

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-4881
Application of Business, LLC,)
and EarthLink Holdings Corp.,)
Atlanta, Georgia, and)
Windstream Holdings, Inc.,)
Little Rock, Arkansas, seeking) GRANTED
approval for a pro forma)
transfer of direct ownership)
of Business Telecom, LLC, and)
DeltaCom, LLC.) Entered: January 10, 2017

BY THE COMMISSION:

On November 28, 2016, a joint application was filed by Business Telecom, LLC ("BT"); DeltaCom, LLC ("DeltaCom"); EarthLink Business, LLC ("EarthLink Business") (collectively, "EarthLink Licensees"); EarthLink Holdings Corp. ("EarthLink Parent"); and Windstream Holdings, Inc. ("Windstream Parent") (collectively, "Applicants"), seeking approval a pro forma change in direct ownership of BT and DeltaCom in connection with a proposed transaction involving EarthLink Parent and Windstream Parent. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 1, 2016. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

The Parties:

Windstream Parent is a Delaware corporation with its headquarters at 4001 Rodney Parham Road, Little Rock, Arkansas. Windstream Parent is a holding company and does not provide telecommunications services or hold any telecommunications licenses in its own right. It's wholly owned subsidiary, Windstream Services, which is a Delaware LLC with addresses at the same location as Windstream Parent, owns and operates a number of licensed telecommunications providers in all states and the District of Columbia, except Alaska. Windstream's regulated subsidiaries hold the following authorizations in Nebraska: Paetec Communications, LLC, is authorized to provide interexchange telecommunications services pursuant to Docket C-1932; McLeodUSA Telecommunications Services, LLC, is authorized to provide local exchange and interexchange telecommunication services pursuant to Docket C-1932; Windstream Communications, LLC, is authorized to provide interexchange telecommunications services pursuant Docket C-4337; Windstream

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KDL, LLC, is authorized to provide local exchange and interexchange telecommunications services pursuant to Docket C-4147 and C-4188. Windstream Norlight, LLC, is authorized to provide interexchange telecommunications services pursuant to Docket C-3891; Windstream NTI, LLC, is authorized to provide interexchange telecommunications services pursuant to Docket C-1334; Windstream Nebraska, Inc., is authorized to provide incumbent local exchange telecommunications services; Windstream of the Midwest, Inc., is authorized to provide local exchange telecommunication services pursuant to Docket C-1440; and Windstream Systems of the Midwest, Inc., is authorized to provide interexchange telecommunications services pursuant to Docket C-625. Windstream's combined operations currently have approximately \$5.7 billion in annual revenues nationwide as of the year end FY2015. Windstream's most recent SEC forms 10-K and 10-Q are also available online.

EarthLink Holdings Corp. is a publicly traded Delaware corporation with principal offices located at 1170 Peachtree Street, Suite 900, Atlanta, Georgia 30309. EarthLink Parent functions as a holding company and does not provide telecommunications services or hold any telecommunications licenses in its own right. It owns and operates a number of telecommunications providers in all states and the District of Columbia. In Nebraska, EarthLink subsidiaries hold the following authorizations: EarthLink Business, LLC, a Delaware LLC, is authorized to provide resold and facilities-based local exchange services pursuant to Docket C-2127, as amended to reflect its conversion and name change in Docket C-4526; and interexchange services pursuant to Docket C-2127, as amended to reflect its conversion and name change in Docket C-4526; DeltaCom, LLC, an Alabama LLC is authorized to provide resold interexchange services pursuant to authority granted by the Commission in Docket C-1436, as amended to reflect its conversion and name change in Docket C-4526; Business Telecom, LLC, a North Carolina LLC is authorized to provide resold interexchange eservices pursuant to Docket C-1245, as amended to reflect its conversion and name change in Docket C-4730. EarthLink's most recent SEC forms 10-K and 10-Q were made available online.

Description of the Transaction:

On November 5, 2016, Windstream Parent, EarthLink Parent, Europa Merger Sub, Inc., a Delaware corporation and an indirect wholly-owned subsidiary of Windstream Services, LLC, and Europa Merger Sub, LLC, a Delaware LLC and an indirect wholly-owned

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subsidiary of Windstream Services, LLC, entered into an Agreement and Plan of Merger pursuant to which Europa Merger Sub, Inc., will be merged with and into EarthLink Parent with EarthLink Parent continuing as the surviving corporation and immediately following the initial merger, EarthLink Parent will be merged with and into Europa Merger Sub, LLC, with Europa Merger Sub, LLC, as the surviving company known as EarthLink Holdings, LLC, and an indirect wholly-owned subsidiary of Windstream Parent. Windstream Parent will be the new ultimate parent company of the EarthLink Licensees.

According to the Applicants, the current customers of the EarthLink Licensees will remain customers of those entities following EarthLink Transaction. EarthLink Licensees will continue to offer the same services, rates, terms and conditions pursuant to their existing authorizations and the only material change resulting from EarthLink Transaction will be that the certificated entities ultimately will be indirectly owned by Windstream Parent and subsequently may change their names to reflect the "Windstream" brand in their names.

Based upon the above information, the Commission finds the application to be fair and reasonable, in the public interest. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4881 be, and it is hereby, granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 10th day of January, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Riddle
Crystal Knoradis
Rob Johnson

//s//Frank E. Landis
//s//Tim Schram

Tim Schram
Chairman

ATTEST:

Sally L. Puley
Executive Director