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November 9, 2004

GE Business - 05103300 - ^{INACTIVE} RECEIVED
Business Productivity -
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PUBLIC SERVICE
COMMISSION

Ms. Stephanie Bell
Secretary of the Commission
Kentucky Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, KY 40602-0615

GE BUSINESS PRODUCTIVITY SOLUTIONS, INC. and BUSINESS PRODUCTIVITY SOLUTIONS, INC. Notification of the Transfer of Assets, Including the Customer Base, of GE Business Productivity Solutions, Inc. to Business Productivity Solutions, Inc.; (ii) the Transfer of GE Business Productivity Solutions, Inc.'s Operating Authority in Kentucky to Business Productivity Solutions, Inc.; and (iii) the Discontinuance of Service of GE Business Productivity Solutions, Inc. in Kentucky

Dear Ms. Bell,

GE Business Productivity Solutions, Inc. ("GEBPS") and Business Productivity Solutions, Inc. ("BPS") (together, the "Parties"), through their undersigned counsel, hereby respectfully notify the Public Service Commission ("Commission"), pursuant to the exemptions set forth in Administrative Case Nos. 359 and 370, of their intent to consummate a transaction involving the transfer of substantially all of the assets of GEBPS, including the GEBPS customer base, to BPS without interruption of service on or about *December 31, 2004*.¹ Pursuant to the terms of an Asset Purchase Agreement ("Agreement") dated October 13, 2004, as described in more detail below, BPS's ultimate parent company, Eschelon Telecom, Inc. ("ETI"), will acquire substantially all of the assets of GEBPS, including the GEBPS customer base and, where possible, state telecommunications authorizations, including GEBPS's authorization in

¹ In order to ensure that the GEBPS customers continue to receive high quality services pending closing, Eschelon (as that term is defined hereinafter) or one of its subsidiaries may, should it be necessary and under certain conditions, provide certain management and related services to GEBPS on an interim basis until all required regulatory approvals and consents are received. BPS would provide any such services on behalf of GEBPS and subject to GEBPS' direction and control in a manner consistent with the certificates and tariffs of GEBPS, and applicable law and regulations.

Business Productivity Solutions, Inc.

BPS, a newly formed Minnesota corporation incorporated on October 7, 2004, is located at 730 2nd Avenue South, Suite 900, Minneapolis, Minnesota 55402, (612) 376-4400 (telephone), (612) 436-6816 (facsimile). BPS is a direct, wholly owned subsidiary of Eschelon Operating Company ("OPCO"), a Minnesota corporation, which in turn is a direct, wholly owned subsidiary of ETI, a Delaware corporation, the ultimate parent corporation. OPCO has several direct, wholly owned subsidiaries that offer telecommunications services in various states.⁴ ETI and its subsidiaries, collectively "Eschelon", all headquartered at the above address, provide voice, data, Internet services and business telephone systems to over 38,000 customers and have over 225,000 access lines⁵ in service. Eschelon provides local and long distance facilities-based service in 12 markets in 7 states.

As noted above, BPS is acquiring the existing customers of GEBPS. As one of the fastest growing telecommunications companies in the nation, currently providing service in 7 states, Eschelon has the financial, managerial and technical qualifications needed to provide quality telecommunications services to customers in Kentucky, as described further below. BPS's Articles of Incorporation are appended hereto as *Exhibit A*. BPS has received the proper authorization to transact business in Kentucky and the documents from the Secretary of State are attached hereto as *Exhibit D*.

An organizational chart showing the corporate structure of Eschelon upon completion of the Transaction is appended hereto as *Exhibit B*.

Designated Contacts

The designated contact for this Notification is:

Karly E. Baraga
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ATI, and thereby, SCS. This transaction is the subject of a separate application to be filed with the Commission.

⁴ Eschelon Telecom of Minnesota, Inc., Eschelon Telecom of Washington, Inc., Eschelon Telecom of Colorado, Inc., Eschelon Telecom of Nevada, Inc., Eschelon Telecom of Arizona, Inc., Eschelon Telecom of Kentucky, Inc. and Eschelon Telecom of Oregon, Inc.

⁵ Eschelon defines "access lines" as 64kbps channels. Consequently, for example, a T-1 line will be counted as multiple access lines depending upon the number of 64kbps channels established on the circuit.

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with copies to:

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Description of the Transaction and the Transfer of Customers

On October 13, 2004, GEBPS and ETI signed the Agreement providing for ETI's acquisition of substantially all of the assets of GEBPS, including the GEBPS customers, which are to be transferred immediately to BPS. The proposed transfer of customers from GEBPS to BPS will have no adverse impact on customers. Following completion of the Transaction, BPS will provide resold long distance telecommunications services to the former customers of GEBPS. The GEBPS customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, Parties will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission and state requirements for changing a customer's presubscribed carrier. A copy of the notification letter that will be sent to both residential and business customers is appended hereto as *Exhibit C*.

Qualifications of BPS

BPS has the requisite financial, managerial, and technical competence to provide telecommunications service in Kentucky and grant of the proposed transfer of GEBPS's operating authority is in the public interest.