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September 23, 2004

VIA UPS

Ms. Stephanie Bell  
Secretary of the Commission  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfurt, KY 40602

RECEIVED

SEP 24 2004

PUBLIC SERVICE  
COMMISSION

Re: Notification of NewSouth Holdings, Inc., NewSouth Communications Corp. and NuVox Communications, Inc. of an Internal Corporate Reorganization and For Approval, As Necessary, of Related Transactions

Dear Ms. Bell:

NuVox Communications, Inc. ("NuVox"), NewSouth Communications Corp. ("NewSouth") and NewSouth Holdings, Inc. ("NewSouth Holdings") (together/collectively, "NuVox Subsidiaries"), all subsidiaries of NuVox, Inc.<sup>1</sup>, the ultimate parent corporation, by their attorneys, hereby respectfully notify the Kentucky Public Service Commission ("Commission") and request that the Commission approve or grant such authority as may be necessary for an internal corporate reorganization whereby existing subsidiaries of NuVox, Inc. operating in the Southeastern United States will be merged into a single operating subsidiary, NewSouth Holdings. In connection with the reorganization mergers, NewSouth Holdings will change its name to "NuVox Communications, Inc."<sup>2</sup> Upon consummation of this reorganization,

<sup>1</sup> The NuVox Subsidiaries notified the Commission on March 8, 2004 of the merger of an acquisition subsidiary of NuVox, Inc. with NewSouth Holdings. Accordingly, as that transaction has been consummated, NewSouth Holdings, parent of NewSouth Communications Corp., currently is a wholly owned subsidiary of NuVox, Inc.

<sup>2</sup> NewSouth Holdings, Inc., a Delaware corporation, currently functions as a holding company between the ultimate parent company, NuVox, Inc., and one of its operating subsidiaries in Kentucky, NewSouth Communication Corp. In connection with a series of mergers, as explained herein, NewSouth Holdings, Inc. is going to change its name to "NuVox Communications, Inc." and hold the authorization to provide

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NewSouth Holdings, renamed "NuVox Communications, Inc.", will provide service to the existing customers of NuVox and NewSouth. This internal reorganization will simplify the NuVox, Inc. corporate structure, streamlining NuVox, Inc.'s operations in Kentucky, eliminating administrative redundancy and improving overall efficiency. Due to the timing of the NuVox Subsidiaries' business plans, it is respectfully requested that the Commission take any action necessary regarding this Notification at its earliest possible convenience and, in any event, no later than *December 31, 2004*.

Specifically, as described in more detail below, the NuVox Subsidiaries propose that the intrastate customer base of NuVox and NewSouth, the operating subsidiaries of NuVox, Inc. in Kentucky, be transferred to their affiliate, NewSouth Holdings, to be renamed "NuVox Communications, Inc." In addition, the NuVox Subsidiaries propose that the telecommunications authorization of NuVox and the tariffs of NewSouth be transferred to NewSouth Holdings, to be renamed "NuVox Communications, Inc." NewSouth's tariffs will be adopted by NuVox Communications, Inc. f/k/a/ NewSouth Holdings and amended to reflect the name change. The tariffs will be filed with the Commission as the next sequential tariff filing number. Should the Commission require NuVox Communications, Inc. f/k/a NewSouth Holdings to file new tariffs in lieu of adopting and amending NewSouth's tariffs, the NuVox Subsidiaries respectfully request that NewSouth's current tariffs be cancelled upon completion of the transaction described herein. Upon consummation of the reorganization, the telecommunications operations of NuVox, Inc. in Kentucky will have been consolidated into one operating subsidiary: NuVox Communications, Inc. f/k/a NewSouth Holdings, Inc. The telecommunications authorization of NewSouth and the tariffs of NuVox will be surrendered upon consummation of the reorganization.

The proposed transaction is not expected to result in any loss or impairment of service to any of the customers of the NuVox, Inc. subsidiaries that would be affected by the transaction. NuVox end user customers will continue to receive their existing services at the same rates and will continue to see the "NuVox Communications" name on their bills. The name of their service provider will not change. Likewise, existing NewSouth customers will continue to receive their existing services at the same rates, terms and conditions. The only change for existing NewSouth customers will be in the name of their service provider.

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telecommunications services in Kentucky. Thus, for existing NuVox end user customers, the transaction will be invisible to them – their service provider will continue to have the same name. For existing NewSouth customers, the only change will be in the name of their service provider – their existing rates, terms and conditions of service will remain the same. Thus, there should be no customer confusion.

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In support of this Notification, the NuVox Subsidiaries provide the following information:

**I. The NuVox Subsidiaries**

NuVox, Inc., a privately held Delaware corporation, and its operating subsidiaries, including NuVox Communications, Inc., a South Carolina corporation, and NewSouth Communications Corp., a Delaware corporation, are located at Two North Main Street, Greenville, South Carolina 29601.<sup>3</sup> NuVox, Inc. is a rapidly growing facilities-based integrated communications provider of voice and data telecommunications services to business customers. Through its various operating subsidiaries, including NuVox and NewSouth, NuVox, Inc. markets its services in 16 contiguous Midwestern and Southeastern states. NuVox, Inc. has operations through subsidiaries in 48 markets in 16 states, more than 600,000 access lines in service, 28 installed voice switches and 287 collocation sites in operation. NuVox, Inc.'s data network consists of 7 Cisco MGX ATM switches and 6 Cisco GSRs interconnecting border routers. Its voice network is based on the Sonus softswitch platform. Currently, NuVox, Inc.'s operating subsidiaries collectively have more than 38,000 customers.

In Kentucky, NuVox is authorized to provide local and long distance telecommunications services.<sup>4</sup> NuVox is a direct, wholly owned subsidiary of TriVergent Corporation which, in turn, is a direct, wholly owned subsidiary of Gabriel Communications Finance Company which, in turn, is a direct, wholly owned subsidiary of NuVox, Inc. In Kentucky, NewSouth is authorized to provide local and long distance telecommunications services.<sup>5</sup> NewSouth is a direct, wholly owned subsidiary of NewSouth Holdings which, in turn, is a direct, wholly owned subsidiary of NuVox, Inc. Thus, NuVox and NewSouth, backed by the financial, managerial and technical qualifications of their parent, NuVox, Inc., have been found by this Commission to possess the requisite qualifications necessary to operate as a provider of intrastate telecommunications services in Kentucky. NuVox, Inc., NuVox and NewSouth are also authorized by the FCC to provide domestic interstate and international telecommunications services. Upon consummation of the transactions described herein, NuVox, the South Carolina corporation, and NewSouth, will both cease to exist as corporate entities.

<sup>3</sup> NuVox, Inc. has a few other operating subsidiaries that are not involved in the instant reorganization.

<sup>4</sup> The Commission granted NuVox Communications, Inc. authority to provide local and long distance telecommunications services on March 2, 1998 (name change April 18, 2001).

<sup>5</sup> The Commission granted NewSouth Communications Corp., Utility ID 5013200, authority to provide local and long distance telecommunications services on February 28, 1999.

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As noted above, the entity that is going to hold the telecommunications authorization following consummation of the reorganization described herein is NewSouth Holdings (renamed NuVox Communications, Inc.). NewSouth Holdings is a Delaware corporation currently operating as a holding company and a direct, wholly owned subsidiary of NuVox, Inc. NewSouth Holdings is in the process of becoming authorized to transact business in Kentucky as a foreign corporation, but it is not licensed to provide telecommunications services in any state at this time. Through a series of mergers as described herein, NewSouth Holdings will survive as a Delaware corporation and change its name to "NuVox Communications, Inc. d/b/a NuVox Communications." Because the new name will not be adopted until the mergers are completed, the NuVox Subsidiaries will late-file the amended Articles from Delaware and the appropriate documentation from the Kentucky Secretary of State showing the new name. This entity, NuVox Communications, Inc. d/b/a NuVox Communications, f/k/a NewSouth Holdings, will be the only operating subsidiary of NuVox, Inc. in the Southeastern region. It will be a direct, wholly owned subsidiary of Gabriel Communications Finance Company, a Delaware corporation, which in turn, will be a direct, wholly owned subsidiary of NuVox, Inc. Thus, NuVox, Inc. will continue to provide the technical, managerial and financial backing for its telecommunications operations in Kentucky. As the Commission is aware in connection with the merger filing referenced in footnote 1 above, no single shareholder or group of affiliated shareholders controls NuVox, Inc. 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 – each hold 10% or more of the voting and equity interests in NuVox, Inc. on a fully diluted basis, but no shareholder group holds 50% or more. Organizational charts reflecting the corporate structure of the NuVox Subsidiaries, both before and after the reorganization described herein, are appended hereto as *Exhibit A*.

**II. Designated Contacts**

The designated contacts for questions regarding this Notification are:

Heather T. Hendrickson  
Melissa S. Conway  
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Counsel to NuVox Subsidiaries

Copies of correspondence related to this Notification also should be sent to:  
Riley Murphy  
General Counsel, Secretary  
NUVOX, INC.  
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Greenville, SC 29601  
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Fax (864) 672-5313  
[Riley.murphy@nuvox.com](mailto:Riley.murphy@nuvox.com)

**III. Description of the Transaction**

The reorganization and consolidation of the operating subsidiaries of NuVox, Inc. into a single operating entity, NuVox Communications, Inc. d/b/a NuVox Communications, f/k/a NewSouth Holdings, Inc., is anticipated to occur via a number of mergers.

With respect to NewSouth, the NuVox Subsidiaries propose that NewSouth will be merged with and into NewSouth Holdings, with NewSouth Holdings surviving the merger and NewSouth ceasing to exist as a corporate entity.<sup>6</sup> NewSouth's intrastate customer base will be transferred to NewSouth Holdings (to be renamed NuVox Communications, Inc. following all of the reorganization mergers) which will assume all of NewSouth's assets and operations and will provide telecommunications services to NewSouth's customers. NewSouth's tariffs will be adopted by NewSouth Holdings (to be renamed NuVox Communications, Inc. following all of the reorganization mergers), and amended to reflect the name change. The tariffs will be filed with the Commission as the next sequential tariff filing number so that existing NewSouth customers will continue to receive the same services at the same rates, terms and conditions. Should the Commission require NuVox Communications, Inc. f/k/a NewSouth Holdings to file new tariffs in lieu of adopting and amending NewSouth's tariffs, the NuVox Subsidiaries respectfully request that NewSouth's current tariffs be cancelled upon completion of the transaction described herein. NewSouth's telecommunications authorization will be surrendered upon completion of the transfer of NewSouth customers to NewSouth Holdings (renamed NuVox Communications, Inc.). The NuVox Subsidiaries respectfully request that the

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<sup>6</sup> All of the issued and outstanding capital stock of NewSouth will be cancelled and all of the issued and outstanding shares of NewSouth Holdings will be converted into issued and outstanding shares of the surviving corporation.

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Commission authorize, to the extent necessary, the merger of NewSouth with and into NewSouth Holdings, together with the transfer of NewSouth's tariffs and customer base to NewSouth Holdings (to be renamed NuVox Communications, Inc. following all of the reorganization mergers).

The proposed transfer of operating authority from NewSouth to NuVox Communications, Inc. f/k/a NewSouth Holdings will have no adverse impact on customers. NuVox, Inc. will remain the parent corporation. Current NewSouth customers will continue to receive their existing services under the same rates, terms and conditions and any future changes in the rates, terms and conditions of those services will be made consistent with Commission requirements. In accordance with applicable FCC and Kentucky carrier change requirements, advance written notice will be sent to affected NewSouth customers at least thirty (30) days prior to the transfer informing them of the proposed transaction and giving them an opportunity to switch to another service provider without penalty. To prevent customer confusion, since consummation of the merger of NewSouth Holdings and NuVox, Inc. earlier this year, the NuVox name has been included on the customer bills for the existing NewSouth customers.

With respect to NuVox, NuVox Subsidiaries propose that NuVox, the existing South Carolina operating subsidiary, will merge with and into NewSouth Holdings, the Delaware corporation, with NewSouth Holdings surviving and changing its name to "NuVox Communications, Inc."<sup>7</sup> In connection with the merger of NuVox and NewSouth Holdings, NuVox's intrastate customer base and telecommunications authorization will be transferred to NewSouth Holdings (renamed NuVox Communications, Inc.) which will assume all of NuVox's

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<sup>7</sup> All of the issued and outstanding shares of capital stock of NuVox held by TriVergent Corporation will be cancelled in connection with the merger, and all of the issued and outstanding shares of NewSouth Holdings will be converted into issued and outstanding shares of the surviving corporation, wholly owned by TriVergent Corporation. Prior to this merger, all of the shares of capital stock of NewSouth Holdings will be transferred by NuVox, Inc. to TriVergent Corporation, the current parent corporation of NuVox, so that both NuVox and NewSouth Holdings are direct, wholly owned subsidiaries of TriVergent Corporation. TriVergent Corporation is wholly owned by Gabriel Communications Finance Company which, in turn, is wholly owned by NuVox, Inc. As a final step, TriVergent Corporation will merge with and into NuVox, the Delaware corporation, with NuVox surviving. All of the issued and outstanding shares of capital stock of NuVox will be cancelled in connection with the merger and all of the issued and outstanding shares of capital stock of TriVergent Corporation will be converted into the same number of issued and outstanding shares of capital stock of NuVox.

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assets and operations and will provide service to NuVox's customers. NuVox's tariffs will be surrendered upon completion of the transfer of NuVox customers to NewSouth Holdings (renamed NuVox Communications, Inc.) The NuVox Subsidiaries respectfully request that the Commission authorize, to the extent necessary, the merger of NuVox with and into NewSouth Holdings together with the transfer of NuVox's telecommunications authorization/s and customer base to NewSouth Holdings (renamed NuVox Communications, Inc.).

The proposed transfer of operating authority from NuVox to NuVox Communications, Inc. f/k/a NewSouth Holdings will have no adverse impact on end user customers. NuVox, Inc. will remain the parent corporation, and the name that customers see on their telecommunications invoice will remain "NuVox Communications." The name of their service provider will not change. Further, the same services will be provided to end user customers at the same rates and any future changes in the rates, terms and conditions of those services will be made consistent with Commission requirements. Because NuVox and NewSouth Holdings are managed by the same team of experienced telecommunications personnel, day-to-day operations will continue to function as they have in the past. Customer service functions will be provided by the same team of qualified consumer representatives. In accordance with applicable FCC and Kentucky carrier change requirements, advance written notice will be sent to affected NuVox customers at least thirty (30) days prior to the transfer informing them of the proposed transaction and giving them an opportunity to switch to another service provider without penalty.

Thus, upon consummation of all the mergers, the entity authorized to provide telecommunications services in Kentucky will be NuVox Communications, Inc. f/k/a NewSouth Holdings, Inc., a Delaware corporation, wholly owned by Gabriel Communications Finance Company, Inc., wholly owned, in turn, by NuVox, Inc.

#### **IV. Public Interest Analysis**

The proposed internal corporate reorganization and transfer of operating authority is in the public interest. As noted above, the reorganization will generally be transparent to customers and will have no adverse impact on them. Current NewSouth customers will be properly notified of the change in their service provider from NewSouth to NuVox Communications f/k/a NewSouth Holdings and will continue to receive service at the same rates, terms and conditions. Current NuVox customers will continue to be served by "NuVox Communications, Inc." and will also be notified of the reorganization. NuVox end users will continue to receive service at their existing rates. This proposed consolidation will provide significant reductions in legal, accounting and tax administrative burdens and will simplify the NuVox companies' corporate structure, eliminating administrative redundancy and improving the companies' overall efficiency thereby enhancing the company's ability to compete in Kentucky and elsewhere.

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Over time, consumers in Kentucky will benefit from a greater number of product and service options as well as more efficient prices resulting from the enhanced competitive ability of the streamlined company.

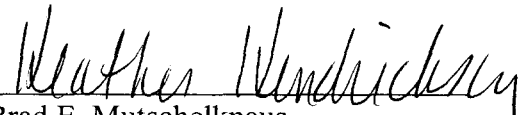
As reflected on the ownership charts appended hereto, upon completion of the reorganization, the ultimate ownership of NuVox Communications, Inc. f/k/a NewSouth Holdings will be identical to its current ownership and the ownership of NuVox and NewSouth. Thus, there should be no question about the qualifications of NuVox Communications, Inc. f/k/a NewSouth Holdings, Inc. and its ultimate parent, NuVox, Inc., to operate in the public interest as the reorganization will not cause any meaningful change in the ownership, financial condition or services of the utility entities.

**V. Conclusion**

The NuVox Subsidiaries hereby respectfully request that the Commission grant them authority, to the extent required, to reorganize, as described herein, and for such other and further relief as may be necessary to carry out the reorganization described herein no later than *December 31, 2004*. Enclosed are ten (10) copies of this letter, a duplicate copy and a self-addressed, postage-paid envelop. Please date-stamp the duplicate upon receipt and return it in the envelope provided.

Respectfully submitted,

NEWSOUTH COMMUNICATIONS CORP., NUVOX  
COMMUNICATIONS, INC. AND NEWSOUTH  
HOLDINGS, INC.

By: 

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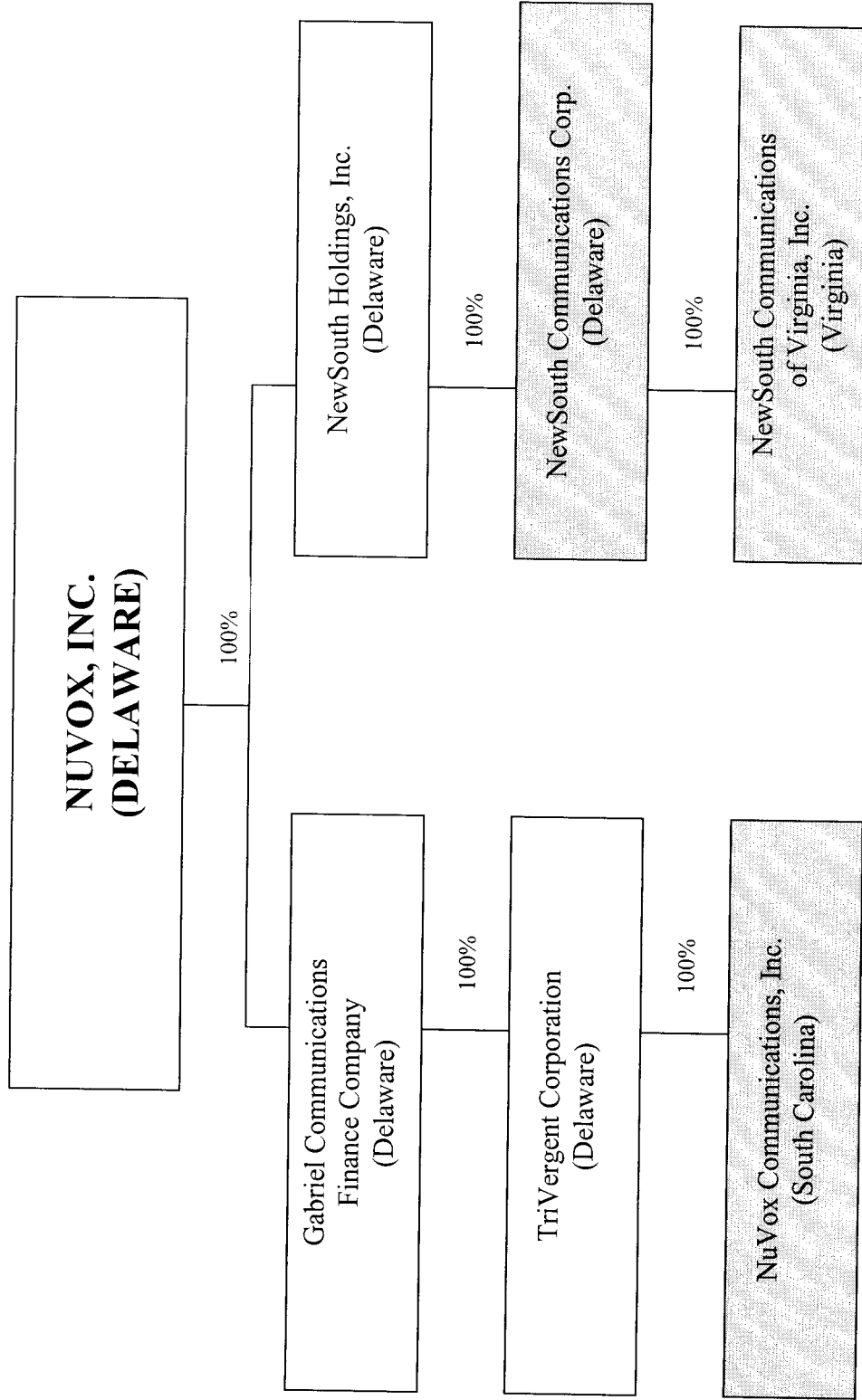
Their Attorneys



**EXHIBIT A**

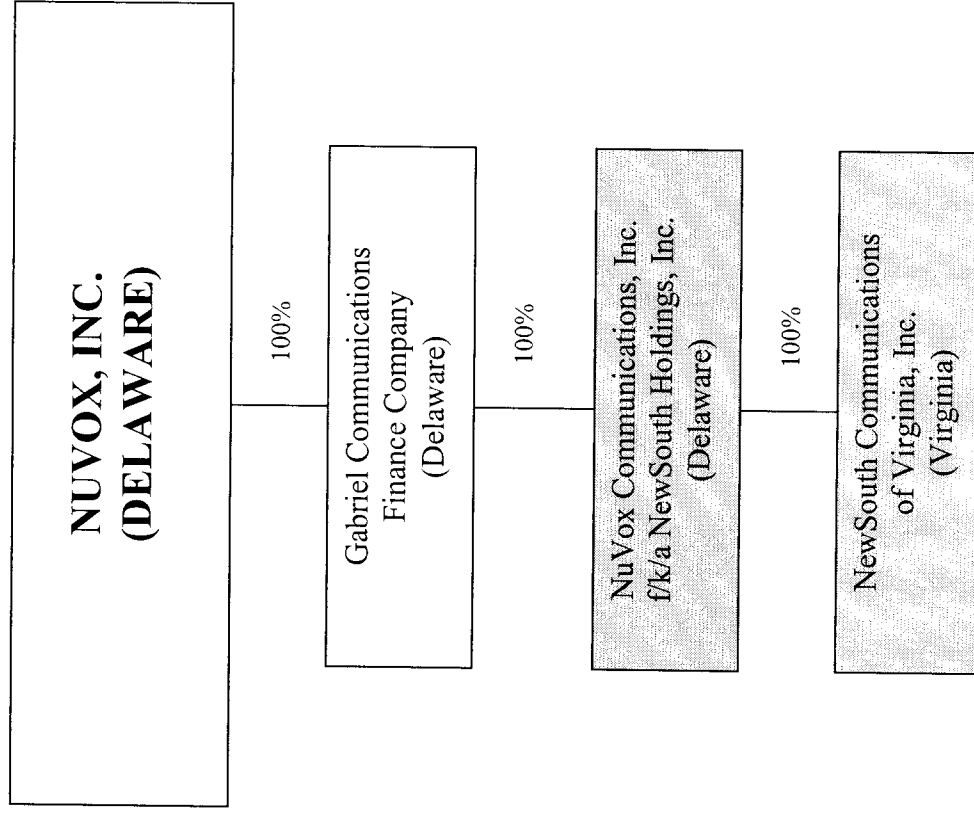
**ORGANIZATIONAL CHARTS**

# EXISTING CORPORATE STRUCTURE OF NUVOX, INC.



NOTE: SHADING = Entities authorized to provide telecommunications services.

# CORPORATE STRUCTURE OF NUVOX, INC. POST-REORGANIZATION



**NOTE:** SHADING = Entities authorized to provide telecommunications services.