

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Notification)
by Iowa Telecommunications Services, Inc.)
d/b/a Iowa Telecom, Windstream)
Corporation and Buffalo Merger Sub, Inc.)
of Agreement and Plan of Merger; and the)
Application of Buffalo Merger Sub, Inc.)
for Issuance of Certificates of Service)
Authority and Waiver of Commission Rules.)

Case No. _____

**JOINT NOTIFICATION OF AGREEMENT AND PLAN OF MERGER
AND
APPLICATION FOR CERTIFICATES OF SERVICE AUTHORITY
AND WAIVER OF COMMISSION RULES**

COME NOW Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom (“Iowa Telecom”), Windstream Corporation (“Windstream”) and Buffalo Merger Sub, Inc. (“NewCo”)¹ and file this verified Joint Notification and Application for Certificates of Service Authority and Waiver of Commission Rules pursuant to Section 392.300, RSMo 2000; Section 392.361, RSMo 2000; Section 392.410, RSMo 2000; Section 392.420, RSMo 2000; Section 392.430, RSMo 2000; Section 392.440, RSMo 2000; Section 392.450, RSMo 2000; 4 CSR 240-2.060; 4 CSR 240-3.015 and 4 CSR 240-3.510.

I. INTRODUCTION

1. Iowa Telecom, an Iowa corporation and incumbent local exchange telecommunications company that provides local exchange service in 286 exchanges

¹ NewCo was created for purposes of accomplishing the instant transaction described herein. Immediately following the consummation of the transaction, “Buffalo Merger Sub, Inc.” will change its name to “Windstream Iowa Communications, Inc.” In the interests of ensuring the privacy of this transaction

located throughout Iowa, also provides local exchange telecommunications service to approximately 70 customers located in Missouri that are served from three Iowa exchanges that extend into Clark County, Nodaway County and Putnam County in northern Missouri (Athens, South Braddyville and South Seymour exchanges in Missouri).

2. Windstream, NewCo and Iowa Telecom entered into an Agreement and Plan of Merger dated as of November 23, 2009 ("the Merger Agreement"), a copy of which is provided as **Exhibit 1**. In accordance with the Merger Agreement, Windstream will acquire Iowa Telecom through the merger between Iowa Telecom and NewCo (the "Merger"). As part of the Merger, Iowa Telecom will merge with and into NewCo, and the separate corporate existence of Iowa Telecom will cease. In consideration thereof, stockholders of Iowa Telecom will exchange their Iowa Telecom stock for stock of Windstream and a cash payment.

3. Organizational charts reflecting Existing Corporate Structures (1), the Transaction (2) and the Post-Transaction Corporate Structure (3) are attached hereto as **Exhibit 2**. NewCo is the entity that will provide communications services to the approximately 70 customers in Missouri following the merger; thus, NewCo is requesting the issuance of certificates of service authority herein. NewCo will provide essentially the same set of services provided today by Iowa Telecom, and any future changes in services or rates will be made in compliance with any required regulatory processes.² Aside from the transfer from Iowa Telecom to NewCo, there are no plans to sell,

during the parties' negotiations, this name was given to the corporation. Thus, for the purposes of this pleading, Buffalo Merger Sub, Inc. will simply be referred to as "NewCo."

exchange or otherwise transfer any of Iowa Telecom's assets in conjunction with the merger with the limited exception of wireless spectrum that may be sold or transferred at a later date.

II. THE COMPANIES INVOLVED IN THE MERGER

4. Windstream is a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, Arkansas 72212. Windstream's operating subsidiaries provided telephone service to approximately 3 million telephone lines in 16 states as of September 30, 2009.³ Windstream is ranked 4th in the 2009 BusinessWeek 50 ranking of the best performing U.S. companies. More information can be found at www.windstream.com. Windstream is not subject to the jurisdiction of the Commission and, for purposes of this Notice, Windstream is not an "Applicant" within the meaning of the Commission's Chapter 2 Rules.

5. As previously stated, Iowa Telecom, an Iowa corporation, is an incumbent local exchange telecommunications company subject to the Commission's jurisdiction under Chapter 392 of the Missouri Revised Statutes. Iowa Telecom provides local exchange telecommunications service in 286 exchanges located throughout Iowa. Iowa Telecom also provides local exchange telecommunications service to approximately 70 customers located in Missouri that are served from three Iowa exchanges that extend into Clark County, Nodaway County and Putnam County in northern Missouri (Athens, South Braddyville, and South Seymour exchanges in Missouri). On May 25, 2000, the

² While NewCo has not identified any services at this time that is problematic, in the event that it decides not to offer a particular service on a continuing basis that is currently provided by Iowa Telecom, NewCo anticipates grandfathering any such service to avoid any service disruption to existing customers.

³ Windstream Missouri, Inc. is an incumbent local exchange telecommunications company authorized to provide telecommunications service within the State of Missouri. Windstream Communications, Inc. is a competitive telecommunications company authorized to provide interexchange and nonswitched local

Commission issued its Order Approving Joint Application To Transfer Assets in Case No. TM-2000-403, which approved Iowa Telecom's joint application to purchase certain assets from GTE Midwest Incorporated. Iowa Telecom's Certificate to Transact Business as A Foreign Corporation and Fictitious Name Registration were filed in Case No. TM-2000-403, and are incorporated herein by reference pursuant to 4 CSR 240-2.060(1)(G). Other than a pending carrier complaint in another jurisdiction, Iowa Telecom has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this filing. No Missouri annual reports or assessment fees are overdue. The principal place of business of Iowa Telecom is:

Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom
403 W. 4th St. N.
Newton, Iowa 50208
Tel: (641) 787-2337
Fax: (641) 787-2347

6. NewCo is a Delaware corporation and a wholly owned subsidiary of Windstream. As previously noted, NewCo was formed for the purpose of completing the Merger with Iowa Telecom and will change its name to "Windstream Iowa Communications, Inc" immediately following consummation of the Merger. NewCo is seeking certificates of service authority to provide local exchange, including basic local exchange, and interexchange telecommunications services in Missouri, *infra*. At this point in time, NewCo is preparing the various requisite foreign corporation registrations and, in accordance with Commission Rule 4 CSR 240-2.060(2), NewCo will be filing its

exchange telecommunications services within the State of Missouri. Neither of these companies is the subject of, nor is its Missouri operations affected by, the instant transaction.

Certificate of Authority from the Missouri Secretary of State as soon as possible and clearly before the granting of the authority sought herein. The street and mailing address for NewCo's principal office or place of business will be the same as that of Windstream, as set forth above, Paragraph 4, *supra*. NewCo has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the Application. No Missouri annual reports or assessment fees are overdue.

7. All correspondence, communications, and orders and decisions of the Commission issued in this matter should be sent to:

Larry W. Dority
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, Missouri 65101
Tel: (573) 636-6758
Fax: (573) 636-0383
E-mail: lwdority@sprintmail.com

THE MERGER TRANSACTION AND COMMISSION JURISDICTION

8. While Section 392.300, RSMo 2000 ("Transfer of property and ownership of stock without consent of commission prohibited – impact of transfer on local tax revenues, information on to be furnished, to whom, procedure") and the implementing Commission Rules 4 CSR 240-3.525 or -3.535 might otherwise be applicable to the subject transaction, Iowa Telecom, in accordance with Section 392.420, RSMo 2000, filed its *Notice of Election for Waiver of Commission Rules and Statutes* on December 15, 2009, exercising its statutory right to opt into waivers of various Commission rules

and statutes, including Section 392.300, RSMo 2000, effective that date.⁴ Accordingly, Iowa Telecom, NewCo, and Windstream respectfully submit that no Commission authorizations are required regarding the subject transaction, except for the issuance of certificates of service authority to NewCo as fully set forth below,⁵ and the concurrent authorization to Iowa Telecom to discontinue providing local, basic local and interexchange telecommunications services as of the date of closing.

APPLICATION FOR CERTIFICATES OF SERVICE AUTHORITY

9. Paragraphs 1 through 8 above are restated and incorporated herein by reference.

10. NewCo proposes to begin the provision of telecommunications services in the current Iowa Telecom exchanges immediately upon the closing of the Merger. Accordingly, NewCo seeks a Certificate of Service Authority to provide local exchange telecommunications service, including basic local telecommunications service, within the Athens, South Braddyville and South Seymour exchanges in Missouri, being those geographical areas now served by Iowa Telecom. NewCo also seeks a Certificate of Service Authority to provide interexchange telecommunications service.

⁴ *In the Matter of the Notice of Election of Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, for Waiver of Commission Rules and Statutes Pursuant to Section 392.420, RSMo, as Amended by H.B. 1779*, Commission File No. IE-2010-0183, December 15, 2009. In addition, the Commission has dismissed, for lack of jurisdiction under Section 392.300.2, applications seeking approval for the transfer of stock of corporations not organized or existing by virtue of the laws of the state of Missouri. See, e.g., Case Nos. TM-2000-524, XM-2005-0219, TM-2007-0140, TO-2009-0111, and Case No. XM-2009-0121, Decision Dismissing Application for Lack of Subject Matter Jurisdiction issued November 6, 2008, noting: "Under that language [Section 392.300.2], the Commission's consent is necessary only if a stock corporation purchases stock in a Missouri entity." (Decision, page 4.) Iowa Telecom is a foreign corporation.

⁵ While not applicable herein, Commission Rule 4 CSR 240-3.525, Filing Requirements for Telecommunications Company Applications for Authority to Merge or Consolidate, Paragraph (2)(G) addresses "customer notification to be provided to customers who will receive service from a different telecommunications company, informing them of the transaction." NewCo will provide such customer notification consistent with that provided to its Iowa customers, and will provide a copy to the Commission's staff and the Office of the Public Counsel.

11. Marked as **Exhibit 3** and attached to this application are copies of exchange boundary maps on file with and approved by the Commission for the Iowa Telecom exchanges. NewCo seeks to provide basic local telecommunications services to the same area and within the same boundaries shown on these maps. These maps provide the most accurate depiction of the service areas in question.

12. As previously stated, NewCo seeks to continue providing local and basic local telecommunications services to these areas currently served by Iowa Telecom under the same rates, terms and conditions as are currently in force for those exchanges (as clarified in footnote 2, *supra*), and after the subject Merger is approved in the requisite jurisdictions, will file a revised tariff cover sheet and adoption notice adopting, in all material respects, Iowa Telecom's tariffs for that purpose. NewCo has the same intentions regarding the interexchange services now provided under Iowa Telecom's existing interexchange tariffs, and any services that may not be provided under Iowa Telecom's access tariffs on a prospective basis will be grandfathered to existing customers. Accordingly, NewCo requests a waiver of 4 CSR 240-3.510(1)(C) requiring that proposed tariffs with forty-five (45) day effective dates be filed with its requests for certificates of service or before service can be provided. Whereas resultant changes in subscriber carrier selections will occur as a result of this merger, Iowa Telecom and NewCo also requests a waiver of Commission Rule 4 CSR 240-33.150, Verification of Orders for Changing Telecommunications Service Provider, if applicable. To the extent applicable, Iowa Telecom and NewCo will comply with the notice requirements of 4 CSR 240-33.150(4)(B) and (C).

13. NewCo possesses sufficient technical, financial and managerial resources and abilities to provide basic local telecommunications service. As previously stated, NewCo will provide essentially the same set of services provided today by Iowa Telecom and following the Merger, NewCo will continue to provide the same safe, reasonable, and adequate service to existing Iowa Telecom customers and be able to attract capital on reasonable terms, including the maintenance of a reasonable capital structure. Additionally, no material changes in the staffing of local operations, technicians, or sales personnel are expected. Accordingly, pursuant to Commission Rules 4 CSR 240-2.060(4) and 4 CSR 240-3.015, NewCo respectfully requests a waiver from the provisions of Commission Rule 4 CSR 240-3.510(1)(D)1, Subparagraphs A-D, relating to various financial information. For the above reasons and this Commission's approximate 10-years' experience with Iowa Telecom, NewCo respectfully submits that good cause exists for granting such waiver. NewCo is the only public utility that will be affected by the waiver. The granting of this application for certificates of service authority is required by the public convenience and necessity in order for the customers of Iowa Telecom to continue receiving the telecommunications services which they are currently receiving from Iowa Telecom. The grant of authority requested herein will serve the public interest.

14. NewCo will offer basic local telecommunications service as a separate and distinct service that satisfies the minimum standards established by the Commission, will provide service in a service area that follows the exchange boundaries of Iowa Telecom and will be no smaller than an exchange, and will give due consideration to equitable

access for all Missourians to affordable telecommunications services regardless of their income or place of residence.

15. Consistent with the Commission's treatment of other certificated telecommunications companies and, whereas NewCo will be assuming the exchanges currently served by Iowa Telecom for which HB 1779 statutory and rule waivers were applicable, NewCo requests, pursuant to Sections 392.361 and 392.420, RSMo 2000, that the following statutes and regulations be waived:

Rules:

4 CSR 240-3.550 (4) and (5)(A)
4 CSR 240-32.060
4 CSR 240-32.070
4 CSR 240-32.080
4 CSR 240-33.040 with the exception of subsection (4) which will remain in effect
4 CSR 240-33.045

Statutes:

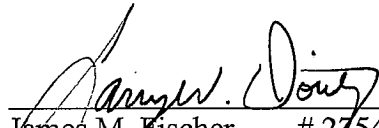
Subsection 2 of Section 392.210, RSMo.
Subsection 1 of Section 392.240, RSMo.
Sections 392.270, 392.280, 392.290, 392.300, 392.310, 392.320, 392.330, and 392.340, RSMo.

WHEREFORE, Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom, Windstream Corporation and Buffalo Merger Sub, Inc. respectfully notify the Commission of the subject Agreement and Plan of Merger and request the Commission to issue its order:

1. Finding no Commission authorizations are required to effectuate the Agreement and Plan of Merger, save the granting of the certificates of service authority and other specific relief as requested herein;

2. Authorizing Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom to discontinue providing local exchange, basic local exchange and interexchange telecommunications services as of the date of closing the subject transaction;
3. Granting certificates of service authority to Buffalo Merger Sub, Inc. to provide local exchange, basic local exchange and interexchange telecommunications services as set forth herein;
4. Waiving the above-referenced rules and statutory provisions as specifically requested herein;
5. Authorizing Buffalo Merger Sub, Inc. to commence providing interexchange, local exchange and basic local exchange telecommunications service effective on the date of closing the subject transaction;
6. Approving the adoption of the Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom, Missouri intrastate tariffs by Buffalo Merger Sub, Inc. upon receipt of the Adoption Notices; and
7. Granting such other relief as is reasonable in the circumstances.

Respectfully submitted,



James M. Fischer # 27543

Larry W. Dority # 25617

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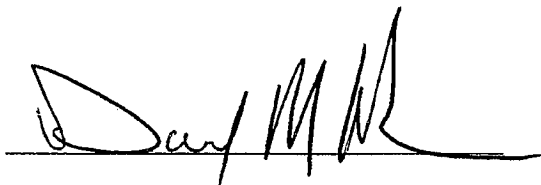
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Attorneys for Iowa Telecommunications
Services, Inc. d/b/a Iowa Telecom,
Windstream Corporation and Buffalo
Merger Sub, Inc.

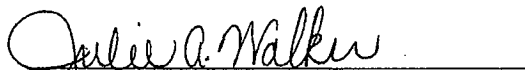
VERIFICATION

STATE OF IOWA)
) ss
COUNTY OF JASPER)

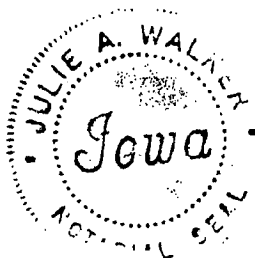
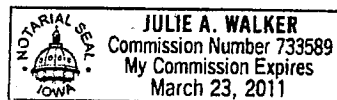
I, David M. Anderson, Vice President – External Affairs for Iowa Telecommunications Services, Inc. d/b/a Iowa Telecom, hereby verify and affirm that I have read the foregoing Joint Notification and Application, and that the statements contained therein are true and correct to the best of my information and belief.



Subscribed and sworn to before me on this 18th day of December, 2009.


Notary Public

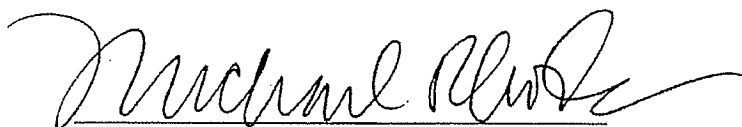
My Appointment Expires:
3/23/11



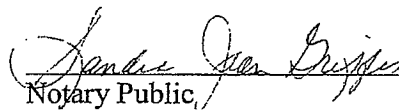
VERIFICATION

STATE OF ARKANSAS)
) ss
COUNTY OF PULASKI)

I, Michael D. Rhoda, Senior Vice President of Governmental Affairs for Windstream Corporation ("Windstream") and Buffalo Merger Sub, Inc. ("NewCo"), hereby verify and affirm that I am authorized to file this Verification on behalf of Windstream and NewCo, that I have read the foregoing Joint Notification and Application, and that the statements contained therein are true and correct to the best of my information and belief.



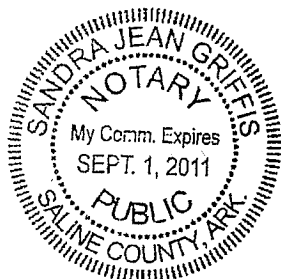
Subscribed and sworn to before me on this 18th day of December, 2009.



Notary Public

My Appointment Expires:

Sept 1, 2011



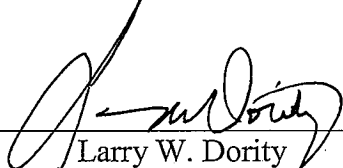
CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 18th day of December, 2009, a copy of the above and foregoing document was served via electronic mail, facsimile or U.S.

Mail, postage prepaid to each of the following:

Steven C. Reed
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