

WINDSTREAM SERVICES, LLC

Mailstop B1F03-71A
4001 Rodney Parham Road
Little Rock, Arkansas 72212

Cesar Caballero
Senior Regulatory Counsel

501.748.7142
fax. 330.486.3581
Email: Cesar.Caballero@windstream.com



March 30, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**RE: US LEC of Pennsylvania, LLC's Application to Extend its Authority to Offer
Telecommunication Services**

Dear Ms. Chiavetta:

Enclosed please find US LEC of Pennsylvania, LLC's Application to extend its authority to offer telecommunications services in Pennsylvania.

An original of the Application is enclosed for filing. If you have any additional questions, please contact me at (501) 748-7142 or by e-mail at cesar.caballero@windstream.com or my paralegal Nicole Winters at (501) 748-613 or by e-mail at nicole.winters@windstream.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Cesar Caballero". The signature is fluid and cursive, with a large loop at the end.

Cesar Caballero

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MAR 30 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Application of:

US LEC of Pennsylvania, LLC for approval to offer, render, furnish or supply telecommunications services to the public in the Commonwealth of Pennsylvania.

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and fax number of the Applicant.

**US LEC of Pennsylvania, LLC
4001 N. Rodney Parham Rd.
Little Rock, AR 72212
Tel: (501) 748-7000
Fax: (330) 486-3561**

Please identify any predecessors of the Applicant and provide other names under which the Applicant has operated within the preceding five years, including name, address, and telephone number.

N/A

2. **ATTORNEY:** The name, address, telephone number, and fax number of the Applicant's attorney.

**Thomas T. Niesen, Esq.
Charles E. Thomas, Esq.
THOMAS, NIESEN & THOMAS, LLC
212 Locust Street, Suite 600
Harrisburg, PA 17101
Tel: (717) 255-7600
Fax: (717) 236-8278**

3. **CONTACTS:**

- A) **APPLICATION:** The name, title, address, telephone number, and fax number of the person to whom questions about this application should be addressed.

**Cesar Caballero, Senior Regulatory Counsel
Windstream Services, LLC
4001 N. Rodney Parham, Rd.
Little Rock, AR 72212
Tel: (501) 748-7142
Fax: (330) 486-3561
Email: cesar.caballero@windstream.com**

B) PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY (PEMA): The name, title, address, telephone number and FAX number of the person with whom contact should be made by PEMA (Pennsylvania Emergency Management Agency).

Lee Elliott, Staff Manager – Government Support
Windstream Services, LLC
4001 N. Rodney Parham Rd.
Little Rock, AR 72212
Tel: (501) 748-5686
Fax: (501) 748-5817
Email: w.lee.elliott@windstream.com

C) RESOLVING COMPLAINTS: Name, address, telephone number, and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints and queries filed with the Public Utility Commission or other agencies.

Andrea Curtis, Staff Manager – Customer Experience
Windstream Services, LLC
1720 Galleria Boulevard
Charlotte, NC 28270
Tel: (800) 347-1991
Fax: (704) 845-5173
Email: customerassistance@windstream.com

4. FICTITIOUS NAME:

- The Applicant will not be using a fictitious name.
- The Applicant will be using a fictitious name. Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. § 311, Form PA-953.

5. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS: Applicant has registered its business with the Pennsylvania Department of State. Please check the appropriate registration type for Applicant as designated with the Department.

- Sole proprietor
- Domestic general partnership
- Domestic corporation
- Domestic limited partnership
- Domestic limited liability company
- Domestic limited liability partnership
- *Foreign corporation
- *Foreign general or limited partnership

- *Foreign limited liability company
 *Foreign limited liability general partnership
 *Foreign limited liability limited partnership

*Provide name and address of Corporate Registered Office Provider or Registered Office within PA. **CT Corporation System, 116 Pine Street, 3rd Floor, Suite 320, Harrisburg, PA 17101.**

Attach to the application the name and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

Attach to the application proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation or a Certificate of Organization.

The Applicant is organized in the State of North Carolina.

Give name and address of officers:

1. **Anthony W. Thomas – Chief Executive Officer**
4001 N. Rodney Parham Rd., Little Rock, AR 72212
2. **Robert E. Gunderman, Chief Financial Officer**
4001 N. Rodney Parham Rd., Little Rock, AR 72212

6. AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:

- The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.
- The Applicant has affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania. Name and address of the affiliates. State whether they are jurisdictional public utilities. Give docket numbers for the authority of such affiliates.

Cavalier Telephone Mid-Atlantic, LLC – Docket A-310838
Intellifiber Networks, Inc. – Docket No. A-31112
LDMI Telecommunications, Inc. – Docket No. A-310538
McLeodUSA Telecommunications Services, LLC – Docket No. A-310456
PAETEC Communications, Inc. – Docket No. A-310743
Talk America, LLC – Docket No. A-310018
Windstream Buffalo Valley, Inc. – Docket No. A-310369
Windstream Conestoga, Inc. – Docket No. A-310850
Windstream D&E, Inc. – Docket No. A-311050
Windstream Pennsylvania, LLC – Docket No. A-312050

Windstream Communications, Inc. – Docket No. A-311402
Windstream D&E Systems, Inc. – Docket No. A-310738
Windstream KDL, Inc. – Docket No. A-311413
Windstream Norlight, Inc. – Docket No. A-2008-2043652
Windstream NTI, Inc. – Docket No. A-310573
EarthLink Business, LLC – Docket Nos. A-310884, A-310884F0002,
A-310884F0003, A-310884F0004 and A-2012-2326259
DeltaCom, LLC – Docket Nos. A-310467 and A-2012-2326256.
Business Telecom, LLC – Docket Nos. A-310092, A-310092F002,
A-310092F004 and A-2015-2478267
CTC Communications Corp. – Docket Nos. A-310295, A-310292F0002 and
A-310295F0003
Lightship Telecom, LLC – Docket Nos. A-310943, A-310943F0002,
A-310943F0003 and A-310943F0004
Choice One Communications of Pennsylvania, Inc. – Docket Nos.
A-310781, A-310781F0002, A-310781F0004

4001 N. Rodney Parham Rd.
Little Rock, AR 72212

7. AFFILIATES AND PREDECESSORS RENDERING PUBLIC UTILITY SERVICE OUTSIDE PENNSYLVANIA:

- The Applicant has no affiliates rendering or predecessors which rendered public utility service outside Pennsylvania.
- The Applicant has affiliates rendering or predecessors which rendered public utility service outside Pennsylvania. Name and address of the affiliates and predecessors (please identify affiliates versus predecessors).

See Exhibit A.

8. APPLICANT'S PRESENT OPERATIONS: (Select and complete the appropriate statement)

- The applicant is not presently doing business in Pennsylvania as a public utility.
- The applicant is presently doing business in Pennsylvania as a:
- Interexchange Toll Reseller, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
 - Interexchange Toll Facilities-based carrier, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
- Competitive Access Provider (dedicated point-to-point or multipoint service; voice or data)

- ✓ Competitive Local Exchange Carrier.
- Incumbent Local Exchange Carrier.
- Other (Identify).

9. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as:

- Interexchange Toll Reseller, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
- Interexchange Toll Facilities-based carrier, InterLATA and/or IntraLATA, (e.g., MTS, 1+, 800, WATS, Travel and Debit Cards)
- Competitive Access Provider (dedicated point-to-point or multipoint service; voice or data)
- ✓ Competitive Local Exchange Carrier.
- Incumbent Local Exchange Carrier
- Other (Identify).

10. **PROPOSED SERVICES:** Describe in detail the services which the Applicant proposes to offer. If proposing to provide more than one category in Item #9, clearly and separately delineate the services within each proposed operation. Provide a brief description of the facilities the Company will use to provide services. Specify whether those facilities are Company-owned or obtained from other companies as UNEs or on a resold basis.

Competitive Local Exchange Carrier: Applicant will offer competitive local exchange services, including local service and features. Applicant will offer Flat Rate Exchange Service, Measured Rate Service, PRI-T1 Measured Rate Service, Digital Data Service as well as VoIP services.

11. **SERVICE AREA:** Describe the geographic service area in which the Applicant proposes to offer services. Clearly and separately delineate the service territory for each category listed in Item #9. For Competitive Local Exchange Carrier operations, you must name and serve the Incumbent Local Exchange Carriers in whose territory you request authority.

Applicant already is authorized to provide CLEC services in the service territories of Verizon Pennsylvania, LLC and Verizon North, LLC.

Applicant seeks to extend its CLEC authority throughout the service territories of Windstream D&E, Inc. and Frontier Communications of Pennsylvania, Inc.

12. **MARKET:** Describe the customer base to which the Applicant proposes to market its services. Clearly and separately delineate a market for each category listed in Item #9.

Competitive Local Exchange Carrier: Applicant proposed to offer services to business customers.

13. **PROPOSED TARIFF(S):** Each category of proposed operations must have a separate and distinct proposed tariff setting forth the rates, rules and regulations of the Applicant. Every proposed tariff shall state on its cover page the nature of the proposed operations described therein, i.e., IXC Reseller, CLEC, CAP, or IXC Facilities-based. A copy of all proposed tariffs must be appended to each original and duplicate original and copy of Form 377.

Applicant already has a tariff on file with the Commission and will provide services in the Commonwealth pursuant to that tariff on file. See Telephone – Pa P.U.C. No. 1 of US LEC of Pennsylvania, LLC.

14. **FINANCIAL:** *Attach the following to the Application:*

A general description of the Applicant's capitalization and, if applicable, its corporate stock structure;

Current balance sheet, Income Statement, and Cash Flow Statement of Applicant or Affiliated Company, if relying on affiliate for financial security;

A tentative operating balance sheet and a projected income statement for the first year of operation within the Commonwealth of Pennsylvania; provide the name, title, address, telephone number and fax number of the Applicant's custodian for its accounting records and supporting documentation; and indicate where the Applicant's accounting records and supporting documentation are, or will be, maintained.

If available, include bond rating, letters of credit, credit reports, insurance coverage and reports, and major contracts.

Applicant is an indirect subsidiary of Windstream Holdings, Inc., a publicly traded company listed in the NASDAQ exchange. Attached hereto is a copy of Windstream Holdings, Inc.'s fourth quarter 2016 earnings report. In addition, the latest 10-K report filed by Windstream Holdings, Inc. with the Securities and Exchange Commission can be found at: <http://abea-43pvyw.client.shareholder.com/investors/secfiling.cfm?filingID=1282266-17-13>.

15. **START DATE:** The Applicant proposes to begin offering services on or about April 15, 2017.

16. **FURTHER DEVELOPMENTS:** Attach to the Application a statement of further developments, planned or contemplated, to which the present Application is preliminary or with which it forms a part, together with a reference to any related proceeding before the Commission.

None.

17. **NOTICE:** Pursuant to 52 Pa. Code § 5.14, you are required to serve a copy of the signed and verified Application, with attachments, on the below-listed parties, and file proof of such service with this Commission:

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Office of Attorney General
Office of Consumer Protection
Strawberry Square
Harrisburg, PA 17120

A certificate of service must be attached to the Application as proof of service that the Application has been served on the above-listed parties. A copy of any Competitive Local Exchange Carrier Application must also be served on any and/or all Incumbent Local Exchange Carrier(s) in the geographical area where the Applicant proposes to offer services.

18. **FEDERAL TELECOMMUNICATIONS ACT OF 1996:** State whether the Applicant claims a particular status pursuant to the Federal Telecommunications Act of 1996. Provide supporting facts.

Applicant is not claiming any particular status within Pennsylvania pursuant to the Federal Telecommunications Act of 1996.

19. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, limited to proceedings dealing with business operations in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

Neither Applicant nor any person identified in this Application has been convicted of a crime involving fraud or similar activity.

20. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§ 4903 and 4904, relating to perjury and falsification in official matters.
21. **CESSATION:** The Applicant understands that if it plans to cease doing business within the Commonwealth of Pennsylvania, it is under a duty to request authority from the Commission for permission prior to ceasing business.

Applicant:

US LEC of Pennsylvania, LLC

By: 

Title: Senior Regulatory Counsel

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22. **AFFIDAVIT:** Attach to the Application an affidavit as follows:

AFFIDAVIT

State of Arkansas :
: ss.
County of Pulaski :

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SECRETARY'S BUREAU

Cesar Caballero, Affiant, being duly sworn according to law, deposes and says that:

Affiant is the Senior Regulatory Counsel (Office of Affiant) of US LEC of Pennsylvania, LLC (Name of Applicant;)

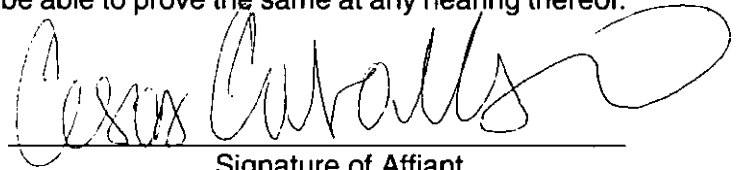
That Affiant is authorized to and does make this affidavit for said company;

That US LEC of Pennsylvania, LLC, the Applicant herein, acknowledges that it may have an obligation to serve or to continue to serve the public by virtue of the Applicant commencing the rendering of service pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; with the Federal Telecommunications Act of 1996, signed February 6, 1996, or with other applicable statutes or regulations;

That US LEC of Pennsylvania, LLC, the Applicant herein, asserts that Affiant possesses the requisite technical, managerial, and financial fitness to render public utility service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

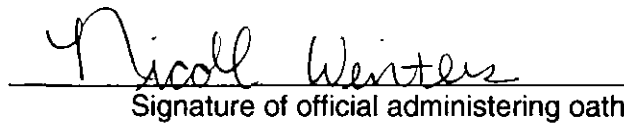
That US LEC of Pennsylvania, LLC, the Applicant herein, asserts that Affiant currently has existing switching capabilities in place with the appropriate 911 Coordinator(s) and a courtesy copy of this application is being provided. The applicant certifies Affiant has attached a copy of the 911 Coordinator list indicating each 911 Coordinator contacted.

That the facts above set forth are true and correct to the best of Affiant's knowledge, information and belief, and that Affiant expects said entity to be able to prove the same at any hearing thereof.



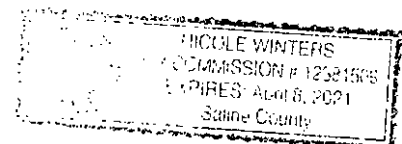
Signature of Affiant

Sworn and subscribed before me this 30th day of March, 2017



Signature of official administering oath

My Commission expires April 8, 2021




23. § 1.36 Verification.

Verification

I, Cesar Caballero, Senior Regulatory Counsel, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief), and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

March 30, 2017
Date


Signature

Cesar Caballero
Printed name

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SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of § 1.54 (*relating to service by participant*).

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 171011-1923

Office of Attorney General
Office of Consumer Protection
Strawberry Square
Harrisburg, PA 17120

Windstream D&E, Inc.
Attn: Wholesale Account Management
4001 N. Rodney Parham Road
Little Rock, AR 72212

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Michael Weaver
Lancaster County 911 Coordinator
P.O. Box 487
Manheim, PA 17545-0487

Frontier Communications of Pennsylvania, Inc.
Attn: Director, Business Operations –
Carrier Services
63 Stone Street
Rochester, NY 14604

Frontier Communications of Pennsylvania, Inc.
Attn: Associate General Counsel
1500 Maccorkle Ave.
Charleston, WV 25396

Dated this 30th day of March, 2017.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU


(Signature)

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

DECEMBER 30, 2014

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

US LEC of Pennsylvania LLC

I, Carol Aichele, Secretary of the Commonwealth of Pennsylvania
do hereby certify that the foregoing and annexed is a true and correct
copy of
Application for Registration filed on July 2, 2008
which appear of record in this department.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

A handwritten signature in cursive script, reading "Carol Aichele".

Secretary of the Commonwealth

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Application for Registration - Foreign
(15 Pa.C.S.)

- Registered Limited Liability General Partnership (§ 8211)
- Registered Limited Liability Limited Partnership (§ 8211)
- Limited Partnership (§ 8582)
- Limited Liability Company (§ 8981)

Name _____
Address **CT - COUNTER**
City _____

Document will be returned to the name and address you enter to the left.

Commonwealth of Pennsylvania
APPLICATION FOR REGISTRATION 4 Page(s)



Fee: \$250

In compliance with the requirements of the applicable provisions (relating to registration), the undersigned, desiring to register to do business in this Commonwealth, hereby states that:

1. The name to be registered is:
US LEC of Pennsylvania LLC

2. (If the name set forth in paragraph 1 is not available for use in this Commonwealth, complete the following):
The name under which the limited liability company/limited liability partnership/limited partnership proposes to register and do business in this Commonwealth is:

3. The name of the jurisdiction under the laws of which it was organized and the date of its formation:
Jurisdiction: NC Date of Formation: 4-1-2008

4. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
(b) Name of Commercial Registered Office Provider CT Corporation System				County Philadelphia

5. Check and complete one of the following:

The address of the office required to be maintained by it in the jurisdiction of its organization by the laws of that jurisdiction is:

Number and street	City	State	Zip

It is not required by the laws of its jurisdiction of organization to maintain an office therein and the address of its principal office is:

600 Willowbrook Office Park,	Fairport	NY	14450
Number and street	City	State	Zip

6. For Restricted Professional Limited Liability Company Only. Strike out if inapplicable: The company is a restricted professional company organized to render the following professional service(s):

Limited Liability Partnership and Limited Partnership: Complete paragraphs 7 and 8

7. The name and business address of each general partner.

Name	Business Address

8. The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contribution is:


Number and street	City	State	Zip	County

The registered partnership hereby undertakes to keep those records until its registration to do business in the Commonwealth is canceled or withdrawn.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer/member or manager thereof this

30th day of June, 2008.

US LEC of Pennsylvania LLC
 Name of Partnership/Company


 Signature

Secretary
 Title

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

- Consent to Appropriation of Name
(19 Pa. Code § 17.2)
 Consent to Use of Similar Name

Pursuant to 19 Pa. Code § 17.2 (relating to appropriation of the name of a senior corporation) and § 17.3 (relating to use of a similar name) the undersigned association, desiring to consent to the appropriation/use of similar name of its name by another association, hereby certifies that:

1. The name of the association executing this Consent of Name is:
US LEC of Pennsylvania Inc.

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
(b) Name of Commercial Registered Office Provider c/o CT Corporation System				County Philadelphia

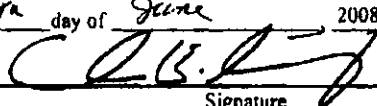
3. The date of its incorporation or other organization is: 12-8-1998

4. The statute under which it was incorporated or otherwise organized is: North Carolina Business Law

5. The association(s) entitled to the benefit of this Consent of Name is(are):
US LEC of Pennsylvania LLC

6. If Consent to Appropriation of Name, the association is about to (check one):
 Change its name Cease to do business Withdrawal from doing business in PA Being wound up

7. If Consent to Use of Similar Name, check box:
 Indicates that the association executing this Consent to Use of Similar Name is the parent or prime affiliate of a group of associations using the same name with geographic or other designations, and that such association is authorized to and does hereby act on behalf of all such affiliated associations, including the following (see 19 Pa. Code § 17.3(c)(6)):

IN TESTIMONY WHEREOF, the undersigned association has caused this consent to be signed by a duly authorized officer thereof
this 30th day of June 2008

Secretary
Title

SOSID: 0478079
 Date Filed: 3/31/2008 4:07:00 PM
 Effective: 4/1/2008
 Elaine F. Marshall
 North Carolina Secretary of State
 C200809101186

State of North Carolina
 Department of the Secretary of State

ARTICLES OF ORGANIZATION
 INCLUDING ARTICLES OF CONVERSION

Pursuant to §§ 57C-2-21, 57C-9A-01 and 57C-9A-03 of the General Statutes of North Carolina, the undersigned converting business entity does hereby submit these Articles of Organization Including Articles of Conversion for the purpose of forming a limited liability company.

- The name of the limited liability company is: US LEC of Pennsylvania LLC.
 The limited liability company is being formed pursuant to a conversion of another business entity.
- The name of the converting business entity is US LEC of Pennsylvania Inc.
 and the organization and internal affairs of the converting business entity are governed by the laws of the state or country of North Carolina.
 A plan of conversion has been approved by the converting business entity as required by law.
- The converting business entity is a (check one): domestic corporation; foreign corporation; foreign limited liability company; domestic limited partnership; foreign limited partnership; domestic registered limited liability partnership; foreign limited liability partnership; or other partnership as defined in G.S. 59-36, whether or not formed under the laws of North Carolina.
- If the limited liability company is to dissolve by a specific date, the latest date on which the limited liability company is to dissolve: (If no date for dissolution is specified, there shall be no limit on the duration of the limited liability company.) _____
- The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both).

Barney Stewart III, Organizer	_____
Powell Goldstein LLP	_____
301 South College Street, Suite 3700	_____
Charlotte, North Carolina 28202	_____
- The street address and county of the initial registered office of the limited liability company is:
 Number and Street 225 Hillsborough Street
 City, State, Zip Code Raleigh, North Carolina 27603 County Wake
- The mailing address, if different from the street address, of the initial registered office is:

- The name of the initial registered agent is: CT Corporation System

9. Principal office information: (Select either a or b.)

a. The limited liability company has a principal office.

- The street address and county of the principal office of the limited liability company is:

Number and Street 600 Willowbrook Office Park

City, State, Zip Code Fairport, New York 14450

County Monroe

- The mailing address, *if different from the street address*, of the principal office of the limited liability company is: _____

b. The limited liability company does not have a principal office.

10. Check one of the following:

(i) *Member-managed LLC*: all members by virtue of their status as members shall be managers of this limited liability company.

(ii) *Manager-managed LLC*: except as provided by N.C.G.S. Section 57C-3-20(a), the members of this limited liability company shall not be managers by virtue of their status as members.

11. Any other provisions which the limited liability company elects to include are attached.

12. These articles will be effective upon filing, unless a date and/or time is specified:

12:01 a.m., April 1, 2008

This is the 28th day of March, 2008.


Signature

Barney Stewart III, Organizer

Type or Print Name and Title

NOTES:

1. Filing fee is \$125. This document must be filed with the Secretary of State.

CORPORATIONS DIVISION
(Revised January 2002)

P.O. BOX 29622

RALEIGH, NC 27626-0622
(Form L-01A)

Exhibit A

**PLAN OF CONVERSION
OF
US LEC OF PENNSYLVANIA INC.
INTO
US LEC OF PENNSYLVANIA LLC**

This Plan of Conversion (the "Plan") is made this 25th day of March, 2008 pursuant to which US LEC of Pennsylvania Inc., a North Carolina corporation (the "Converting Entity"), will be converted into US LEC of Pennsylvania LLC, a North Carolina limited liability company (the "Resulting Entity").

WITNESSETH

WHEREAS, the conversion of the Converting Entity into the Resulting Entity was unanimously approved by the shareholder of the Converting Entity on March 25, 2008, in accordance with the North Carolina Business Corporation Act (the "NCBCA").

NOW THEREFORE, the Converting Entity shall be converted into the Resulting Entity with the legal existence of the Resulting Entity to be continued under the name of the Resulting Entity and the terms and conditions of the conversion are hereby set forth, and the mode of carrying the same into effect, shall be as follows:

**SECTION 1
CONVERSION**

1.1. Constituent Parties and States of Domicile. The parties to the conversion shall include US LEC of Pennsylvania Inc., a North Carolina corporation, and US LEC of Pennsylvania LLC, a North Carolina limited liability company.

1.2. Resulting Entity. As of 12:01 a.m., April 1, 2008, (the "Effective Date") the Converting Entity shall be converted into the Resulting Entity, and US LEC of Pennsylvania LLC shall continue in existence as the Resulting Entity, and the conversion shall in all respects have the effects provided for in the NCBCA. The address of the registered office of the Resulting Entity shall be 225 Hillsborough Street, in the City of Raleigh, North Carolina 27603. The name of its registered agent at such address is CT Corporation System.

1.3. Effects of Conversion. Without limiting the foregoing, on and after the Effective Date, the separate existence of the Converting Entity shall terminate and cease. In accordance with the terms of this Plan and pursuant to the provisions of the NCBCA: (i) all rights, title and interest in and to all tangible and intangible property (real, personal, and mixed), leases, and all and any other interests or property owned or held by or in the name of the Converting Entity shall be vested in the Resulting Entity without reversion or impairment; (ii) the Resulting Entity shall assume all debts, liabilities, restrictions, disabilities, duties, and other obligations of the Converting Entity such that the same may be enforced against the Resulting Entity to the same extent as if the same had been incurred or contracted by the Resulting Entity; (iii) all rights of creditors and all liens upon any property of the Converting Entity shall

Exhibit A

be preserved unimpaired; (iv) any action or proceeding, whether civil, criminal or administrative, pending by or against the Converting Entity shall be prosecuted and may be continued as if the conversion did not occur or the Resulting Entity may be substituted as a party in such action or proceeding in place of the Converting Entity; and (v) all the rights, privileges, immunities, powers, franchises and purposes of the Converting Entity shall vest in the Resulting Entity.

1.4. Other Actions. Prior to, and from and after the Effective Date, the Converting Entity shall take all such action as shall be necessary or appropriate in order to effectuate the conversion. If at any time the Resulting Entity shall consider or be advised that any further assignments or assurances in law or any other actions are necessary, appropriate or desirable to vest in the Resulting Entity, according to the terms hereof, the title to any property or rights of the Converting Entity, the last acting officers and directors of the Converting Entity, or the corresponding members and managers of the Resulting Entity, shall and will execute and make all such proper assignments and assurances and take all action necessary and proper to vest title in such property or rights in the Resulting Entity and otherwise to carry out the purposes of this Plan.

SECTION 2 TERMS AND CONDITIONS OF CONVERSION

2.1. Conversion and Exchange of Shares in Converting Entity. As of the date hereof and as of the Effective Date, US I.E.C Corp., a Delaware corporation, is the sole shareholder of the Converting Entity and owns one thousand (1,000) shares of the common stock of the Converting Entity (the "Converting Shares"). Upon the effectiveness of the conversion, the Converting Shares shall be converted into 100% of the outstanding membership interests of the Resulting Entity.

2.2. Operating Agreement. The Bylaws of the Converting Entity shall cease to exist as of the Effective Date, and the Operating Agreement of the Resulting Entity attached as Exhibit A hereto, upon approval of this Plan by the sole shareholder of the Converting Entity, shall, as of the Effective Date, be in full force and effect until changed, altered, or amended as therein provided and in the manner prescribed by the provisions of the NCBCA.

2.3. Member. US LEC Corp., the sole member of the Resulting Entity as set forth in the Operating Agreement as of the Effective Date of the conversion, shall be the sole member of the Resulting Entity.

SECTION 3 ARTICLES OF ORGANIZATION

From and after the Effective Date, the Articles of Organization of the Resulting Entity, as in effect at such date, shall constitute the Articles of Organization of the Resulting Entity and shall continue in effect until the same shall be altered, amended or repealed as therein provided or as provided by applicable law.

SECTION 4 APPROVAL AND EFFECTIVENESS OF CONVERSION

4.1. Filing of Documents Upon Approval. Upon approval and adoption of the conversion and this Plan pursuant to the provisions of the NCBCA, if this Plan is not terminated and abandoned

Exhibit A

pursuant to the provisions of Section 5 hereof, the Articles of Conversion and Articles of Organization incorporating the terms of this Plan and any other documents required to effect the conversion from a Corporation to a Limited Liability Company provided for herein shall be filed in accordance with the provisions of the NCBCA as soon as practicable after such approval. The officers and directors of the Converting Entity, including without limitation the president and any vice president, are authorized, empowered and directed to do any and all acts and things, and to make, execute, deliver, file, and record any and all instruments, papers, and documents which shall be or become necessary, proper, or convenient to carry out or put into effect any of the provisions of this Plan or of the conversion provided for herein.

4.2. Effective Date. The conversion shall become effective as of the Effective Date set forth in Section 1.2.

SECTION 5 TERMINATION

At any time prior to the filing and effectiveness of the Articles of Conversion and Articles of Organization with the Office of the Secretary of State of North Carolina, the officers or directors of the Converting Entity may terminate and abandon this Plan, notwithstanding favorable action on the conversion by the directors and shareholders of the Converting Entity.

SECTION 6 MISCELLANEOUS

6.1 Severability. Whenever possible, each provision of this Plan will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Plan is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Plan.

6.2 Captions. The captions used in this Plan are for convenience of reference only and do not constitute a part of this Plan and will not be deemed to limit, characterize or in any way affect any provision of this Plan, and all provisions of this Plan will be enforced and construed as if no caption had been used in this Plan.

6.3 Counterparts. This Plan may be executed (whether via facsimile or in original) in counterparts, each of which when so executed shall be deemed to be an original and all of which together shall constitute one and the same instrument.

6.4 Governing Law. The internal law (and not the law of conflicts) of the State of North Carolina will govern all questions concerning the construction, validity and interpretation of this Plan and the performance of the obligations imposed by this Plan.

[Signature Page to Follow]

Exhibit A

IN WITNESS WHEREOF, the Converting Entity has caused this Plan to be executed as of the date and year first written above.

US LEC OF PENNSYLVANIA INC.

By: 

Name: Arunas A. Chesonis

Title: President

EXHIBIT A

Entity	Relationship
Business Telecom of Virginia, Inc.	Affiliate
Cavalier Telephone Mid-Atlantic, LLC	Affiliate
Cavalier Telephone, LLC	Affiliate
Choice One Communications of Connecticut, Inc.	Affiliate
Choice One Communications of Maine, Inc.	Affiliate
Choice One Communications of Massachusetts, Inc.	Affiliate
Choice One Communications of New Hampshire, Inc.	Affiliate
Choice One Communications of New York, Inc.	Affiliate
Choice One Communications of Ohio, Inc.	Affiliate
Choice One Communications of Rhode Island, Inc.	Affiliate
Choice One Communications Resale, L.L.C.	Affiliate
Connecticut Broadband, LLC	Affiliate
Connecticut Telephone & Communication Systems, Inc.	Affiliate
Conversent Communications of Connecticut, LLC	Affiliate
Conversent Communications of Maine, LLC	Affiliate
Conversent Communications of Massachusetts, LLC	Affiliate
Conversent Communications of New Hampshire, LLC	Affiliate
Conversent Communications of New Jersey, LLC	Affiliate
Conversent Communications of New York, LLC	Affiliate
Conversent Communications of Rhode Island, LLC	Affiliate
Conversent Communications of Vermont, LLC	Affiliate
Conversent Communications Resale, L.L.C.	Affiliate
CTC Communications of Virginia, Inc.	Affiliate
DeltaCom Business Solutions, LLC	Affiliate
EarthLink Carrier, LLC	Affiliate
Georgia Windstream, LLC	Affiliate
Intellifiber Networks, Inc.	Affiliate
LDMI Telecommunications, Inc.	Affiliate
McLeodUSA Telecommunications Services, LLC	Affiliate
Network Telephone Corp.	Affiliate
Oklahoma Windstream, LLC	Affiliate
PAETEC Communications of Virginia, LLC	Affiliate
PAETEC Communications, Inc.	Affiliate
Talk America of Virginia, LLC	Affiliate
Talk America, Inc.	Affiliate
Texas Windstream, LLC	Affiliate
The Other Phone Company	Affiliate
US LEC Communications, LLC	Affiliate
US LEC of Alabama, LLC	Affiliate
US LEC of Florida, LLC	Affiliate
US LEC of Georgia, LLC	Affiliate
US LEC of Maryland, LLC	Affiliate
US LEC of North Carolina, LLC	Affiliate
US LEC of South Carolina, LLC	Affiliate
US LEC of Tennessee, LLC	Affiliate

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXHIBIT A

Entity	Relationship
US LEC of Virginia, LLC	Affiliate
US Xchange of Illinois, L.L.C.	Affiliate
US Xchange of Indiana, L.L.C.	Affiliate
US Xchange of Michigan, L.L.C.	Affiliate
US Xchange of Wisconsin, L.L.C.	Affiliate
Valor Telecommunications of Texas, LLC dba Windstream Communications Southwest	Affiliate
Windstream Accucomm Telecommunications, LLC	Affiliate
Windstream Alabama, LLC	Affiliate
Windstream Arkansas, LLC	Affiliate
Windstream Buffalo Valley, Inc.	Affiliate
Windstream Communications Kerrville, LLC	Affiliate
Windstream Communications Telecom, LLC	Affiliate
Windstream Communications, Inc.	Affiliate
Windstream Concord Telephone, LLC	Affiliate
Windstream Conestoga, Inc.	Affiliate
Windstream D&E Systems, Inc.	Affiliate
Windstream D&E, Inc.	Affiliate
Windstream Direct, LLC	Affiliate
Windstream EN-TEL, LLC	Affiliate
Windstream Florida, LLC	Affiliate
Windstream Georgia Communications, LLC	Affiliate
Windstream Georgia Telephone, LLC	Affiliate
Windstream Georgia, LLC	Affiliate
Windstream Iowa Communications, LLC	Affiliate
Windstream Iowa-Comm, LLC	Affiliate
Windstream IT-Comm, LLC	Affiliate
Windstream KDL, Inc.	Affiliate
Windstream KDL-VA, LLC	Affiliate
Windstream Kentucky East, LLC	Affiliate
Windstream Kentucky West, LLC	Affiliate
Windstream Kerrville Long Distance, LLC	Affiliate
Windstream Lakedale Link, Inc.	Affiliate
Windstream Lakedale, Inc.	Affiliate
Windstream Lexcom Communications, LLC	Affiliate
Windstream Lexcom Long Distance, LLC	Affiliate
Windstream Mississippi, LLC	Affiliate
Windstream Missouri, LLC	Affiliate
Windstream Montezuma, LLC	Affiliate
Windstream Nebraska, Inc.	Affiliate
Windstream New York, Inc.	Affiliate
Windstream Norlight, Inc.	Affiliate
Windstream North Carolina, LLC	Affiliate
Windstream NorthStar, LLC	Affiliate
Windstream NTI, Inc.	Affiliate

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EXHIBIT A

Entity	Relationship
Windstream NuVox Arkansas, LLC	Affiliate
Windstream NuVox Illinois, Inc.	Affiliate
Windstream NuVox Indiana, LLC	Affiliate
Windstream NuVox Kansas, LLC	Affiliate
Windstream NuVox Missouri, LLC	Affiliate
Windstream NuVox Ohio, Inc.	Affiliate
Windstream NuVox Oklahoma, Inc.	Affiliate
Windstream NuVox, Inc.	Affiliate
Windstream of the Midwest, Inc.	Affiliate
Windstream Ohio, Inc.	Affiliate
Windstream Oklahoma, LLC	Affiliate
Windstream Pennsylvania, LLC	Affiliate
Windstream South Carolina, LLC	Affiliate
Windstream Southwest Long Distance, LP	Affiliate
Windstream Standard, LLC	Affiliate
Windstream Sugar Land, LLC	Affiliate
Windstream Systems of the Midwest, Inc.	Affiliate
Windstream Western Reserve, Inc.	Affiliate

PA PUBLIC UTILITY COMMISSION
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MAR 30 2017

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WINDSTREAM HOLDINGS, INC.
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In millions, except per share amounts)

	THREE MONTHS ENDED				TWELVE MONTHS ENDED			
	December 31, 2016	December 31, 2015	Increase (Decrease) Amount	%	December 31, 2016	December 31, 2015	Increase (Decrease) Amount	%
UNDER GAAP:								
Revenues and sales:								
Service revenues	\$ 1,289.1	\$ 1,388.4	\$ (99.3)	(7)	\$ 5,279.9	\$ 5,598.6	\$ (318.7)	(6)
Product sales	20.0	38.6	(18.6)	(48)	107.1	166.7	(59.6)	(36)
Total revenues and sales	1,309.1	1,427.0	(117.9)	(8)	5,387.0	5,765.3	(378.3)	(7)
Costs and expenses:								
Cost of services (exclusive of depreciation and amortization included below)	664.3	692.9	(28.6)	(4)	2,677.8	2,762.0	(84.2)	(3)
Cost of products sold	23.9	33.4	(9.5)	(28)	98.5	145.2	(46.7)	(32)
Selling, general and administrative	206.9	210.0	(3.1)	(1)	797.7	866.5	(68.8)	(8)
Depreciation and amortization	329.5	333.5	(4.0)	(1)	1,263.5	1,366.5	(103.0)	(8)
Merger, integration and other costs	3.3	20.5	(17.2)	(84)	13.8	95.0	(81.2)	(85)
Restructuring charges	7.5	5.0	2.5	50	20.3	20.7	(0.4)	(2)
Total costs and expenses	1,235.4	1,295.3	(59.9)	(5)	4,871.6	5,255.9	(384.3)	(7)
Operating income	73.7	131.7	(58.0)	(44)	515.4	509.4	6.0	1
Dividend income on CS&L common stock	—	17.6	(17.6)	(100)	17.6	48.2	(30.6)	(63)
Other income (expense), net	1.3	1.4	(0.1)	(7)	(1.2)	9.3	(10.5)	(113)
Net gain on disposal of investment in CS&L common stock	—	—	—	*	15.2	—	15.2	*
(Loss) gain on sale of data center business	(10.0)	326.1	(336.1)	(103)	(10.0)	326.1	(336.1)	(103)
Net loss on early extinguishment of debt	—	(0.6)	0.6	(100)	(18.0)	(36.4)	18.4	(51)
Other-than-temporary impairment loss on investment in CS&L common stock	—	—	—	*	(181.9)	—	(181.9)	*
Interest expense (A)	(207.1)	(224.4)	17.3	(8)	(860.6)	(813.2)	(47.4)	6
(Loss) income before income taxes	(142.1)	251.8	(393.9)	*	(523.5)	43.4	(566.9)	*
Income tax (benefit) expense	(55.2)	111.3	(166.5)	(150)	(140.0)	16.0	(156.0)	*
Net (loss) income	\$ (86.9)	\$ 140.5	\$ (227.4)	*	\$ (383.5)	\$ 27.4	\$ (410.9)	*
Weighted average common shares	92.9	96.2	(3.3)	(3)	93.9	98.9	(5.0)	(5)
Common shares outstanding	96.3	96.7	(0.4)	—				
Basic and diluted (loss) earnings per share:								
Net (loss) income	(\$.94)	\$ 1.41	(\$ 2.35)	*	(\$ 4.11)	\$.24	(\$ 4.35)	*
ADJUSTED RESULTS OF OPERATIONS (B):								
Adjusted service revenues	\$ 1,289.1	\$ 1,360.0	\$ (70.9)	(5)	\$ 5,279.9	\$ 5,467.4	\$ (187.5)	(3)
Adjusted revenues and sales	\$ 1,309.1	\$ 1,398.6	\$ (89.5)	(6)	\$ 5,387.0	\$ 5,634.1	\$ (247.1)	(4)
Adjusted OIBDAR (C)	\$ 481.5	\$ 503.2	\$ (21.7)	(4)	\$ 1,913.7	\$ 2,004.3	\$ (90.6)	(5)
Adjusted OIBDA (D)	\$ 318.1	\$ 340.7	\$ (22.6)	(7)	\$ 1,260.1	\$ 1,354.3	\$ (94.2)	(7)
Adjusted capital expenditures (E)	\$ 183.1	\$ 226.6	\$ (43.5)	(19)	\$ 816.0	\$ 965.0	\$ (149.0)	(15)

* Not meaningful

- (A) Includes additional interest expense associated with the master lease agreement with CS&L of \$123.7 million and \$500.8 million for the three and twelve months ended December 31, 2016, respectively, as compared to \$127.4 million and \$351.6 million for the three and twelve months ended December 31, 2015, respectively.
- (B) Adjusted results exclude the impacts of the disposed data center and consumer CLEC businesses and directory publishing operations and all merger, integration and other costs related to strategic transactions. See Notes to Reconciliation of Non-GAAP Financial Measures.
- (C) Adjusted OIBDAR is adjusted OIBDA before the annual cash rent payment due under the master lease agreement with CS&L, assuming the lease payments began on January 1, 2015.
- (D) Adjusted OIBDA is operating income before depreciation and amortization adjusted for the impact of restructuring charges, pension costs, share-based compensation expense and the annual cash rent payment due under the master lease agreement with CS&L.
- (E) Adjusted capital expenditures exclude the impacts of capital expenditures related to Project Excel, a capital program funded entirely using a portion of the proceeds from the sale of the data center business completed on December 18, 2015.

Note: Effective February 27, 2017, CS&L changed its name to Uniti Group Inc.

WINDSTREAM HOLDINGS, INC.
 UNAUDITED BUSINESS SEGMENT RESULTS
 (In millions)

	THREE MONTHS ENDED				TWELVE MONTHS ENDED			
	December 31, 2016	December 31, 2015	Increase (Decrease) Amount	%	December 31, 2016	December 31, 2015	Increase (Decrease) Amount	%
Consumer and Small Business - ILEC								
Revenues and sales:								
Service revenues	\$ 309.5	\$ 311.1	\$ (1.6)	(1)	\$ 1,243.6	\$ 1,251.1	\$ (7.5)	(1)
Product sales	0.2	0.6	(0.4)	(67)	1.1	2.9	(1.8)	(62)
Total consumer	309.7	311.7	(2.0)	(1)	1,244.7	1,254.0	(9.3)	(1)
Small business - ILEC	82.0	86.1	(4.1)	(5)	335.0	351.5	(16.5)	(5)
Total revenue and sales	391.7	397.8	(6.1)	(2)	1,579.7	1,605.5	(25.8)	(2)
Costs and expenses	158.3	168.0	(9.7)	(6)	680.7	671.0	9.7	1
Segment income	233.4	229.8	3.6	2	899.0	934.5	(35.5)	(4)
Wholesale (A)								
Service revenues	152.7	170.7	(18.0)	(11)	631.0	687.9	(56.9)	(8)
Costs and expenses	43.8	46.4	(2.6)	(6)	178.8	185.6	(6.8)	(4)
Segment income	108.9	124.3	(15.4)	(12)	452.2	502.3	(50.1)	(10)
Enterprise								
Revenues and sales:								
Service revenues	486.3	497.5	(11.2)	(2)	1,964.0	1,947.1	16.9	1
Product sales	11.3	29.4	(18.1)	(62)	67.2	120.1	(52.9)	(44)
Total revenue and sales	497.6	526.9	(29.3)	(6)	2,031.2	2,067.2	(36.0)	(2)
Costs and expenses	412.3	449.1	(36.8)	(8)	1,712.5	1,826.6	(114.1)	(6)
Segment income	85.3	77.8	7.5	10	318.7	240.6	78.1	32
Small Business - CLEC								
Service revenues	111.1	131.5	(20.4)	(16)	483.8	559.0	(75.2)	(13)
Costs and expenses	75.8	90.2	(14.4)	(16)	328.7	378.2	(49.5)	(13)
Segment income	35.3	41.3	(6.0)	(15)	155.1	180.8	(25.7)	(14)
Total segment revenues and sales:								
Service revenues	1,141.6	1,196.9	(55.3)	(5)	4,657.4	4,796.6	(139.2)	(3)
Product sales	11.5	30.0	(18.5)	(62)	68.3	123.0	(54.7)	(44)
Total segment revenues and sales	1,153.1	1,226.9	(73.8)	(6)	4,725.7	4,919.6	(193.9)	(4)
Total segment costs and expenses	690.2	753.7	(63.5)	(8)	2,900.7	3,061.4	(160.7)	(5)
Total segment income	462.9	473.2	(10.3)	(2)	1,825.0	1,858.2	(33.2)	(2)
Regulatory and other operating revenues and sales (B)	156.0	171.7	(15.7)	(9)	661.3	714.5	(53.2)	(7)
Revenues and sales related to disposed businesses (C)	—	28.4	(28.4)	(100)	—	131.2	(131.2)	(100)
Other unassigned operating expenses (D)	(215.7)	(189.0)	(26.7)	14	(707.4)	(739.7)	32.3	(4)
Operating expenses related to disposed businesses (C)	—	(19.1)	19.1	(100)	—	(88.3)	88.3	(100)
Depreciation and amortization	(329.5)	(333.5)	4.0	(1)	(1,263.5)	(1,366.5)	103.0	(8)
Operating income	\$ 73.7	\$ 131.7	\$ (58.0)	(44)	\$ 515.4	\$ 509.4	\$ 6.0	1

- (A) During the third quarter of 2016, we changed the name of our Carrier segment to Wholesale to better reflect our customer base and the products and services we are selling in the marketplace.
- (B) Other operating revenues are not allocated to the business segments. These revenues include revenue from federal and state universal service funds, CAF Phase II support, and funds received from federal access recovery mechanisms, revenues from providing switched access services, and certain surcharges assessed to our customers, including billings for our required contributions to federal and state USF programs. These revenues also include product sales to contractors and consumer revenues generated in markets where we lease the connection to the customer premise.
- (C) Represents revenues and operating expenses associated with the disposed data center and consumer CLEC businesses and directory publishing operations that are not assigned to the business segments.
- (D) These expenses are not allocated to the business segments. Unallocated expenses include merger, integration and other costs, restructuring charges, stock-based compensation, pension costs, certain regulatory fees, cost of products sold to contractors, interconnection costs in consumer markets where we lease the connection to the customer premise and shared services, such as accounting and finance, information technology, engineering, network management, legal, human resources, and investor relations. These expenses are centrally managed and are not monitored by management at a segment level.

WINDSTREAM HOLDINGS, INC.
 UNAUDITED SUPPLEMENTAL OPERATING INFORMATION
 (In thousands)

	THREE MONTHS ENDED				TWELVE MONTHS ENDED			
	December 31, 2016	December 31, 2015	Increase (Decrease) Amount	%	December 31, 2016	December 31, 2015	Increase (Decrease) Amount	%
Consumer operating metrics								
Households served	1,354.6	1,445.8	(91.2)	(6)				
High-speed Internet customers	1,051.1	1,095.1	(44.0)	(4)				
Digital television customers	321.0	359.3	(38.3)	(11)				
Net household losses	23.9	25.2	(1.3)	(5)	91.2	82.9	8.3	10
Net high-speed Internet customer losses	11.9	14.5	(2.6)	(18)	44.0	36.5	7.5	21
Small Business - ILEC customers	135.9	146.8	(10.9)	(7)				
Enterprise customers	26.7	26.3	0.4	2				
Small Business - CLEC customers	72.1	91.2	(19.1)	(21)				

Note: Enterprise customers consist of those relationships that have the propensity now or in the future to generate at least \$1,500 or more in monthly recurring revenue. Business customers not meeting this criterion are classified as small business. Our small business customer base is further disaggregated between those customers located in service areas in which we are the incumbent local exchange carrier ("ILEC") and provide services over network facilities operated by us and those customers located in service areas in which we are a competitive local exchange carrier ("CLEC") and provide services over network facilities primarily leased from other carriers.

In classifying our business customers, we consider the maximum potential revenue to be generated from the customer relationship for both our existing customer base and any new customers in determining which business unit can best support the customer. Accordingly, over time, we may prospectively change the classification of a particular business customer between enterprise and small business.

WINDSTREAM HOLDINGS, INC.
 UNAUDITED CONSOLIDATED BALANCE SHEETS
 (In millions)

	December 31, 2016	December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 59.1	\$ 31.3
Accounts receivable, net	618.6	643.9
Inventories	77.5	79.5
Prepaid expenses and other	111.7	120.6
Total current assets	<u>866.9</u>	<u>875.3</u>
Goodwill	4,213.6	4,213.6
Other intangibles, net	1,320.5	1,504.7
Net property, plant and equipment	5,283.5	5,279.8
Investment in CS&L common stock	—	549.2
Other assets	85.5	95.5
Total Assets	<u>\$ 11,770.0</u>	<u>\$ 12,518.1</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of long-term debt	\$ 14.9	\$ 5.9
Current portion of long-term lease obligations	168.7	152.7
Accounts payable	390.2	430.1
Advance payments and customer deposits	178.1	193.9
Accrued taxes	78.0	84.1
Accrued interest	58.1	78.4
Other current liabilities	366.6	322.0
Total current liabilities	<u>1,254.6</u>	<u>1,267.1</u>
Long-term debt	4,848.7	5,164.6
Long-term lease obligations	4,831.9	5,000.4
Deferred income taxes	151.5	287.4
Other liabilities	513.3	492.2
Total liabilities	<u>11,600.0</u>	<u>12,211.7</u>
Shareholders' Equity:		
Common stock	—	—
Additional paid-in capital	559.7	602.9
Accumulated other comprehensive income (loss)	5.9	(284.4)
Accumulated deficit	(395.6)	(12.1)
Total shareholders' equity	<u>170.0</u>	<u>306.4</u>
Total Liabilities and Shareholders' Equity	<u>\$ 11,770.0</u>	<u>\$ 12,518.1</u>

WINDSTREAM HOLDINGS, INC.
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (In millions)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Cash Flows from Operating Activities:				
Net (loss) income	\$ (86.9)	\$ 140.5	\$ (383.5)	\$ 27.4
Adjustments to reconcile net (loss) income to net cash provided from operations:				
Depreciation and amortization	329.5	333.5	1,263.5	1,366.5
Provision for doubtful accounts	10.7	10.0	43.8	47.1
Share-based compensation expense	9.8	12.4	41.6	55.3
Pension expense	57.7	9.6	59.1	1.2
Deferred income taxes	(58.3)	87.0	(138.3)	(16.3)
Net gain on disposal of investment in CS&L common stock	—	—	(15.2)	—
Noncash portion of net gain (loss) on early extinguishment of debt	—	(3.5)	(51.9)	(18.5)
Other-than-temporary impairment loss on investment in CS&L common stock	—	—	181.9	—
Amortization of unrealized losses on de-designated interest rate swaps	1.8	1.6	4.8	11.6
Loss (gain) from sale of data center	10.0	(326.1)	10.0	(326.1)
Plan curtailment	—	(1.5)	(5.5)	(18.0)
Other, net	1.4	12.0	1.2	7.4
Changes in operating assets and liabilities, net:				
Accounts receivable	20.8	(10.6)	(15.1)	(69.5)
Prepaid income taxes	5.3	(4.3)	(4.4)	—
Prepaid expenses and other	12.5	10.5	30.4	1.4
Accounts payable	44.1	69.0	(47.2)	31.1
Accrued interest	(34.9)	(60.6)	(20.1)	(26.4)
Accrued taxes	0.3	19.9	(6.1)	17.9
Other current liabilities	2.9	(25.9)	21.2	(17.7)
Other liabilities	(31.5)	(7.8)	(42.4)	(11.6)
Other, net	7.1	4.6	(3.4)	(36.2)
Net cash provided from operating activities	<u>302.3</u>	<u>270.3</u>	<u>924.4</u>	<u>1,026.6</u>
Cash Flows from Investing Activities:				
Additions to property, plant and equipment	(236.4)	(310.9)	(989.8)	(1,055.3)
Proceeds from the sale of property	—	—	6.3	—
Grant funds received for broadband stimulus projects	—	—	—	23.5
Network expansion funded by Connect America Fund - Phase I	—	(6.5)	—	(73.9)
Disposition of data center business	—	574.2	—	574.2
Change in restricted cash	—	—	—	6.7
Other, net	—	(6.1)	(6.5)	2.8
Net cash (used in) provided from investing activities	<u>(236.4)</u>	<u>250.7</u>	<u>(990.0)</u>	<u>(522.0)</u>
Cash Flows from Financing Activities:				
Dividends paid to shareholders	(14.5)	(15.1)	(58.6)	(369.2)
Payment received from CS&L in spin-off	—	—	—	1,035.0
Funding received from CS&L for tenant capital improvements	—	43.1	—	43.1
Repayments of debt and swaps	(344.1)	(1,252.3)	(3,263.7)	(3,350.9)
Proceeds of debt issuance	334.5	715.0	3,674.5	2,335.0
Debt issuance costs	(0.1)	—	(12.4)	(4.3)
Stock repurchases	—	(26.2)	(28.9)	(46.2)
Payments under long-term lease obligations	(39.6)	(43.3)	(152.8)	(102.6)
Payments under capital lease obligations	(4.6)	(6.8)	(57.7)	(31.5)
Other, net	0.2	(1.3)	(7.0)	(9.5)
Net cash (used in) provided from financing activities	<u>(68.2)</u>	<u>(586.9)</u>	<u>93.4</u>	<u>(501.1)</u>
(Decrease) increase in cash and cash equivalents	(2.3)	(65.9)	27.8	3.5
Cash and Cash Equivalents:				
Beginning of period	61.4	97.2	31.3	27.8
End of period	<u>\$ 59.1</u>	<u>\$ 31.3</u>	<u>\$ 59.1</u>	<u>\$ 31.3</u>

WINDSTREAM HOLDINGS, INC.

NON-GAAP FINANCIAL MEASURES - ADJUSTED FREE CASH FLOW AND ADJUSTED CAPITAL EXPENDITURES

(In millions)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Adjusted Free Cash Flow:				
Operating income under GAAP	\$ 73.7	\$ 131.7	\$ 515.4	\$ 509.4
Depreciation and amortization	329.5	333.5	1,263.5	1,366.5
OIBDA	403.2	465.2	1,778.9	1,875.9
Adjustments:				
Merger, integration and other costs	3.3	20.5	13.8	95.0
Pension expense	57.7	9.6	59.1	1.2
Restructuring charges	7.5	5.0	20.3	20.7
Share-based compensation expense	9.8	12.4	41.6	55.3
Master lease rent payment	(163.4)	(162.5)	(653.6)	(446.0)
Adjusted capital expenditures	(183.1)	(226.6)	(816.0)	(965.0)
Cash paid for interest on long-term debt obligations	(113.9)	(160.3)	(366.2)	(487.8)
Cash refunded (paid) for income taxes	2.0	(0.3)	(6.2)	(1.1)
Cash dividends received on CS&L common stock	—	17.6	35.2	30.6
Adjusted free cash flow	<u>\$ 23.1</u>	<u>\$ (19.4)</u>	<u>\$ 106.9</u>	<u>\$ 178.8</u>
Adjusted Capital Expenditures:				
Capital expenditures under GAAP	\$ 236.4	\$ 310.9	\$ 989.8	\$ 1,055.3
Project Excel capital expenditures (A)	(53.3)	(41.2)	(173.8)	(47.2)
Capital expenditures funded by CS&L	—	(43.1)	—	(43.1)
Adjusted capital expenditures	<u>\$ 183.1</u>	<u>\$ 226.6</u>	<u>\$ 816.0</u>	<u>\$ 965.0</u>

(A) Represents capital expenditures related to Project Excel, a capital program funded entirely using a portion of the proceeds from the sale of the data center business completed on December 18, 2015.

WINDSTREAM HOLDINGS, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(In millions)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Reconciliation of Revenues and Sales under GAAP to Adjusted Revenues and Sales:				
Service revenues under GAAP	\$ 1,289.1	\$ 1,388.4	\$ 5,279.9	\$ 5,598.6
Adjustments:				
Data center revenues	(A) —	(28.4)	(A) —	(119.4)
Consumer CLEC revenues	(A) —	—	(A) —	(10.2)
Directory publishing revenues	(A) —	—	(A) —	(1.6)
Adjusted service revenues	1,289.1	1,360.0	5,279.9	5,467.4
Product sales under GAAP	20.0	38.6	107.1	166.7
Adjusted revenues and sales	<u>\$ 1,309.1</u>	<u>\$ 1,398.6</u>	<u>\$ 5,387.0</u>	<u>\$ 5,634.1</u>
Reconciliation of Net (Loss) Income under GAAP to Adjusted OIBDA:				
Net (loss) income	\$ (86.9)	\$ 140.5	\$ (383.5)	\$ 27.4
Adjustments:				
Dividend income on CS&L common stock	(B) —	(17.6)	(B) (17.6)	(48.2)
Other (income) expense, net	(B) (1.3)	(1.4)	(B) 1.2	(9.3)
Loss (gain) on sale of data center business	(B) 10.0	(326.1)	(B) 10.0	(326.1)
Net loss on disposal of investment in CS&L common stock	(B) —	—	(B) (15.2)	—
Net loss on early extinguishment of debt	(B) —	0.6	(B) 18.0	36.4
Other-than-temporary impairment loss on investment in CS&L common stock	(B) —	—	(B) 181.9	—
Interest expense	(B) 207.1	224.4	(B) 860.6	813.2
Income tax (benefit) expense	(B) (55.2)	111.3	(B) (140.0)	16.0
Operating income under GAAP	(B) 73.7	131.7	(B) 515.4	509.4
Depreciation and amortization	(B) 329.5	333.5	(B) 1,263.5	1,366.5
Adjustments:				
Data center business operating loss	(A) —	(7.3)	(A) —	(2.6)
Consumer CLEC business operating income	(A) —	—	(A) —	(3.3)
Directory publishing operating income	(A) —	—	(A) —	(0.8)
Depreciation and amortization - disposed businesses	(A) —	(2.0)	(A) —	(36.2)
Merger, integration and other costs	(B) 3.3	20.5	(B) 13.8	95.0
Pension expense	(B) 57.7	9.6	(B) 59.1	1.2
Restructuring charges	(B) 7.5	5.0	(B) 20.3	20.7
Share-based compensation expense	(B) 9.8	12.2	(B) 41.6	54.4
Adjusted OIBDAR	481.5	503.2	1,913.7	2,004.3
Master lease rent payment	(C) (163.4)	(162.5)	(C) (653.6)	(650.0)
Adjusted OIBDA	<u>\$ 318.1</u>	<u>\$ 340.7</u>	<u>\$ 1,260.1</u>	<u>\$ 1,354.3</u>

See Notes to Reconciliation of Non-GAAP Financial Measures

WINDSTREAM HOLDINGS, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(In millions)

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Reconciliation of Net Cash Provided from Operating Activities to Adjusted OIBDA:				
Net Cash Provided From Operating Activities	\$ 302.3	\$ 270.3	\$ 924.4	\$ 1,026.6
Adjustments:				
Master lease rent payment	(C) (163.4)	(162.5)	(C) (653.6)	(650.0)
Cash dividends received on CS&L common stock	—	(17.6)	(35.2)	(30.6)
Pretax operating results of disposed businesses	(A) —	(9.5)	(A) —	(43.8)
Merger, integration and other costs	(B) 3.3	20.5	(B) 13.8	95.0
Restructuring charges	(B) 7.5	5.0	(B) 20.3	20.7
Other income (expense), net	(B) (1.3)	(1.4)	(B) 1.2	(9.3)
Net loss on early extinguishment of debt	(B) —	0.6	(B) 18.0	36.4
Interest expense	(B) 207.1	224.4	(B) 860.6	813.2
Income tax benefit, net of deferred income taxes	3.1	24.3	(1.7)	32.3
Provision for doubtful accounts	(D) (10.7)	(10.0)	(D) (43.8)	(47.1)
Noncash portion of net (gain) loss on early extinguishment of debt	(D) —	3.5	(D) 51.9	18.5
Amortization of unrealized losses on de-designated interest rate swaps	(D) (1.7)	(1.6)	(D) (4.8)	(11.6)
Plan curtailment	(D) —	1.5	(D) 5.5	18.0
Other noncash adjustments, net	(F) (1.5)	(12.0)	(F) 16.4	(25.0)
Changes in operating assets and liabilities, net	(D) (26.6)	5.2	(D) 87.1	111.0
Adjusted OIBDA	<u>\$ 318.1</u>	<u>\$ 340.7</u>	<u>\$ 1,260.1</u>	<u>\$ 1,354.3</u>
Reconciliation of Net Cash Provided from Operating Activities to Adjusted Free Cash Flow:				
Net Cash Provided From Operating Activities	\$ 302.3	\$ 270.3	\$ 924.4	\$ 1,026.6
Adjustments:				
Cash paid for income taxes	2.0	(0.3)	(6.2)	(1.1)
Cash paid for interest on long-term debt obligations	(113.9)	(160.3)	(366.2)	(487.8)
Capital expenditures	(D) (236.4)	(310.9)	(D) (989.8)	(1,055.3)
Project Excel capital expenditures	(E) 53.3	41.2	(E) 173.8	47.2
Capital expenditures funded by CS&L	—	43.1	—	43.1
Master lease rent payment	(A) (163.4)	(162.5)	(A) (653.6)	(446.0)
Merger, integration and other costs	(B) 3.3	20.5	(B) 13.8	95.0
Restructuring charges	(B) 7.5	5.0	(B) 20.3	20.7
Other income (expense), net	(B) (1.3)	(1.4)	(B) 1.2	(9.3)
Net loss on early extinguishment of debt	(B) —	0.6	(B) 18.0	36.4
Interest expense	(B) 207.1	224.4	(B) 860.6	813.2
Income tax benefit, net of deferred income taxes	3.1	24.3	(1.7)	32.3
Provision for doubtful accounts	(D) (10.7)	(10.0)	(D) (43.8)	(47.1)
Noncash portion of net (gain) loss on early extinguishment of debt	(D) —	3.5	(D) 51.9	18.5
Amortization of unrealized losses on de-designated interest rate swaps	(D) (1.7)	(1.6)	(D) (4.8)	(11.6)
Plan curtailment	(D) —	1.5	(D) 5.5	18.0
Other noncash adjustments, net	(F) (1.5)	(12.0)	(F) 16.4	(25.0)
Changes in operating assets and liabilities, net	(D) (26.6)	5.2	(D) 87.1	111.0
Adjusted Free Cash Flow	<u>\$ 23.1</u>	<u>\$ (19.4)</u>	<u>\$ 106.9</u>	<u>\$ 178.8</u>

See Notes to Reconciliation of Non-GAAP Financial Measures

- (A) Represents applicable amount related to the disposed data center and consumer CLEC businesses and directory publishing operations as reported under GAAP. There were no product sales attributed to the disposed businesses.
- (B) Represents applicable amount as reported under GAAP - See Unaudited Consolidated Statements of Operations.
- (C) Represents the impact of the annual cash rent payment due under the master lease agreement with CS&L assuming the lease payments began on January 1, 2015.
- (D) Represents applicable amount reported under GAAP - See Unaudited Consolidated Statements of Cash Flows.
- (E) Represents capital expenditures related to Project Excel, a capital program funded entirely using a portion of the proceeds from the sale of the data center business completed on December 18, 2015.
- (F) Consists of non-cash amortization of debt issuance costs, debt discounts and premiums, accretion expense related to asset retirement obligations, ineffectiveness on interest rate swaps, gains on the sale of property, and other non-cash miscellaneous income and expenses.

Windstream Holdings, Inc ("Windstream", "we", "us", "our") has presented in this press release unaudited adjusted results, which exclude the impacts of the disposed data center and consumer CLEC businesses and directory publishing operations and all merger, integration and other costs resulting from strategic transactions. In addition to these adjustments, we have presented certain measures of our operating performance that adjusts for the impact of the annual cash rent payment due under the master lease agreement with Communications Sales & Leasing ("CS&L"), and exclude the impacts of restructuring charges, pension costs and share-based compensation expense.

Our purpose for these adjustments is to improve the comparability of results of operations for all periods presented in order to focus on the true earnings capacity of our core business operations and our ability to generate cash flow. We use adjusted results, including adjusted OIBDA, adjusted OIBDAR, adjusted free cash flow and adjusted capital expenditures as key measures of the operational performance of our business. Our management, including the chief operating decision-maker, consistently uses these measures for internal reporting and the evaluation of business objectives, opportunities and performance.

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ACTWGT: 1.00 LB
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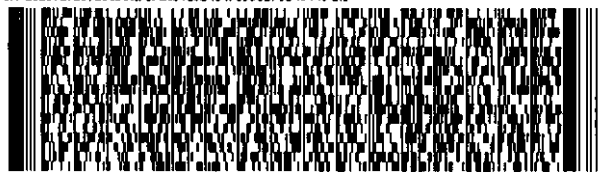
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