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May 1, 2006

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Re: Docket No. 050938-TP; Joint Application for approval of transfer of control of Alltel Florida, Inc., holder of ILEC Certificate No. 10 and PATS Certificate No. 5942, from Alltel Corporation to Valor Communications Group, and for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., due to transfer of long distance customers of Alltel Communications, Inc. to Alltel Holding Corporate Services, Inc.

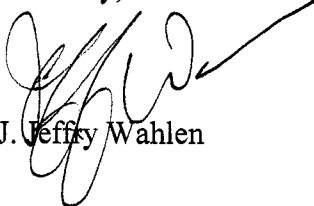
Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Alltel's *Amended* Application for Approval of Transfer and Waiver of Carrier Selection Requirements.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,



J. Jeffrey Wahlen

Enclosure

cc: Kira Scott and Lee Eng Tan, w/encls.
Charlie Beck, w/encls.

DOCUMENT NUMBER-DATE

03825 MAY-1 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application for Approval of the Transfer of)
Control of Alltel Florida, Inc. and Waiver of)
Carrier Selection Requirements of Rule) Dkt. No. 050938-TP
25-4.118, F.A.C.) Filed: 05.01.06
_____)

**JOINT APPLICATION FOR APPROVAL OF TRANSFER
OF CONTROL OF ALLTEL FLORIDA, INC., HOLDER OF ILEC
CERTIFICATE NO. 10 AND PATS CERTIFICATE NO. 5942, FROM
ALLTEL CORPORATION TO VALOR COMMUNICATIONS GROUP,
AND FOR WAIVER OF CARRIER SELECTION REQUIREMENTS
OF RULE 25-4.118, F.A.C., DUE TO TRANSFER OF LONG DISTANCE
CUSTOMERS OF ALLTEL COMMUNICATIONS, INC. TO
ALLTEL HOLDING CORPORATE SERVICES, INC.**

Pursuant to Section 364.33, Florida Statutes, and Rule 25-24.455(2), Florida Administrative Code, Alltel Florida, Inc., Alltel Communications, Inc. ("ACI"), Alltel Holding Corp., Valor Communications Group ("Valor"), and Alltel Holding Corporate Services, Inc. (collectively, "Applicants") respectfully submit this *Amended* Application requesting the approval by the Florida Public Service Commission ("Commission") for the transfer of control of Alltel Florida, Inc. from Alltel Corporation to Windstream Corporation, the entity resulting from the merger of Alltel Holding Corp. and Valor. Applicants also seek: (1) a name change from Alltel Florida, Inc. to Windstream Florida, Inc. on all of the certificates currently held by Alltel Florida, Inc. and (2) a waiver of the carrier selection requirements in Rule 25-4.118, Florida Administrative Code, to facilitate the orderly transfer of long distance customers of ACI to Alltel Holding Corporate Services, Inc. These actions are part of a plan to move Alltel's wireline incumbent local exchange company ("ILEC"), pay telephone ("PATS") and long distance resale ("IXC") [collectively, "Wireline Business"] to a wire-line focused entity. This *amended* application updates the information contained in the original application filed in this

DOCUMENT NUMBER-DATE

03825 MAY-18

FPSC-COMMISSION CLERK

docket on December 22, 2005 and reflects the results of discussions with FPSC Staff on April 26 and 27, 2006.

I. INTRODUCTION: THE PLAN

1. The telecommunications industry has changed dramatically in the last several years and is expected to change even more significantly in the coming years. Intermodal competition, between wireline and wireless telecommunications services for example, is now widespread even in the territories served by Applicants. As a result of intermodal competition and the rapidly changing fundamentals of the wireline business, wireline companies need to adapt their existing business models to more effectively compete. Specifically, wireline businesses will require enhance strategic flexibility in the future to bring new products and services to the marketplace faster and improve their existing overall customer service. The need to execute strategies faster in the future will require greater focus and access to adequate human and financial capital resources.

2. As a result of these changes, Alltel Corporation ("Alltel") is separating its Wireline Business from its wireless business and merging the Wireline Business with Valor. In order to carry out the separation, two new subsidiaries of Alltel have been created, Alltel Holding Corp. and Alltel Holding Corporate Services, Inc. This pre-separation corporate structure is illustrated on **Exhibit 1** to this Application, which is incorporated herein by reference.

3. Alltel will first transfer ownership of Alltel Florida, Inc. and Alltel's other incumbent local exchange company subsidiaries to Alltel Holding Corp. Likewise, customers of Alltel Communications, Inc.'s long distance resale businesses will be transferred to Alltel Holding Corporate Services, Inc.,¹ which will become a wholly-owned subsidiary of Alltel

¹ Contemporaneous with the filing of the original Application on December 22, 2005, Alltel Holding Corporate Services, Inc. filed a registration with the Commission to be a reseller of long distance services. Existing customers will be notified of the transfer to Alltel Holding Corporate Services, Inc. pursuant to the Federal Communications

Holding Corp. The ownership of Alltel Holding Corp. then will be transferred from Alltel to Alltel's shareholders, thereby establishing Alltel Holding Corp. (with its subsidiary, Alltel Holding Corporate Services, Inc.) as a stand-alone holding company. The post-separation corporate structure is illustrated on **Exhibit 2** to this Application, which is incorporated herein by reference.

4. In the final step, Alltel Holding Corp. will merge into Valor, a holding company with its own local exchange company subsidiaries operating in the states of Texas, New Mexico, Oklahoma and Arkansas (resulting in "Windstream Corporation"). **Exhibit 3** reflects the corporate organization following the merger. Following this merger, the shareholders of Alltel will own 85% of Windstream Corporation, and the shareholders of Valor will own 15%. Additionally, as described later in this Application, the principal officers of Windstream Corporation will be certain current officers of Alltel. The corporate offices of Windstream Corporation will be located in Little Rock, Arkansas. Because end user customers will continue to receive the same rates and high quality service from the same dedicated local operations, the transfer will appear to customers merely as a name change.

5. In this Application, Applicants request the Commission's approval with respect to the change of control of Alltel Florida, Inc. to Windstream Corporation as described above. As explained in detail below, this transfer of control is in the public interest and complies with applicable law. As part of Windstream Corporation, Alltel Florida, Inc. will continue to have the requisite managerial, technical and financial capability to provide the services that it currently provides. Moreover, the change of control will produce benefits for the Alltel Florida, Inc.'s wireline local exchange residential and business customers.

Commission ("FCC") anti-slamming rules. See Docket No. 050937-TI. As part of this Application, the parties seek a waiver of the carrier selection requirements of Rule 25-4.118, F.A.C. to facilitate the transfer of these customers. See Section VI, below. As discussed in paragraph 11, below, the name of AHCSI will be changed to Windstream Communications, Inc.

6. Separating Alltel's Wireline Business into an independent, stand-alone corporate structure and merging with Valor allows Windstream Corporation to enhance both strategic flexibility and financial and operational opportunities. Windstream Corporation will focus on providing a full portfolio of high quality services to its residential and business customers. Through its subsidiaries, like Alltel Florida, Inc., the new wireline-focused company will continue to meet the needs of local exchange and long distance customers throughout its service areas.

II. PARTIES

7. Alltel Florida, Inc. is a Florida corporation certificated by this Commission to provide local exchange services (ILEC Certificate No. 10) and pay telephone services (PATS Certificate No. 5942) and is a wholly-owned subsidiary of Alltel, with corporate offices located at One Allied Drive, Little Rock, Arkansas. Alltel Florida, Inc.'s principal business address in Florida is 206 White Avenue SE, Live Oak, FL 32060-0343. As part of this application, Alltel Florida, Inc. requests that the name on the certificates it holds be changed to Windstream Florida, Inc.

8. Alltel Communications, Inc., a Delaware corporation ("ACI"), is certificated in this state as a long distance interexchange carrier, a competitive local exchange carrier and a pay telephone provider. Although the transaction described herein contemplates transfer of ACI's long distance customers to Alltel Holding Corporate Services, Inc., corporate control of ACI will not change, ACI will remain part of the wireless business of Alltel and no approval or acknowledgment of transfer of control of ACI is requested.² Alltel Holding Corporate Services, Inc. will change its name to Windstream Communications, Inc.

² Likewise, ACI desires to retain its existing IXC, CLEC and PATS certificates.

9. Alltel Florida, Inc. and ACI, together with Alltel's other subsidiaries, currently provide wireless, long distance, internet, broadband, directory publishing, telecommunications equipment and local communications services in numerous states. As of June 30, 2005, Alltel Florida, Inc. and its ILEC affiliates served approximately 3.0 million local access lines in fifteen states, including 94,212 access lines in Florida served by Alltel Florida, Inc. ACI currently provides long distance service in 49 states and operates as a CLEC in 7 states, but does not have active CLEC or PATS operations in Florida. ACI has approximately 81,400 long distance customers in Florida and proposes to transfer those customers to Alltel Holding Corporate Services, Inc. as of closing. See Section VI, below.

10. Alltel Holding Corp., a Delaware corporation, is a newly-formed subsidiary of Alltel. As described above, immediately upon the separation of Alltel's Wireline Business from its wireless businesses, Alltel Holding Corp. will become the owner of the Wireline Business and then merge into Valor resulting in Windstream Corporation. Alltel Holding Corp. (soon to be Windstream Corporation) is not seeking authority to become a regulated telecommunications carrier or public utility.

11. Alltel Holding Corporate Services, Inc., a Delaware corporation ("AHCSI"), is a newly created subsidiary of Alltel and will become part of Windstream Corporation. By separate registration filed contemporaneously with the original Application, dated December 22, 2005, Alltel Holding Corporate Services, Inc. became registered with the Commission as an interexchange carrier and will be in a position to accept transfer of ACI's long distance customers in Florida after closing. As reflected above, AHCSI anticipates making a separate name change application in the near future to reflect its new name, "Windstream Communications, Inc."

12. Valor Communications Group is a Delaware corporation and is the owner of local exchange operating companies that as of June 30, 2005 provide local exchange service to approximately 530,000 access lines in four states. As a result of its merger with Alltel Holding Corp., Valor will change its name to "Windstream Corporation" and will be the owner of the Merged Wireline Business, but itself will not be a certificated public utility. As noted in paragraph 4, following this merger, the shareholders of Alltel will own 85% of Windstream Corporation, and the shareholders of Valor will own 15%.

III. REQUIREMENTS FOR APPROVAL OF TRANSFER OF CONTROL

13. Section 364.33, Florida Statutes, grants the Commission authority to approve a transfer of control of telecommunications facilities for the purpose of providing service to Florida customers. In making this determination, the Commission has previously held that it should consider the public's interest in efficient, reliable telecommunications services. See, e.g., *Joint Application for Approval of Transfer of Control of Sprint-Florida, Incorporated*, Order No. PSC-05-0985-PAA-TP, issued October 13, 2005, Docket No. 050551-TP; *Joint Application of MCI WorldCom, Inc. and Sprint Corporation for Acknowledgement or Approval of Merger*, Order No. PSC-00-0421-PAA-TP, issued March 1, 2000; Docket No. 991799-TP. The transfer of control of Alltel Florida, Inc. as part of the Wireline Business satisfies all applicable criteria. As part of Windstream Corporation, Alltel Florida, Inc., which holds an ILEC and a PATS certificate, will continue to have the technical, managerial and financial capability to provide quality telecommunications services and to introduce advanced services, and the transfer is in the public interest for the reasons set forth herein.

IV. TRANSACTION AND NEW CORPORATE STRUCTURE

14. As described above, **Exhibit 1** illustrates the corporate structure of Alltel before the separation and merger described in this Application, **Exhibit 2** illustrates the resulting post-

separation corporate structure for Alltel Holding Corp., and **Exhibit 3** illustrates the structure that results from the merger with Valor and the name change to Windstream Corporation.

15. Although the entities comprising the Wireline Business will become subsidiaries of a different holding company and the entities' names will change to reflect the Windstream brand, from an operational perspective, little will change. Immediately following the separation and merger, Windstream Corporation will continue to provide the same services, at the same rates and pursuant to the same tariffs, albeit under a new name. Alltel Florida, Inc. will change its name to Windstream Florida, Inc. and will continue as the same legal entity operating company that provides local exchange service in Florida. Alltel Holding Corporate Services, Inc., as transferee of the long distance customers of ACI, will continue providing the same high quality service that ACI does today and will have a new name, Windstream Communications, Inc. In addition to the incumbent local exchange and long distance resale and CLEC businesses, the Alltel Internet access, broadband, directory publishing, and telecommunications products businesses will also be transferred to Windstream Corporation. Windstream Corporation will maintain the same technical, financial and managerial ability to provide reliable service subsequent to the separation as it does today.

V. THE PROPOSED TRANSFER MEETS THE APPLICABLE STANDARDS.

16. As part of Windstream Corporation, Alltel Florida, Inc. will continue to be managed by very capable, experienced executives and employees, many of whom are transferring from Alltel to Windstream Corporation. For example, Alltel Chief Financial Officer, Jeffrey Gardner, has been named Chief Executive Officer of Windstream Corporation, and Keith Paglusch will be the Chief Operating Officer. Attached as **Exhibit 4** is a list of several officers of Windstream Corporation and a description of their qualifications. The collective experience of these officers demonstrates that Windstream Corporation will maintain the same technical and

managerial ability to continue providing reliable high quality services subsequent to the separation as it does today. In fact, Windstream Corporation's senior management team will have an average tenure in the telecommunications industry of nearly 20 years, with over 130 years of combined telecommunications industry experience. Moreover, Windstream Corporation will have the necessary financial security. All of these factors, along with the additional details below, demonstrate that Windstream Corporation will continue to possess the technical, managerial, and financial capability necessary to provide high quality service and, thereby, to promote the public interest.

A. Continued Technical Capability

17. As part of Windstream Corporation, Alltel Florida, Inc. will maintain the same technical capabilities after the transfer of control as it possesses today. All equipment, buildings, systems, software licenses and other assets owned and used by Alltel for Wireline Business will remain assets of Alltel Florida, Inc. or will transfer to Windstream Corporation or a subsidiary thereof. For example, the Signaling System 7 network used by the Wireline Business to provide routing of communications traffic will be part of Windstream Corporation.

18. Some assets held by an Alltel affiliate are jointly used to provide services to Alltel Florida, Inc and other parts of the Wireline Business, and one or more other affiliates that may not become part of Windstream Corporation. However, to the extent Windstream Corporation requires continued use of these assets or services from Alltel, they will be provided through lease arrangements or service agreements with the separated Alltel companies.

19. Following the transfer of control, Windstream Corporation, including Alltel Florida, Inc., will continue to own or have arrangements to use all of the necessary network assets and ordering, provisioning, billing, and customer care capabilities required to continue to provide high quality retail and wholesale services seamlessly.

B. Continued Managerial Capability

20. As part of Windstream Corporation, Alltel Florida, Inc. will employ personnel experienced and dedicated to the provision of high quality communications service. The customer service, network and operations functions that are critical to the success of Alltel Florida, Inc. and other parts of the Wireline Business today will persist, and the business will be staffed to ensure that continuity. For example, Alltel Florida's local operations will continue to be staffed and managed by employees with established ties to the community and extensive knowledge of the local telephone business.

21. As part of Windstream Corporation, Alltel Florida, Inc. will continue to receive certain centralized management services. Windstream Corporation will be staffed by many of the same experienced and knowledgeable persons currently providing these services. Presently, centralized functions include human resource, finance, tax, media, legal, planning, general support, and information services, thereby allowing Alltel Florida, Inc. and the other ILECs in Windstream Corporation to benefit from the efficiencies enjoyed with centralized support services. After the transfer of control, Windstream Corporation, including Alltel Florida, Inc., will continue to receive similar centralized management services and thus, will continue to enjoy efficiencies from centralized support services and the benefits of an experienced staff.

C. Continued Financial Capability

22. Upon the transfer of control, Alltel Florida, Inc, as part of Windstream Corporation, will continue to be financially capable of fulfilling all of the requirements of a public utility. This capability will be unaffected by the change in the corporate parent.

23. Attached as **Exhibit 5** are pro forma balance sheet and income statement for Windstream Corporation, which will serve approximately 3.4 million access lines in 16 states. Windstream Corporation expects to generate revenues of approximately \$3.4 billion per year

and is expected to generate approximately \$1.7 billion of annual operating income before depreciation and amortization. Windstream Corporation will clearly retain the financial stability to succeed in the ever-increasing competitive telecommunications marketplace.

24. Windstream Corporation, which among other things will raise capital for Alltel Florida, Inc., will possess the financial capability to allow Alltel Florida, Inc. to provide high quality telecommunications services to customers. Upon completion of the separation and merger, Windstream Corporation will be a publicly traded company, whose stock is expected to be traded on the New York Stock Exchange. Moreover, Windstream Corporation will be one of the largest independent, rural local exchange carriers in the nation. Windstream Corporation will have the ability to raise capital in order to invest in network, employees and information systems to continue providing high quality service.

25. Windstream Corporation expects to generate ample cash flow and pay an attractive dividend to investors. These sound financial characteristics ensure that Windstream Corporation will have the fiscal stability to position itself in the industry to pursue strategies necessary to assist the company in succeeding in a competitive environment.

26. Windstream Corporation's capital structure will include a mix of debt and equity that balances financial risk with business risk while also maintaining an appropriate cost of capital, thereby maximizing the value of Windstream Corporation. Windstream Corporation's debt financing has already been committed by two of the world's largest banks, JP Morgan and Merrill Lynch. The debt to equity ratio of the parent company will provide sufficient leverage to produce specific benefits for Windstream Corporation and the resulting debt leverage will be among the lowest in the ILEC industry. The planned capital structure and dividend policy are reasonable relative to the company's size, service areas, industry position, operating income, and cash flow.

27. All of the above facts demonstrate that Alltel Florida, Inc., as part of Windstream Corporation, will maintain the requisite technical, managerial and financial capability to fully support its operations subsequent to the transfer of control.

D. Public Interest

28. As part of Windstream Corporation, Alltel Florida, Inc. will operate in an industry that has been and continues to be subject to rapid technological advances, evolving consumer preferences, and dynamic change. These factors, combined with regulatory developments, create an environment in which the interests of the wireline business are best served by this separation. The establishment of Windstream Corporation as part of an independent, stand-alone wireline-centric corporation serves the public interest by allowing Alltel Florida Inc. and Alltel's other separated ILECs to focus squarely on building their local wireline operations to provide a full range of high quality services to local residential and business customers.

29. This separation has the beneficial effect of better aligning the interests of the Merged Wireline Business with the interests of its customers. The company's strategic wireline focus will allow for a stronger local emphasis and permits Alltel Florida, Inc., as part of Windstream Corporation, to provide services tailored to the needs of its customers. The separation and merger, other than a change of name, will be virtually transparent to customers.

30. Creation of Windstream Corporation will ensure that Alltel Florida, Inc.'s service quality and the customer experience remain high priorities. Alltel Florida, Inc.'s customers will experience no less than business as usual, but very likely an improved experience, as Windstream Corporation will enhance service delivery, product development, and customer interaction.

E. Transparency to Customers

31. Up to and after the separation and merger, Alltel Florida, Inc.'s customers will receive the same full range of products and services that it offered prior to the separation, at the same prices, and under the same terms and conditions. Currently, Alltel Florida, Inc. offers bundles of local calling and custom calling features combined with other services via sales of its own services or its own services combined with the services of another provider sold via a sales agency arrangement. These bundled offerings were designed to meet the customer demand for a true "one stop shop" for communications needs. As described above, Windstream Corporation will enter into the necessary arrangements to allow Alltel Florida, Inc. to continue providing bundled service offerings.

32. Significantly, the customer interface with Alltel Florida, Inc. will not change. Customers will continue to call existing numbers to order new services, report service problems, and inquire about billing or other customer care issues. Windstream Corporation will provide customers notice of the transfer and name change via bill messages. A sample customer notice will be provided to the Commission in advance of its distribution.

33. Windstream Corporation will concentrate on the local operations of wireline customers and local affairs will continue to be managed by men and women with established local relationships and extensive knowledge of the local telephone business. Alltel Florida, Inc.'s participation in the local community will be ongoing and continue to be of great importance. Furthermore, the senior executive team will be comprised of many of the same executives that have guided Alltel's local operations in the past. Their experience and expertise, combined with new flexibility to pursue wireline-only strategic goals, will ensure that the service quality and standards of Alltel Florida, Inc. will remain at the highest levels.

34. As part of Windstream Corporation, Alltel Florida, Inc. will provide the same high quality local exchange and PATS service it does today, subject to the same rules, regulations, and applicable tariffs. The mere transfers of control will not affect the existing price regulation plan, service quality obligations, or tariffs.³ Further, any subsequent end user rate changes by Alltel Florida, Inc. will continue to be governed by the same rules and procedures. Similarly, the terms and prices for existing wholesale services under applicable access tariffs will remain unchanged as a result of this transfer. Finally, the transfer of control will not impact the terms of any existing interconnection agreements or obligations under state and federal laws regarding interconnection.

35. Applicable labor contracts entered into by Alltel Florida, Inc. as part of Alltel's Wireline Business will remain in effect in accordance with the terms and conditions of those agreements.

F. Additional Commitments in Public Interest

36. As part of its continuing effort to ensure the Commission that the proposed transfer of control is in the public interest, the Applicants agree to the additional commitments and conditions set forth on **Exhibit 6**.

F. Conclusion: Transfer Should Be Approved

37. As explained above, Alltel Florida, Inc., as part of Windstream Corporation, will maintain the requisite technical, managerial and financial capability to fully support its operations subsequent to the transfer of control, and the proposed transfer is in the public interest. Accordingly, Applicants' request that the Commission approve the proposed transfer of control and name change of Alltel Florida, Inc. as described herein.

³ Although this transfer will not result in substantive tariff changes, upon approval of the requested name changes, Alltel Florida, Inc. and Alltel Holding Corporate Services, Inc. will amend tariffs to reflect their new names, as applicable. Again, those new names will be Windstream Florida, Inc. and Windstream Communications, Inc., respectively.

VI. Waiver of Verification Requirements for Long Distance Customers

38. In addition, as part of this transaction, ACI proposes to transfer its existing approximately 81,400 long distance customers to Alltel Holding Corporate Services, Inc. (soon to be Windstream Communications, Inc.), which contemporaneously with the filing of the initial application on December 22, 2005 registered to provide interexchange services in Florida. For the reasons set forth below, ACI and Alltel Holding Corporate Services, Inc. seek a waiver of the carrier selection requirements of Section 25-4.118, F.A.C. for these transfers.

39. Pursuant to Rule 25-4.118(1), a customer's carrier cannot be changed without the customer's authorization. The rule outlines three methods for documenting customer authorization, including a signed letter of agency ("LOA") and third party verification. Rule 25-4.118 is incorporated into Chapter 25-24, and applies to IXCs. See Rule 25-24.475(3), F.A.C.

40. Rule 25-24.455(2), F.A.C., states:

An IXC may petition for a waiver of any provision of this Part. The waiver shall be granted in whole, granted in part, or denied based on the following:

- (a) The factors enumerated in Section 364.337(4), Florida Statutes;
- (b) The extent to which competitive forces may serve the same function as, or obviate the necessity for, the provision sought to be waived;
- (c) Alternative regulatory requirements for the company which may serve the purposes of this part; and
- (d) Whether the waiver is in the public interest.

41. The authority for Rule 25-4.118 is found in Section 364.603, Florida Statutes, which is a section the Commission is authorized to waive.

42. The transfer of ACI's long distance customers in Florida to Alltel Holding Corporate Services, Inc. will occur in an almost seamless manner. Customers will not experience

any interruption of service, rate increases or switching fees. Notice of the transfer will be provided to the customers in advance via letter explaining the transfer and available customer choices. A proposed sample customer notice is attached hereto as **Exhibit 7**.

43. The customer interface for these customers will not change. Customers will continue to call existing numbers to order new services, report service problems, and inquire about billing or other customer care issues. Alltel Holding Corporate Services, Inc. will be responsible for any outstanding ACI customer complaints after the date of the transfer; however, based on the Commission's most recent Consumer Activity Report, ACI had only 4 long distance complaints for the year to date November 2005.

44. ACI does not have any outstanding regulatory assessment fees, penalties or assessments associated with its IXC registration.


45. Applicants are concerned that requiring customer approval in advance will result in disruption to customers, as customers may fail to respond to a request for authorization, neglect to select another carrier and lose their long distance service. Competitive forces in the long distance markets obviate the need for strict compliance with Rule 25-4.118(1) under the circumstances. The procedures for transfer and customer notification proposed by Applicants are alternative regulatory procedures that serve the purposes of the rule and will prevent unnecessary slamming complaints during the transition. Accordingly, Applicants request that the Commission grant a waiver of the carrier selection requirements of Rule 25-4.118 as part of this transaction.

VII. CONCLUSION

46. For the foregoing reasons, Applicants have demonstrated that transferring control of Alltel Florida, Inc. as part of the transfer of the Wireline Business from Alltel Corporation to Windstream Corporation satisfies Section 364.33, Florida Statutes, and that a waiver of the

carrier selection requirements in Rule 25-4.118 for ACI's long distance customers is appropriate and in the public interest. As part of Windstream Corporation, Alltel Florida, Inc. (soon to be Windstream Florida, Inc.) will continue to have the requisite technical, managerial, and financial capability to provide quality communications services. Accordingly, Applicants request that the Commission approve the transfer of control of Alltel Florida, Inc. described herein, a waiver of the carrier selection requirements for ACI's long distance customers (soon to be served by Windstream Communications, Inc.) and grant any other necessary and proper relief.

Respectfully submitted this 1st day of May, 2006.



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and

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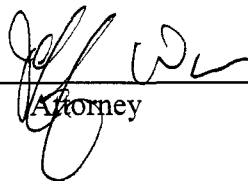
ATTORNEYS FOR
APPLICANTS

Certificate of Service

I hereby certify that a true and correct of the foregoing amended application was served by hand delivery this 1st day of May, 2006, to the following:

Kira Scott and Lee Eng Tan
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Charles J. Beck, Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400



Attorney

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PRE-SEPARATION CORPORATE STRUCTURE

EXHIBIT 1

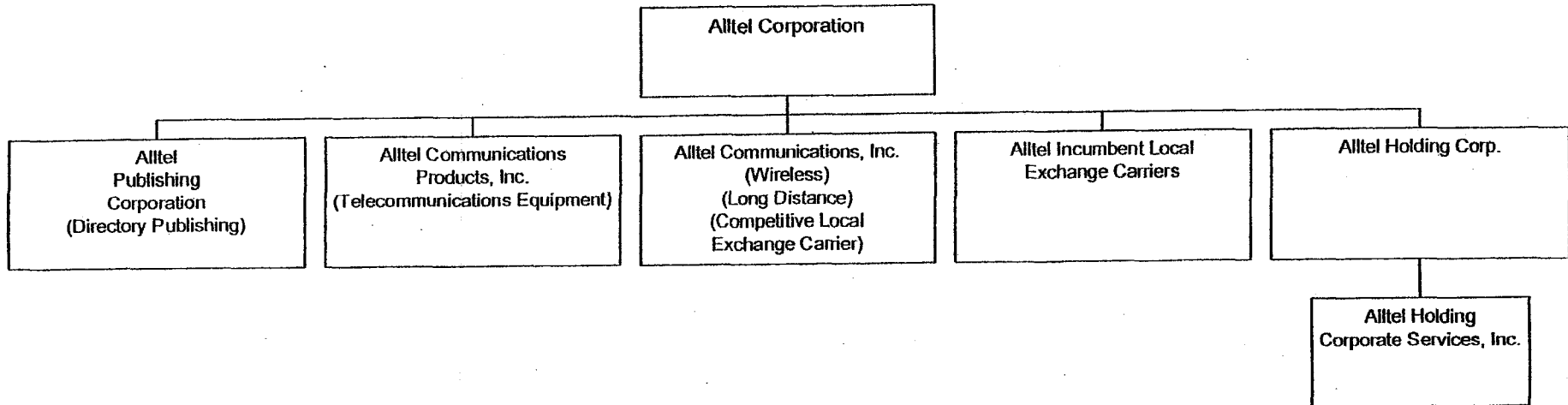
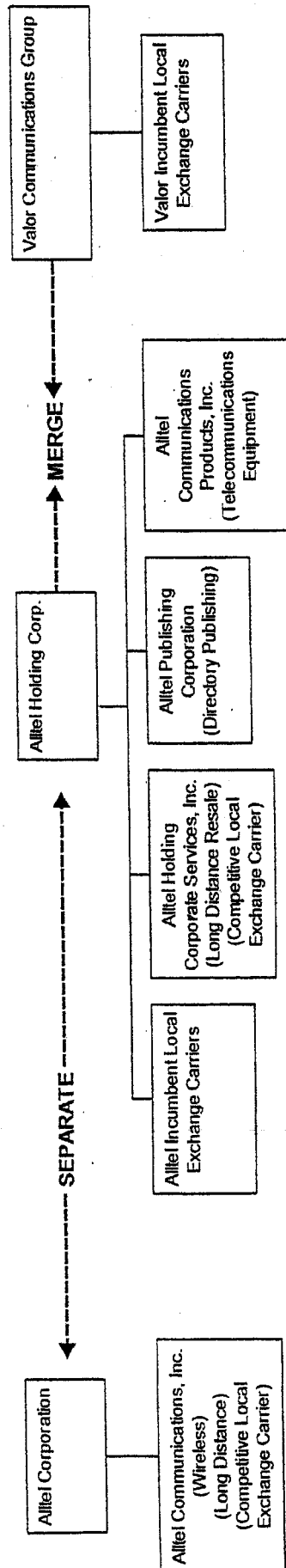


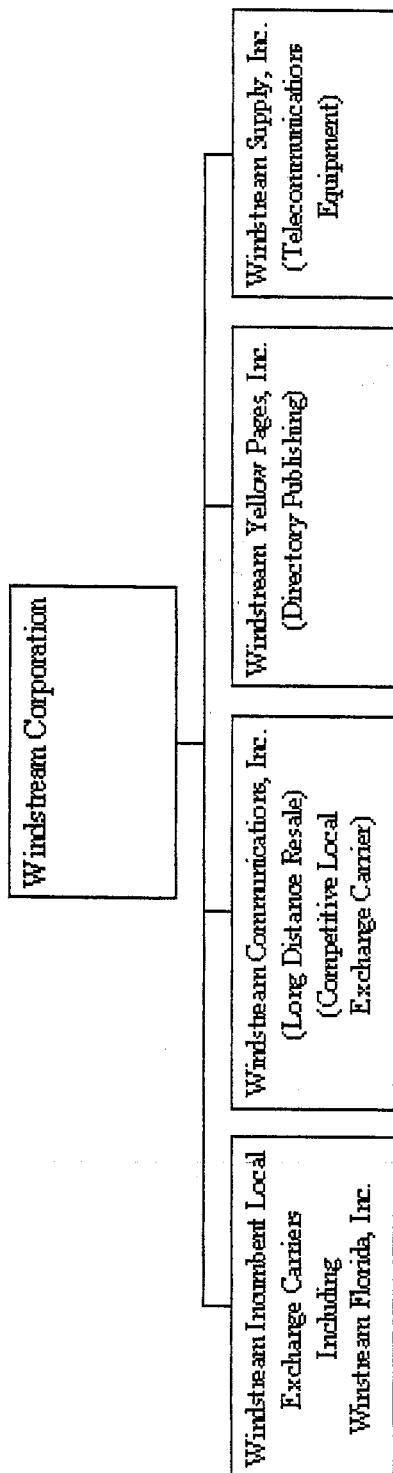
EXHIBIT 1

EXHIBIT 2

POST-SEPARATION CORPORATE STRUCTURE



MERGED WIRELINE BUSINESS



MANAGEMENT BIOGRAPHIES

BOARD OF DIRECTORS

Francis X. "Skip" Frantz - Chairman
One Allied Drive
Little Rock, AR
501-905-8111

Francis X. "Skip" Frantz, Executive Vice President - General Counsel and Secretary of Alltel Corporation, has been named Chairman of the Board of the new wireline company to be formed through the spin-off of Alltel's wireline business and merger with VALOR Communications group of Irving, Texas.

Frantz joined Alltel in 1990 as Senior Vice President and General Counsel and was appointed Corporate Secretary in January 1992 and Executive Vice President in 1998. He is responsible for the wireline wholesale services group, federal and state government and external affairs, corporate communications, administrative services and corporate governance.

Prior to joining Alltel, he was a partner in the law firm of Thompson, Hine and Flory, where he represented Alltel in connection with various business transactions and corporate matters for the last several years of his 12-year tenure with that firm.

Mr. Frantz is the 2005-2006 Chairman of the Board and of the Executive Committee of the USTelecom, a telecom trade association that represents 1,200 member companies. During his association with USTelecom, he has served as First Vice Chairman and as a member of the Executive Committee, Nominating Committee and Telecom Reform Task Force Committee.

Dennis E. Foster - Director
600 The Grange Lane
Lexington, Kentucky 40511
859 294 7663

Mr. Foster is currently the Principal in Foster Thoroughbred Investments. Prior to June 30, 2000, he was Vice Chairman of the Board of Alltel; Director of Yellow Corp. and NiSource Inc. He was initially elected as a Director of Alltel in 1998 and during his tenure was Chairmen of the Compensation Committee and member of the Executive Committee. Prior to joining the Alltel Board, Mr. Foster was the president of 360 Communications.

Jeffery R. Gardner - Director
One Allied Drive
Little Rock, AR

501-905-8707

Jeffery Gardner, is currently the Executive Vice President and Chief Financial Officer of Alltel Corporation. In addition to becoming a member of the board of the new wireline company, he has been named President and Chief Executive Officer.

Gardner has been in the communications industry since 1986 and joined Alltel in 1998 when the company merged with 360 Communications

He has held a variety of senior management positions such as Senior Vice President of Finance, which included treasury, accounting and capital markets; President of the Mid-Atlantic Region; Vice President and General Manager of Las Vegas and Director of Finance.

Gardner is a member of the Board of Directors for RF Micro Devices, based in Greensboro, N.C., where he serves on the audit committee. He also serves on the board of the Arkansas Symphony Orchestra, the Arthritis Foundation and Pulaski Academy School in Little Rock.

Gardner received his Bachelor of Science degree in Finance from Purdue University and a Master's degree in Business Administration from William and Mary. He is a Certified Public Accountant.

OFFICERS

Francis X Frantz - Chairman

(See biography above)

**Jeffery R. Gardner - President and
Chief Executive Officer**

(See biography above)

John B. Koch - Chief Operating Officer

One Allied Drive
Little Rock, AR
501-905-8981

John Koch , President - Wireline Services, has been named Chief Operating Officer of the new wireline company to be formed through the spin-off of Alltel's wireline business and merger with VALOR Communications Group of Irving, Texas.

Since joining Alltel in 1998 when the company merged with 360 Communications, Koch has held a variety of management positions such as president - Southeast Region, Executive Vice President of Marketing and Emerging Business and Executive Vice President of Network Services.

Koch previously was with Sprint Cellular, Centel Cellular and has worked as a consultant for the Analytic Sciences Corporation (TASC).

Koch received his Bachelor of Science degree and Master's degree in systems engineering from the University of Virginia.

Brent Whittington - Executive Vice President and Chief Financial Officer

One Allied Drive
Little Rock, AR
501-905-6558

Brent Whittington, Senior Vice President - Operations Support of Alltel Communications, Inc., has been named Executive Vice President and Chief Financial Officer of the new wireline company.

Whittington joined Alltel in 2002. He also served as Vice President - Finance & Accounting.

Prior to joining Alltel, Whittington was an Audit Manager for Arthur Anderson.

He has a degree in accounting from the University of Arkansas in Little Rock.

Whittington is active in his community. He currently serves on the board of Big Brothers and Big Sisters of Central Arkansas

**Rob Clancy - Senior Vice President and
Treasurer**

One Allied Drive
Little Rock, AR

Rob Clancy, Vice President - Investor Relations of Alltel, has been named Senior Vice President and Treasurer of the new wireline company. Clancy also will lead the new wireline company's investor relations and corporate communications efforts.

Clancy has been in the communications industry since 1987 and joined Alltel in 1998 when the company merged with 360 Communications.

He has held a variety of management positions throughout his tenure including Vice President of Sales and Distribution, Vice President of Internal Audit, Vice President of Finance, Vice President and General Manager for the Central North Carolina Market, and Southeast Region Marketing Director.

Clancy has a degree in accounting from Northern Illinois University in Dekalb. He is a Certified Public Accountant.

Frank A. Schueneman - Senior Vice President Network Operations

One Allied Drive
Little Rock, AR
501-905-8482

As Vice President - Engineering for Alltel, Schueneman is responsible for design and implementation of Alltel's wireless and wireline networks including switching, transport, RF and data. He will be Senior Vice President Network Operations for the new wireline company.

Before being named to his current position, Schueneman was responsible for the operation of wireless networks in Alltel's West Region which included the operation and maintenance of wireless switching systems and cell sites, wireless system performance and optimization, and cell site project engineering and construction. Other duties included regional capital budget management and wireline outside plant engineering and construction.

Schueneman has served more than 25 years with Alltel where he has a broad technical background that includes planning, engineering and operation of wireless, wireline, long distance and data networks. Schueneman attended the University of Akron where he received a Bachelor of Science degree in Electronic Technology.

Daniel A. Powell - Area President

130 West New Circle Road
Lexington, KY
859-357-6101

Dan Powell is responsible for the day to day operations for ALLTEL's wireline and CLEC operations in Nebraska, Kentucky, Ohio, Pennsylvania and New York. Powell will continue in this role for the new wireline company.

Powell joined Alltel in 1993 and has held a variety of operations and corporate positions including Vice President and General Manager of the Virginia Market Area, Vice President of Marketing, Manager of Corporate Strategy and Vice President of Investor Relations.

Most recently, he has served as Area President for wireline services for Arkansas, Missouri, Nebraska, Oklahoma and Texas. He has also served as Market Area President for New York, North Carolina, Pennsylvania, Tennessee, Virginia and West Virginia where he was responsible for wireless, wireline, CLEC, long distance, DSL and broadband communications.

Prior to joining the company, Powell was with Andersen Consulting. Powell is a graduate of Albion College in Albion, Mich., with a Bachelor's degree in Economics and Management. Powell also holds a Master's degree in Business Administration from the University of Michigan.

Gregg L. Richey - Area President

One Alltel Center
Alpharetta, GA
678-351-2050

Richey is responsible for the day to day operations for Alltel's wireline and CLEC operations in Arkansas, Alabama, Georgia, Florida, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina and Texas. Richey will continue in this role for the new wireline company.

Richey joined Alltel in 1991 as General Manager of Alltel's Gainesville, Fla., market. Prior to his current position, Richey has served as Senior Vice President - Sales and Distribution for Alltel Communications, President of Alltel's Mid-South Market, and Vice President and General Manager for the company's Florida, Georgia, and Alabama wireless operations. In 1994, he won Alltel's ALEX Award for helping the Gainesville, Fla., market achieve Market of the Year status.

Richey holds a Bachelor's Degree in computer science from the University of Mississippi in Oxford. He currently serves on the Board of Directors for the Georgia Chamber of Commerce.

Merged Wireline Business
Unaudited Pro Forma Combined Condensed Statement of Income
For the Year Ended December 31, 2004
Dollars and shares in millions

Revenues and sales:	\$ 3,449.4
Costs and expenses:	
Cost of services	963.3
Cost of products sold	333.8
Selling, general, administrative and other	430.6
Depreciation and amortization	607.6
Restructuring and other charges	<u>11.8</u>
Operating income	1,102.3
Other income, net	(80.0)
Interest expense	<u>(366.0)</u>
Income (loss) before income taxes	656.3
Income taxes	<u>274.7</u>
Net income (loss)	<u><u>\$ 381.6</u></u>
Earnings per share:	
Basic	\$ 0.81
Diluted	\$ 0.81
Average common shares outstanding:	
Basic	473.7
Diluted	473.7

Note: This financial statement is unaudited. It represents the combination of Alltel Corporation's wireline business and Valor Communications Group.

Merged Wireline Business
 Unaudited Pro Forma Combined Condensed Balance Sheet
 As of December 31, 2004
 Dollars in millions

Assets

Cash and short-term investments	\$ 122.5
Other current assets	460.1
Total current assets	<u>582.6</u>
Investments	2.3
Goodwill	5,360.6
Other intangibles	671.5
Property, plant and equipment, net	3,941.1
Other assets	290.2
Total assets	<u><u>\$ 10,848.3</u></u>

Liabilities and Shareholders' Equity

Current liabilities	\$ 365.3
Long-term debt	5,454.0
Deferred income taxes	986.0
Other liabilities	197.1
Common stock	-
Additional paid-in capital	5,868.4
Treasury stock	(3.2)
Accumulated other comprehensive income	0.5
Deferred equity compensation	(18.3)
Retained earnings (deficit)	(2,001.5)
Total liabilities and shareholders' equity	<u><u>\$ 10,848.3</u></u>

Note: This financial statement is unaudited. It represents the combination of Alltel Corporation's wireline business and Valor Communications Group.

ALLTEL Spin Off

1. Financial Conditions associated with the merger/spin-off transaction:

- a. The liens and guarantees for Florida must be eliminated.
- b. Dividends to parent restricted to 90% of Florida net income (net income is calculated as operating revenue minus operating expenses plus/minus non-operating income/expense minus fixed charges minus income taxes). Upstream loans/advances to parent, temporary cash investments, or any other method cannot be used to circumvent the 90% dividend requirement.
- c. Must file all credit rating reports with the PSC until as long as the company remains the carrier of last resort.
- d. Within 30 days after the close of the transactions, Alltel Florida shall file with the PSC all the final terms and conditions of this financing as described in the application including, but not limited to the following: the aggregate principal amount to be sold or borrowed, price information, estimated expenses, loan or indenture agreement concerning each issuance.
- e. Covenants will be consistent with those found in Exhibit A to the April 12, 2006 Commitment letter. There will be no additional Financial Covenants other than the Maximum Leverage Ratio (debt/EBITDA, no more restrictive than 4.5X) and a Minimum Interest Coverage Ratio (EBITDA/interest expense, no more restrictive than 2.75X).

2. Rates:

- a. No basic local telecommunications services rates increased for 3 years.
- b. Transaction will not be a changed circumstance under 364.051 (4) a. in order to increase rates.

3. Quality of Service:

- a. SGP in addition to rules regarding customer service.
- b. Items as presented in the proposed SGP.
- c. Commitment that quality of service will not decline below its current level.

4. Broadband:

- a. 75% addressability by December 31, 2006
- b. 80% addressability by December 31, 2007
- c. 85% addressability by December 31, 2008

Clarify that the SGP applies to residential customers and the amounts would be as follows:

< 24 to 48 hours	\$12
>2 days to 5 days	\$16
> 5 days	\$40

EXHIBIT 6

AHCSI
One Allied Drive
Little Rock, AR 72202

June __, 200__

NAME
ADDRESS 1
ADDRESS 2
CITY, STATE ZIP

**IMPORTANT:
NOTICE OF CHANGE IN LONG DISTANCE SERVICE PROVIDER**

Dear NAME:

Alltel Holding Corporate Services, Inc (AHCSI) soon will succeed Alltel Communications as your long distance service provider. AHCSI is excited about this chance to provide you service, and we look forward to serving you beginning [EFFECTIVE DATE].

Rest assured there will be no change in your current rates or in the terms and conditions of your service. Also, there will be no charges associated with transitioning your long distance service to AHCSI.

You have the right to choose your long distance provider and are free to choose another carrier for your long distance service. If you choose to select another carrier, you need to contact that carrier immediately to ensure that your services are transferred before [EFFECTIVE DATE]. You may have to pay a transfer charge to the new carrier if you change carriers.

As a customer of Alltel Communications, Inc., you will be transferred automatically to AHCSI, unless you select another long distance carrier before [EFFECTIVE DATE]. If you have a PIC freeze on your account, you will need to contact your local telephone company to arrange a new PIC freeze after your long distance service is transferred to your new provider.

Customer service is the foundation of our business. Please let us know how we can work with you to meet your needs. If you have questions about the transition of your long distance service to AHCSI, please contact us at 1-800-222-6825.

Please watch for upcoming communications from AHCSI. Thank you for letting us serve you!

Sincerely,

EXHIBIT 7