

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**March 19, 2008**

**IN RE:** )  
 )  
**PETITION OF TELCOVE OPERATIONS, INC. FOR** ) **DOCKET NO.**  
**APPROVAL OF A NAME CHANGE AND PRO FORMA** ) **07-00259**  
**TRANSFER OF CONTROL OF AN AUTHORIZED** )  
**INTRASTATE CARRIER** )

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**ORDER APPROVING TRANSFER OF AUTHORITY**

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This matter came before Chairman Eddie Roberson, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on February 25, 2008 for consideration of the *Petition* filed by TelCove Operations, Inc. ("TelCove Operations" or "Petitioner") on November 19, 2007.

TelCove Operations, a Delaware corporation with corporate offices in Canonsburg, Pennsylvania, is a wholly owned subsidiary of Eldorado Acquisition Three, LLC ("Eldorado"), which is a wholly owned subsidiary of Level 3 LLC. Level 3 LLC is a wholly owned subsidiary of Level 3 Communications, Inc. ("Level 3"). In Tennessee, TelCove Operations is authorized to provide local exchange and interexchange telecommunications.<sup>1</sup>

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<sup>1</sup> A Certificate of Public Convenience and Necessity was granted to Hyperion Communications of Tennessee, L.P. in Docket No. 98-00732 on December 6, 1999. On June 29, 2000, the Authority issued an Order granting the transfer of the authority of Hyperion Communications of Tennessee, L.P. to Adelpia Business Solutions Operations, Inc. in Docket No. 00-00271. On March 9, 2005, the Authority issued an Order granting approval of the petition of Adelpia Business Solutions of Nashville, L.P. and Adelpia Business Solutions Operations, Inc. to change names to TelCove of Nashville, L.P. and TelCove Operations, Inc. respectively in Docket No. 03-00458. On September 13, 2007, the Authority approved a transfer of the assets and customers of TelCove of Nashville, L.P. to TelCove Operations, Inc. and accepted a surrender of the Certificate of Convenience and Necessity of TelCove of Nashville, L.P. in Docket No. 06-00318.

Level 3 LLC is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services in Tennessee.<sup>2</sup> Level 3 LLC's authorization was subsequently expanded to grant it statewide full facilities-based authority, thereby enabling Level 3 LLC to deploy an independent network by building its own facilities or leasing the facilities of other carriers.<sup>3</sup>

### **The Petition**

The Petitioner requests approval to complete an internal reorganization at the holding company level whereby its direct corporate parent, Eldorado, will merge with and into its corporate parent, Level 3 LLC, with Level 3 LLC emerging as the surviving entity. After the transaction, TelCove Operations, which is already an indirect wholly-owned subsidiary of Level 3 LLC, will become a direct wholly-owned subsidiary of Level 3 LLC. The *Petition* states that although the proposed reorganization will result in a *pro forma* change in the intermediate corporate chain of ownership of TelCove Operations, it will not affect the ultimate ownership or control of TelCove Operations. Furthermore, as a holding company level transaction, the proposed change will not affect the operations, operating authority, assets, or customers of TelCove Operations. Immediately following the transaction, TelCove Operations will continue to provide services to its existing customers in Tennessee under the TelCove brand name pursuant to its existing authority. The Petitioner will offer the same rates, terms and conditions as currently provided, thereby making the transaction transparent to its customers.

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<sup>2</sup> *In re: Application of Level 3 Communications, LLC for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services Throughout the State of Tennessee*, Docket No. 98-00160, *Order Granting Certificate of Public Convenience and Necessity* (November 24, 1998).

<sup>3</sup> *In re: Application of Level 3 Communications, LLC to Expand its Certificate of Convenience and Necessity to Provide Facilities-Based Local Exchange and Interexchange Telecommunications Services in all Tennessee Service Areas*, Docket No. 02-00230, *Order Approving Application of Level 3 Communications, LLC to Amend its Certificate of Public Convenience and Necessity* (June 28, 2002).

The Petitioner also requests approval for a name change from TelCove Operations, Inc. to TelCove Operations, LLC.

**Findings and Conclusions**

The Petitioner requests approval pursuant to Tenn. Code Ann. § 65-4-112 (2004), Tenn. Code Ann. § 65-4-113 (2004) and TRA rules. The Authority finds that the proposed transaction should be considered pursuant to Tenn. Code Ann. § 65-4-112 (2004) because this transaction involves two Tennessee-certificated public utilities.

Tenn. Code Ann. § 65-4-112(a) (2004) states:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights and franchises of other such public utility of like character shall be valid until approved by the authority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

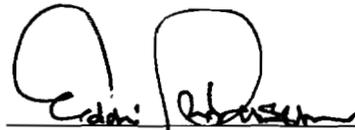
At the regularly scheduled Authority Conference held on February 25, 2008, the voting panel assigned to this docket considered the *Petition* and voted unanimously to approve the transfer of authority pursuant to Tenn. Code Ann. § 65-4-112 (2004), and voted by a majority vote to approve the name change pursuant to Tenn. Comp. R. & Regs. 1220-4-1-.08 based on the following findings:

1. TelCove Operations will continue to provide service to its existing Tennessee customers under the same rates, terms, and conditions as those currently provided.
2. The Petitioner asserts that the transaction is in the public interest because it will streamline the corporate ownership structure of TelCove and simplify corporate reporting requirements.
3. TelCove customers will be notified of the name change by a bill insert.

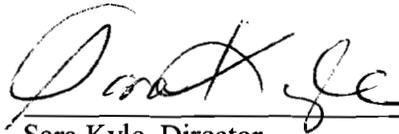
**IT IS THEREFORE ORDERED THAT:**

1. TelCove Operations, Inc. is authorized to consummate the *pro forma* reorganization as described in the *Petition* and discussed herein pursuant to Tenn. Code Ann. § 65-4-112 (2004).

2. The name change from TelCove Operations, Inc. to TelCove Operations, LLC, as described in the *Petition* is approved pursuant to Tenn. Comp. R. & Regs. 1220-4-1-.08.<sup>4</sup>



Eddie Roberson, Chairman



Sara Kyle, Director



Ron Jones, Director

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<sup>4</sup> Director Jones abstained from voting on the name change. It is his opinion that requiring Authority approval of a name change is inconsistent with the plain language and intent of Tenn. Comp. R. & Regs. 1220-4-1-.08 and in direct opposition to the Authority's decision in Rulemaking Docket No. 04-00072.