

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

**Notification by Union Telephone Company
and TDS Telecommunications Corporation
Pursuant to RSA 369:8,II(b)**

Union Telephone Company, d/b/a Union Communications (“Union”), a New Hampshire corporation engaged in business as a telecommunications public utility subject to the jurisdiction of the New Hampshire Public Utilities Commission (the “Commission”), and TDS Telecommunications Corporation (“TDS Telecom”), a Delaware corporation, respectfully represent to the Commission as follows:

1. Union has its principal place of business at 7 Central Street, Farmington, New Hampshire and provides telecommunications service, including but not limited to exchange service, intrastate toll and exchange access service, to all or portions of the towns of Alton, Barnstead, Center Barnstead, Farmington, Gilmanton, New Durham and Strafford, New Hampshire.

2. All of the outstanding stock of Union is owned by Utel, Inc., a New Hampshire corporation (“Utel”). Utel is Union’s parent company.

3. Freedom Ring Communications, LLC (“Freedom Ring”) is a Maine limited liability company and a wholly-owned subsidiary of ACN, Inc.,¹ which is a New Hampshire corporation and a wholly-owned subsidiary of Utel. Freedom Ring’s Union

¹ ACN, Inc. has no relation to the ACN Inc. that provides services in New Hampshire through its subsidiary, ACN Communication Services, Inc.

Long Distance division (“ULD”) provides interstate and international toll service solely to the Union service territory. ULD does not provide intrastate long distance in Union’s service territory, and thus its services are not regulated by this Commission.

4. Unex, Inc. is a New Hampshire corporation and a wholly-owned subsidiary of Utel. Among other things, Unex provides internet access service to Union and customers within the Union service territory. Unex, as a provider of internet services, is not a telephone utility under New Hampshire law.

5. Telephone and Data Systems, Inc. (“TDS”) is a Delaware corporation and the parent company of subsidiaries that provide, among other things, local exchange and exchange access services in 28 states throughout the United States. TDS’ wholly-owned subsidiary, TDS Telecom, is the sole stockholder of more than 100 independent local exchange carriers (“LECs”), including four LECs doing business in New Hampshire subject to the jurisdiction of this Commission (Kearsarge Telephone Company, Merrimack County Telephone Company, Wilton Telephone Company, Inc. and Hollis Telephone Company, Inc.). TDS’ 80%-owned subsidiary, US Cellular, is a provider of wireless telecommunications services in New Hampshire.

6. TDS Telecom, Utel, Union, Freedom Ring and Unex have entered into a Stock and Asset Purchase Agreement dated as of July 27, 2009 (the “Agreement”) pursuant to which Utel will transfer to TDS Telecom all of the issued and outstanding shares of capital stock of Union (the “Union Stock”) and Freedom Ring and Unex will transfer to TDS Telecom certain assets consisting primarily of the assets associated with, and the business of, providing customers in the Union service area with interstate and international toll service and internet service (collectively, the “Transactions”). TDS

Telecom may designate one or more affiliate entities to hold title to the assets being transferred by Freedom Ring and Unex. Following the closing of the Transactions, TDS Telecom will control Union and the business of providing interstate and international toll service and internet access service to customers within the Union service territory.

7. Consummation of the Transactions is subject to the obtaining of necessary regulatory approvals and satisfaction or waiver of the other conditions to closing as set forth in the Agreement. In accordance with RSA 369:8, II(b), this notification is being filed “no less than 60 days prior to the anticipated completion of the [Transactions].”

8. The transfer of the Union Stock will not have an adverse effect on rates, terms, service or operation of Union within New Hampshire for at least the following reasons:

- A. The corporate structure of Union will not be affected by the transfer of the Union Stock. Union will remain a separate corporation and will be a wholly-owned subsidiary of TDS Telecom.
- B. The tariffs and customer contracts of Union will not be altered or amended by the transfer of the Union Stock.
- C. The assets, including rate base, of Union will not be altered by the transfer of the Union Stock. In particular, no acquisition premium will be recorded on the books of account of Union as a result of this transaction.
- D. The transfer of the Union Stock will provide Union’s customers with the benefit of the expertise of the TDS organization. TDS Telecom is one of the leading providers of rural wireline telecommunications services

nationally. The New Hampshire LECs within the TDS Telecom system have a long history of providing excellent telephone service to customers.

E. Pending the transition of operations to TDS Telecom's operating functions and systems, Utel and its affiliates will provide transition services so that the transaction will be seamless from the perspective of customers.

9. Union will comply with the requirements of RSA 374:28-a and RSA 378:46. Customers of Union will receive notice of the transfer in a manner compliant with the rules of the Commission and the Federal Communications Commission.

10. Submitted herewith on a confidential basis as Exhibit 1 is a copy of the Agreement. This information is highly confidential both to Utel and its subsidiaries and to TDS and its subsidiaries. Pursuant to RSA 378:43, Union represents that the financial and non-financial terms of this parent level transaction and other information included in the Agreement pertain to the provision of competitive services, are highly proprietary, constitute trade secret information that required significant effort and cost to produce and include confidential research and commercial information. Union and the other parties to the Agreement have taken measures to prevent the dissemination of this information in the ordinary course of business. Certain limited information not relevant to the approval of the Transactions has been redacted from Exhibit 1.

11. Union respectfully requests that notices regarding this filing be addressed to:

For Utel, Union, Freedom Ring and Unex:

Benjamin Thayer
Freedom Ring Communications, LLC
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Counsel to Utel, Union, Freedom Ring and Unex:

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For TDS and TDS Telecom:

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Respectfully submitted,

UNION TELEPHONE COMPANY

By its Attorneys,

SYNERGIES LAW GROUP, PLLC

Dated: July 31, 2009

By: Brian McDermott (FSC)

Brian McDermott, Esq.

Edward S. Quill, Esq.

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TDS TELECOMMUNICATIONS
CORPORATION

By its Attorneys,

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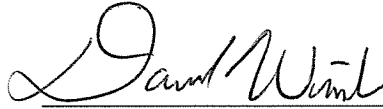
fcoolbroth@devinemillimet.com

pmchugh@devinemillimet.com

VERIFICATION

I, Darren R. Winslow, the duly authorized Controller of Union Telephone Company, being first duly sworn, hereby depose and say that I have read the foregoing Notification by Union Telephone Company and TDS Telecommunications Corporation pursuant to RSA 369:8, II(b), and the facts alleged therein are true to the best of my knowledge and belief.

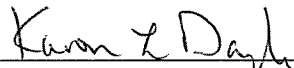
Dated: July 30, 2009



Darren R. Winslow

STATE OF NEW HAMPSHIRE
COUNTY OF Stratford

Sworn to and subscribed before me this 30th day of July, 2009.



Justice of the Peace/Notary Public

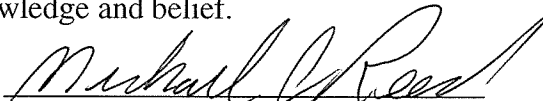
My Commission Expires:

KARON L. DOUGHTY
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
My commission expires July 16, 2013

VERIFICATION

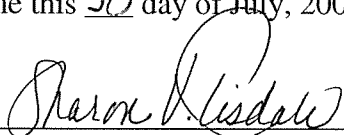
I, Michael C. Reed, Manager, State Government Affairs of TDS Telecommunications Corporation, being first duly sworn, hereby depose and say that I have read the foregoing Notification by Union Telephone Company and TDS Telecommunications Corporation pursuant to RSA 369:8, II(b) and the facts alleged therein are true to the best of my knowledge and belief.

Dated: July 30, 2009


Michael C. Reed

STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

Sworn to and subscribed before me this 30 day of July, 2009.


Justice of the Peace/Notary Public

My Commission Expires:

10 February 2011