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CITIZENS COMMUNICATIONS CO

Form 8-K

February 09, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): February 3, 2006

CITIZENS COMMUNICATIONS COMPANY
(Exact name of registrant as specified in its charter)

| | | |
|--|---|--|
| Delaware ----- (State or other jurisdiction of incorporation) | 001-11001 ----- (Commission File Number) | 06-0619596 ----- (I.R.S. Employer Identification No.) |
|--|---|--|

3 High Ridge Park
Stamford, Connecticut 06905
(Address of Principal Executive Offices)

(203) 614-5600
(Registrant's Telephone Number, Including Area Code)

No Change Since Last Report
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On February 6, 2006, Citizens Communications Company (the "Company") and its wholly-owned subsidiary, CU Capital LLC, entered into a membership interest purchase agreement (the

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"Purchase Agreement") with Integra Telecom Holdings, Inc. ("Integra") to sell all of the outstanding membership interests in the Company's subsidiary, Electric Lightwave, LLC, to Integra. The total proceeds from the sale will be \$247 million including \$243 million in cash plus the assumption of \$4 million in capital leases, subject to customary adjustments. The closing of the transactions contemplated by the Purchase Agreement is expected to occur in the third quarter of 2006 and is subject to regulatory and other customary approvals and conditions as well as the funding of Integra's fully committed financing. A copy of the Purchase Agreement is attached hereto as Exhibit 10.1, which is incorporated herein by reference.

On February 3 and 6, 2006, the subsidiaries of the Company listed below entered into agreements with the Rural Telephone Bank pursuant to which those subsidiaries are expected to receive an aggregate of approximately \$64.6 million in cash on a pre-tax basis in the second quarter of 2006 in connection with the redemption of the Rural Telephone Bank stock held by them.

Frontier Communications of Illinois, Inc.
Frontier Communications - Midland, Inc.
Frontier Communications of the South, LLC
Frontier Communications of Alabama, LLC
Frontier Communications of Lamar County, LLC
Citizens Utilities Rural Company, Inc.
Frontier Communications of Fairmount, LLC
Frontier Communications - Prairie, Inc.
Frontier Communications of Lakeside, Inc.
Frontier Communications of Thorntown, Inc.
Frontier Communications of Michigan, Inc.
Frontier Communications of Mississippi, Inc.
Frontier Communications of Ausable Valley, Inc.
Ogden Telephone Company
Frontier Communications of Seneca-Gorham, Inc.
Frontier Communications of Breezewood, LLC
Frontier Communications of Canton, LLC
Frontier Communications of Oswayo River, LLC
Frontier Communications of Pennsylvania, LLC
Rhineland Telephone, LLC
Frontier Communications of Mondovi, LLC
Frontier Communications - St. Croix, LLC
Frontier Communications of Viroqua, LLC
Citizens Telecommunications Company of West Virginia

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Membership Interest Purchase Agreement dated February 6, 2006 among Citizens Communications Company, CU Capital LLC and Integra Telecom Holdings, Inc.

99.1 Press Release of Citizens Communications Company released February 7, 2006.

