



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT.
Governor
SPENCER J. COX
Lieutenant Governor

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: October 23, 2014

Re: In the Matter of the Application of Windstream Holdings, Inc., McLeodUSA Telecommunications, Inc. Windstream Communications, Inc. Windstream NuVox, Inc., and Talk America Services, LLC for the Approval of the Transfer of Customers to Talk America Services, LLC, Docket No. 14-2236-02.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the application between Windstream Holdings, Inc. and Talk America Services, LLC. and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the transfer of residential customers from Windstream Holdings, Inc. and its subsidiaries to Talk America, LLC., contingent on the approval of Talk America Services, LLC application for a certificate of public convenience and necessity under the docket number 14-2236-01 that is currently under review by the Commission.

EXPLANATION:

On or about September 24, 2014, Windstream Holdings, Inc. (“Windstream”) and Talk America, LLC. (“Talk America”) notified the Commission of a transaction, which will result in a transfer of residential customers from Windstream Holdings, Inc. to Talk America, LLC.

Windstream Holdings, Inc. is a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, AR 72212. Windstream does not provide telecommunications services in its own right. It owns and operates a number of licensed telecommunications providers in all states. In Utah, Windstream’s wholly owned operating subsidiaries are McLeodUSA Telecommunications Services, LLC, PAETEC Communications, Inc., Windstream Communications, Inc., Windstream NTI, Inc., and Windstream NuVox, Inc.

Talk America, LLC. is a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, AR 72212. Talk America is a newly formed company and a subsidiary of Communications Sales and Leasing, Inc., whose parent company is Windstream.

Talk America was formed to take over the residential customers from the Windstream subsidiaries through an intra-corporate transaction. Windstream's subsidiaries will keep their certificates to provide telecommunication services and continue to service the business customers.

The Applicants submit that the customer assignment, which is part of a larger corporate restructuring, is consistent with the public interest. They further submit that this restructuring will increase their efficiencies and lower their costs by means of efforts like this transaction so that they can continue to provide the full range of advanced high quality services to residential and business customers.

The Applicants submit that aside from a change in the name of their telecommunications provider, this residential customer base transfer will be virtually invisible to the customers transferred to Talk America and the rates, terms, and conditions of service provided to the transferred residential customers will not change as a result of the transfer.

The Division believes that the public interest will be promoted by recommending that the Public Service Commission ("Commission") allow the transfer of residential customers from Windstream Holdings, Inc. and its subsidiaries to Talk America, LLC., contingent on the approval of Talk America Services, LLC application for a certificate of public convenience and necessity under the docket number 14-2236-01 that is currently under review by the Commission.

cc. John P. Fletcher, Executive Vice President, Windstream Holdings, Inc.
Jeffery W. Small, Senior Vice President, Talk America Services, LLC
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah