, Inc. that involves their respective subsidiaries, NewSouth Communications Corp.¹ and NuVox Communications, Inc.², which currently are certificated to provide telecommunications services in the State of Kentucky (collectively, the "Parties"). Pursuant to the exemptions set forth in Administrative Case Nos. 359 and 370, the Parties believe that prior approval by the Commission is not required in connection with the merger described herein.

Pursuant to an Agreement and Plan of Merger dated as of February 24, 2004, by and among NuVox, Inc., NewSouth Holdings, Inc. and NS Transition Corp., a newly formed, wholly owned Delaware shell subsidiary of NuVox, Inc., NS Transition Corp. will be merged with and into NewSouth Holdings, Inc., with NewSouth Holdings, Inc. surviving and becoming a direct,

¹ The Commission granted NewSouth Communications Corp., Utility ID 5013200, authority to provide local and long distance telecommunications services on February 28, 1999.

² The Commission granted Nuvox Communications, Inc. authority to provide local and long distance telecommunications services on March 2, 1998 (name change April 18, 2001).

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wholly owned subsidiary of NuVox, Inc. As consideration for the merger, NuVox, Inc. will issue additional shares of its voting common stock to the shareholders of NewSouth Holdings, Inc. that will constitute approximately 50% of the outstanding voting and equity interests of NuVox, Inc. following consummation of the proposed merger.

No single shareholder or group of affiliated shareholders of either company has the power on its own to elect a majority of its respective Board of Directors or to otherwise control or dominate its affairs. Following consummation of the proposed merger, three shareholder groups – NHSI Ventures LLC, Wachovia Capital Partners 2003, LLC and its affiliates, and M/C Ventures Partners V, L.P. and its affiliates – will each hold 10% or more of the voting and equity interests in the combined company. No shareholder group will own 20% or more of its voting and equity interests. Because NewSouth Holdings, Inc. and NuVox, Inc. have certain overlapping shareholders, the present shareholders of NewSouth Holdings, Inc., as a group, and the present shareholders of NuVox, Inc., as a group, will each continue to hold a majority of the outstanding voting and equity interests of NuVox, Inc., the ultimate parent of each of the certificated entities following consummation of the proposed merger. Accordingly, the proposed merger will not constitute a 50% transfer of control of either party.

Importantly, the proposed merger also will not result in any transfer of the direct ownership of the stock of either of the certificated entities, NewSouth Communications Corp. or NuVox Communications, Inc. Following consummation of the proposed merger, each certificated entity will continue to provide telecommunications services to its respective customers under its existing name without any change in the respective rates, terms and conditions of its services. Accordingly, the proposed transaction will be transparent to customers in Kentucky. The only change resulting from the proposed merger will be that the ultimate ownership and control of NewSouth Communications Corp. will be transferred to NuVox, Inc., which will be jointly owned and controlled by the current shareholders of NuVox, Inc. and NewSouth Holdings, Inc.

The Parties. **NewSouth Holdings, Inc.** NewSouth Holdings, Inc., a privately held Delaware corporation, and its direct, wholly owned operating subsidiary, NewSouth Communications Corp., also a Delaware corporation, are headquartered at Two North Main Street, Greenville, SC 29601. NewSouth Communications Corp. is a non-dominant, rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to more than 17,000 business customers with more than 208,000 on-net access lines in service. Its October 2003 annualized revenues totaled approximately \$150 million.

NewSouth Communications Corp. primarily markets its services to small and medium-sized business customers in the southeast United States where it generally has both local and interexchange authority. In Kentucky, NewSouth Communications Corp. has approximately 870

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customers with approximately 11,170 access lines in service. NewSouth Communications Corp. is authorized to provide intrastate interexchange services in 13 states and is authorized to provide local exchange services in 9 of these 13 states, including Kentucky. Where NewSouth Communications Corp. has only interexchange authority, its services are used by persons placing calls using its travel cards or are branch locations of its customers based in other states where it is authorized to provide local exchange services. NewSouth Communications Corp. also is authorized by the FCC to provide domestic interstate and international telecommunications services.

NuVox, Inc. NuVox, Inc. and its operating subsidiaries, including NuVox Communications, Inc., are located at 16090 Swingley Ridge Road, Suite 500, Chesterfield, MO 63017. NuVox, Inc. is a rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to more than 17,000 small and medium-sized business customers with more than 265,000 on-net access lines in service. Its October 2003 annualized revenues totaled \$150.1 million.

Through its various operating subsidiaries, including NuVox Communications, Inc., NuVox, Inc. markets its services in 13 contiguous Midwestern and Southeastern states. In Kentucky, NuVox Communications, Inc. has approximately 657 customers with approximately 10,563 on-net access lines in service. Through its operating subsidiaries, NuVox, Inc. is authorized to provide intrastate interexchange services in 23 states, and is authorized to provide local exchange services in 14 of those states, including Kentucky. Where the NuVox, Inc. subsidiaries have only interexchange authority, their services are used by persons placing calls using NuVox, Inc. calling cards or are branch locations of NuVox, Inc. customers based in other states where NuVox, Inc. is authorized to provide local exchange services. NuVox, Inc. and NuVox Communications, Inc. are also authorized by the FCC to provide domestic interstate and international telecommunications services.

NS Transition Corp., the entity that NewSouth Holdings will be merged into in the proposed merger, is a direct, wholly owned subsidiary of NuVox, Inc. An organizational chart reflecting the corporate structure of the Parties, both before and after the transaction, is attached hereto as *Exhibit A*.

The Transaction. In accordance with the Agreement and Plan of Merger by and among NuVox, Inc., NewSouth Holdings, Inc. and NS Transition Corp. dated as of February 24, 2004, the Parties intend to consummate a merger of equals transaction whereby ultimate ownership and control of NewSouth Communications Corp. is transferred to NuVox, Inc., which will then be equally owned by the existing shareholders of NuVox, Inc. and NewSouth Holdings, Inc. Specifically, NS Transition Corp., a newly formed, wholly owned shell subsidiary of NuVox, Inc., will be merged with and into NewSouth Holdings, Inc., with NewSouth Holdings, Inc. surviving and becoming a direct, wholly owned subsidiary of NuVox, Inc. As a result, by virtue

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of the proposed merger, NewSouth Communications Corp. will become an indirect, wholly owned subsidiary of NuVox, Inc. At the same time, as consideration for the merger, each NewSouth Holdings, Inc. shareholder will receive shares of NuVox, Inc. voting common stock at a specified exchange ratio that will provide them with approximately 50% of the equity and voting interests in NuVox, Inc. The existing NuVox, Inc. shareholders will retain their shares and will hold the remaining 50%.

Although NewSouth Holdings, Inc. and NewSouth Communications Corp. will be ultimately owned by a new corporate entity subsequent to the merger, NuVox, Inc., equally owned by the existing shareholders of NuVox, Inc. and NewSouth Holdings, Inc., it is important to note that no single shareholder or group of affiliated shareholders will be in control of the combined company. Upon consummation of the proposed merger, three shareholder groups – NHSI Ventures LLC, Wachovia Capital Partners 2003, LLC and its affiliates, and M/C Ventures Partners V, L.P. and its affiliates – will each hold 10% or more of the voting and equity interests in the combined company. Further, because there currently are certain overlapping shareholders of both companies, slightly over 50% of the outstanding equity and voting interests of the combined company will be held by the existing shareholders of NewSouth Holdings, Inc. and slightly over 50% of the outstanding equity and voting interests of the combined company will be held by the existing shareholders of NuVox, Inc. In other words, current shareholders of NewSouth Holdings, Inc. (including shareholders who are also holders of the currently outstanding voting and equity interests of NuVox, Inc.) hold at this time, and will continue to hold, over 50% of the voting and equity interests of the ultimate parent of NewSouth Communications Corp., although the identity of that ultimate parent will change. Similarly, the current shareholders of NuVox, Inc. (including shareholders who are also holders of the currently outstanding voting and equity interests of NewSouth Holdings, Inc.) hold at this time, and will continue to hold, over 50% of the voting and equity interests of NuVox, Inc., which will be the ultimate parent of both NuVox Communications, Inc. and NewSouth Communications Corp. Thus, the proposed merger will occur at the parent holding company level and does not result in a transfer of control of either public utility.

Pursuant to the Agreement and Plan of Merger, the Parties have agreed that the initial Board of Directors of NuVox, Inc. will consist of 13 members: 4 will be designated by current NuVox, Inc. shareholders, 4 will be designated by current NewSouth Holdings, Inc. shareholders and the remaining seats will be filled by the existing Chairman and Chief Executive Officer of NuVox, Inc., the existing President and Chief Executive Officer of NewSouth Holdings, Inc. and 3 independent Directors (with 1 designated by NuVox, Inc. shareholders, 1 designated by NewSouth Holdings, Inc. shareholders and 1 selected by the Board of Directors). In subsequent elections, directors will be designated as provided above and pursuant to a Stockholders Agreement and elected by vote of the holders of the outstanding voting securities of NuVox, Inc. pursuant to a voting agreement set forth in such Stockholders Agreement.

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Public Interest Considerations. The NuVox, Inc. and NewSouth Holdings, Inc. companies share a common facilities-based serving strategy, customer focus and market footprint. The combination of these two leading regional competitive telecommunications providers will create a combined company with double the scope and size of each of the existing companies and will enable the combined company to compete more effectively in the highly competitive market for telecommunications services in the State of Kentucky and elsewhere. The combined company will benefit from increased economies of scale that will permit it to operate more efficiently and thus realize substantial financial synergies that will enable the combined company to significantly increase its operating income and free cash flow.

On a pro forma basis, the combined company would have only a modest amount of net debt and projected 2004 revenues of approximately \$300 million. The combined company would have more than 1,500 employees, operations in more than 40 markets in 16 states, more than 500,000 access lines in service, 28 installed voice switches and more than 250 collocation sites in operation. The combined company's concentrated diverse market presences and the strength of its combined balance sheet will position it for further growth. Given the difficulties with which the competitive telecommunications industry is now struggling, the creation of a larger, financially stronger telecommunications competitor would benefit consumers in Kentucky and elsewhere.

With the increased financial capability and combined resources resulting from the proposed merger, the combined company would be able to continue to provide state-of-the-art integrated broadband products and services to consumers and to effectively respond to the challenging competitive telecommunications environment in the State of Kentucky and elsewhere. As the Commission is aware, competition from viable and substantial competitors benefits consumers by making available a greater number of product and service options as well as lower prices. The transaction described herein will result in just such a viable and substantial competitor and thereby will serve the public interest.

Finally, as discussed above, upon completion of the proposed merger, the identity of the certificated entities offering telecommunications service in the State of Kentucky will not change. NewSouth Communications Corp. and NuVox Communications, Inc. will continue to offer high quality telecommunications services in the State of Kentucky with enhanced financial, managerial and technical support. As noted above, NuVox, Inc., through its subsidiaries, is qualified and authorized to provide telecommunications services in 23 states, including Kentucky. NewSouth Communications Corp. will benefit from a blended management team that includes the experienced professionals of both NewSouth Holdings, Inc. and NuVox, Inc. Most importantly for Kentucky consumers, the proposed merger will not cause any change in their rates, terms and conditions of service and any future changes would, of course, be made in accordance with applicable Commission requirements. In this respect, the proposed merger will

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be transparent to the customer of both companies in Kentucky, and will not have any adverse impact on them.

Upon review of Kentucky's statutes and Commission Rules, the Parties understand that prior Commission approval of the transaction described herein is not required. The Parties therefore submit this letter for the Commission's information only and request that it be retained in the appropriate files. Enclosed are ten (10) copies of this letter, a duplicate copy and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon receipt and return it in the envelope provided.

Respectfully submitted,

NUVOX COMMUNICATIONS, INC. AND
NEWSOUTH COMMUNICATIONS CORP.

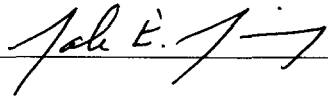
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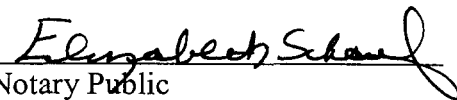
VERIFICATION

I, Jake E. Jennings, am Senior Vice President – Regulatory Affairs of NewSouth Communications Corp. and am authorized to represent it and its affiliates, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 24th day of
February 2004.



Notary Public

My Commission expires: 10/5/10

VERIFICATION

I, Hamilton E. Russell, III, am Vice President Legal and Regulatory Affairs of NuVox, Inc. and am authorized to represent it and its subsidiaries, and to make this verification on their behalf. The statements in the foregoing document relating to this company and its subsidiaries, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Hamilton E. Russell, III

Subscribed and sworn to before me this 24th day of February 2004.

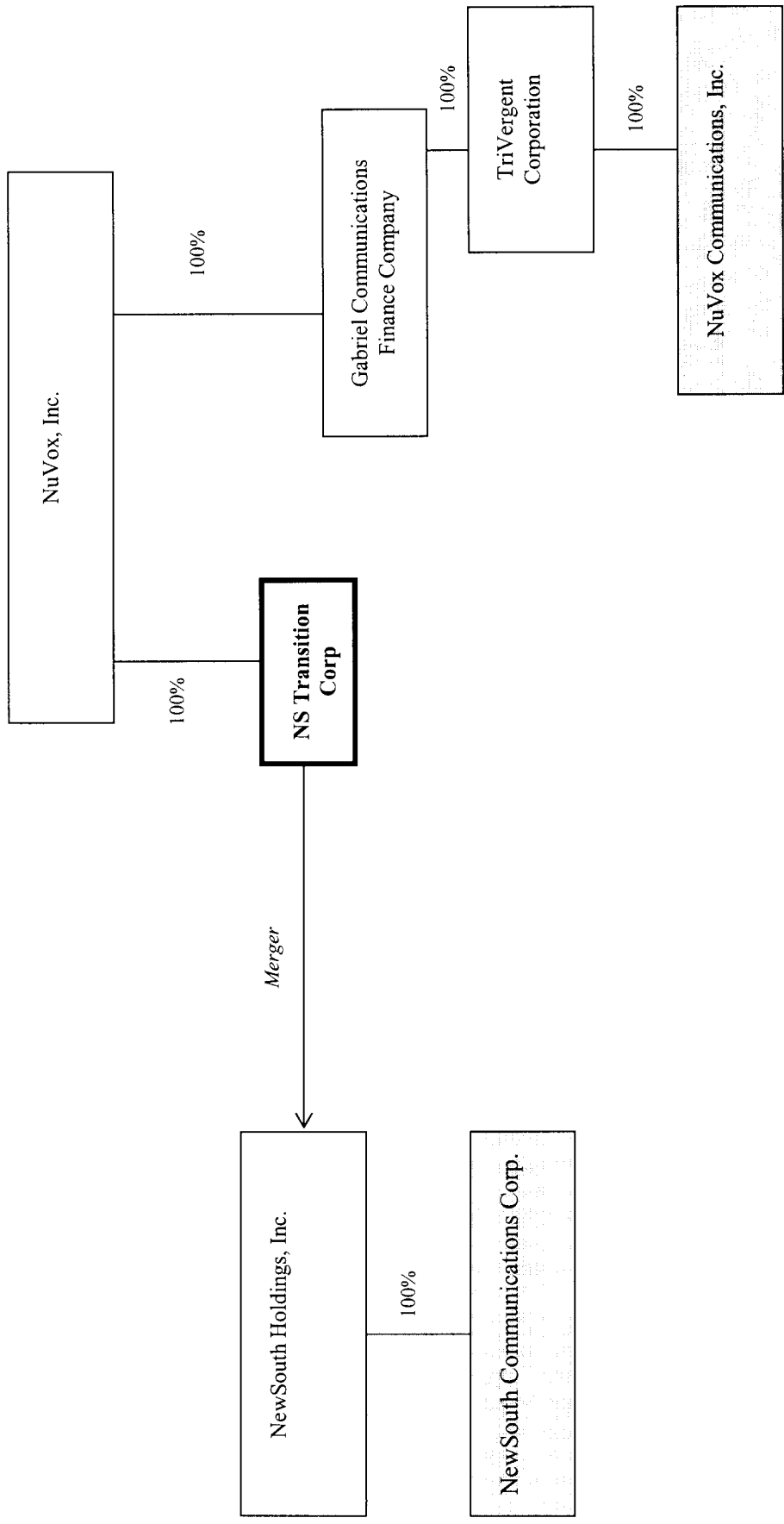
Leta H. Pigg
Notary Public

My Commission expires: 3-23-2010

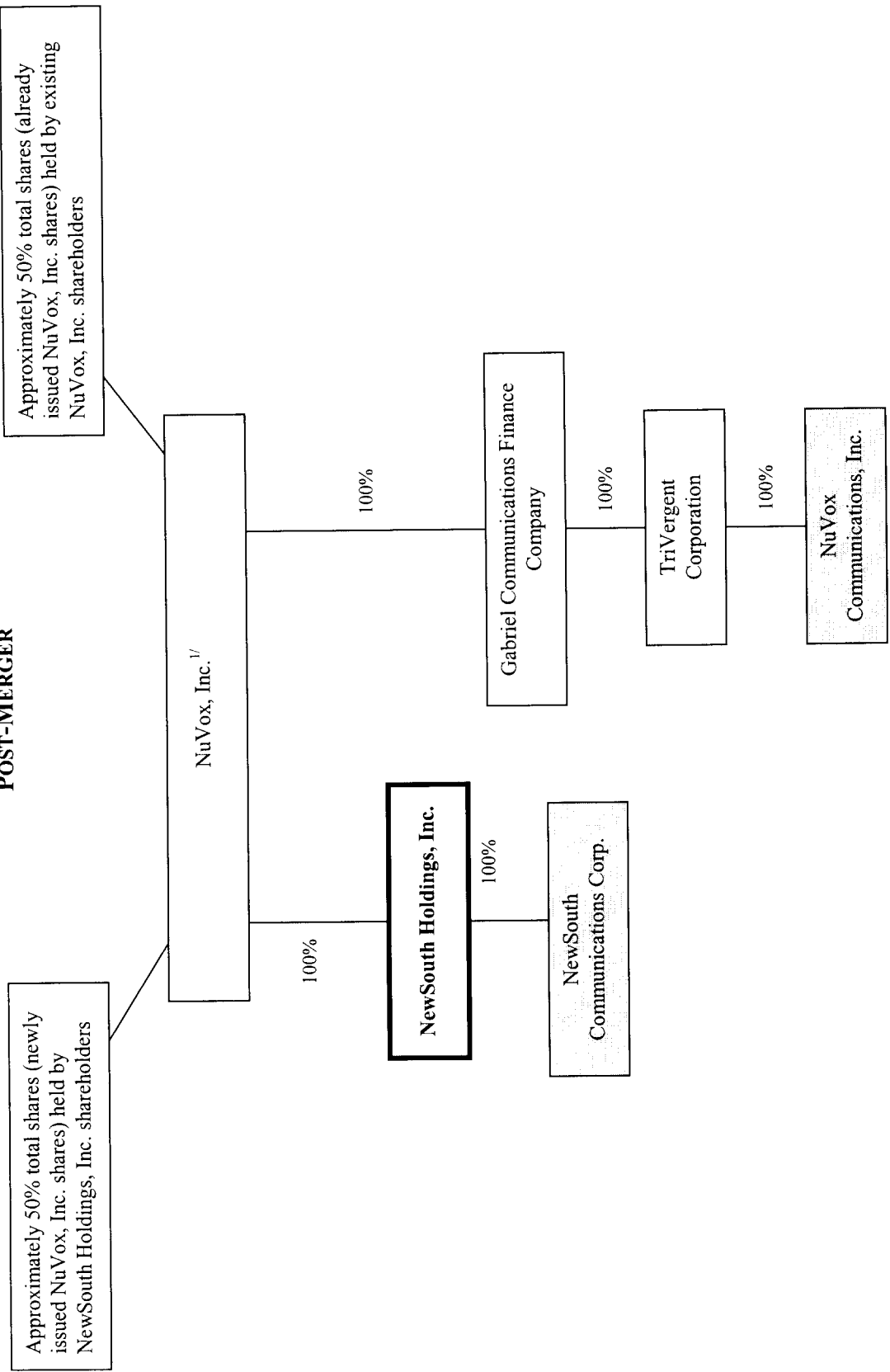
ATTACHMENT A

ORGANIZATIONAL CHARTS

**CORPORATE STRUCTURE
PRE-MERGER**



**CORPORATE STRUCTURE
POST-MERGER**



^{1/} No shareholder or group of affiliated shareholders will hold 20% or more of the voting and equity interests of NuVox, Inc.