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PUBLIC SERVICE  
COMMISSION

April 1, 2011

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

**Re: Notification of Transfer of Ownership and Control of FiberNet, LLC**

Dear Mr. Derouen:

NTELOS Inc., hereby notifies the Public Service Commission of the Commonwealth of Kentucky (the "Commission") of the anticipated transfer of ultimate ownership and control of FiberNet, LLC ("FiberNet"), a CLEC certificated in Kentucky, to a new independent stand-alone operation, NTELOS Wireline One Inc. ("Wireline One"). As a result of the transfer, Wireline One will acquire 100% of the membership interests of FiberNet. The anticipated transfer is the result of NTELOS Holdings Corp.'s decision to separate its wireline and wireless operations into separate business entities.

Pursuant to the Commission's January 8, 1998 Order in Administrative Case No. 370, CLECs are not required to seek prior approval for authority to transfer ownership and control of their operations as previously required under KRS 278.020(4) and (5). The Commission held that "CLECs and wireless carriers need only supply a letter to the Commission describing the transfer and providing an adoption notice pursuant to 807 KAR 5:011, Section 11, for the tariff with one day's notice." Order, *In the Matter of: Exemptions for Providers of Local Exchange Service other than Incumbent Local Exchange Carriers*, Administrative Case No. 370, p.2.

Pursuant to the Commission's order referenced above, the Parties hereby provide the Commission with notice of the transfer of ownership and control of FiberNet, LLC from NTELOS Inc. to Wireline One. The Parties and the structure of the transaction are more fully described below.

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**I. The Parties**

**A. NTELOS Holdings**

NTELOS Holdings Corp. (NASDAQ: NTLS) is a Delaware corporation that owns 100% of the equity of NTELOS Inc. It is the parent holding company of NTELOS Inc. NTELOS Holdings plans to separate its wireline business unit into an independent stand-alone operation. In connection with that separation, NTELOS Holdings intends to transfer control of its wireline businesses from NTELOS Holdings to a new publicly traded company, Wireline One.

**B. NTELOS Inc.**

NTELOS Inc. is a Virginia corporation with its principal place of business at 401 Spring Lane, Suite 300, Waynesboro, Virginia 22980. It is a wholly-owned subsidiary of NTELOS Holdings Corp. NTELOS is a leading provider of wireless and wireline communications services primarily in Virginia and West Virginia. Subsidiaries of NTELOS provide products and services to customers in Virginia, West Virginia, Pennsylvania, Kentucky, Ohio, Maryland and North Carolina, including wireless phone service, local and long distance telephone services, high capacity transport, data and voice services for Internet access and wide area networking and IP-based video services ("IPTV"). After the transfer discussed herein is complete, however, NTELOS Inc. will be primarily focused on wireless services.

**C. NTELOS Wireline One Inc.**

Wireline One has been created to parallel NTELOS Holdings for the Wireline Companies. A second new company, NTELOS Wireline Two Inc. ("Wireline Two"), has also been created to parallel NTELOS Inc. (See Existing and Post-Separation Organizational Chart, Attachment 1.) As with NTELOS Holdings, which owns 100% of NTELOS Inc., Wireline One will own 100% of the shares in Wireline Two following the completion of the internal restructuring. NTELOS Inc., through a series of intermediate reorganization steps, will ultimately transfer ownership of FiberNet to Wireline One.

**D. FiberNet, LLC**

FiberNet is a West Virginia limited liability company located at 1200 Greenbrier Street, Charleston, West Virginia 25311. FiberNet is certificated as a CLEC in Kentucky (*see* Utility ID No. 5053200) and authorized to provide local exchange and long distance services.

**II. Designated Contacts**

In addition to the undersigned counsel, the designated contacts concerning this notice are:

**NTELOS Inc.:** Mary McDermott  
Senior Vice President-Legal and Regulatory Affairs  
NTELOS Inc.  
401 Spring Lane, Waynesboro, VA 22980  
Email: mcdermottm@ntelos.com  
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Fax: 540-946-3595

**NTELOS Wireline  
One Inc.:** Frank L. Berry  
Anne Sarbin  
NTELOS Wireline One Inc.  
401 Spring Lane  
Waynesboro, VA 22980  
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Tel: 540-946-3547

**FiberNet, LLC:** Steven Hamula  
Director of Regulatory Affairs  
FiberNet, LLC  
1200 Greenbrier Street  
Charleston, WV 25311  
Tel: 304-720-2159  
Fax: 304-720-2121

### **III. Description of the Anticipated Transaction**

NTELOS Holdings plans to separate its wireline business unit into an independent stand-alone operation. In connection with that separation, the wireline operations will become an entity independent from NTELOS Holdings and NTELOS Holdings will essentially become a wireless company. In order to complete the separation, NTELOS Holdings has formed two new companies, Wireline One and Wireline Two. Following the completion of certain intermediate reorganization steps, Wireline Two will be a direct, wholly-owned subsidiary of Wireline One. As a result of this reorganization, NTELOS Inc.'s ownership and control of FiberNet will ultimately be transferred to Wireline One.

An illustrative chart depicting Wireline One's corporate structure upon completion of the reorganization is attached hereto as "Attachment 1." The Parties expect the reorganization to occur during the second half of 2011.

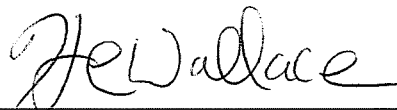
**IV. Public Interest Analysis**

The proposed transfer will not result in any change or transfer of assets or facilities of FiberNet nor cause any change in the regulatory status of FiberNet. Following closing, FiberNet will continue to offer service under the same name and operating authority as it presently does in Kentucky. The proposed transaction will not adversely affect the rates, terms, service or operation of FiberNet in the Commonwealth. As a result, the transaction will be virtually transparent to FiberNet's Kentucky customers. The separation will be transparent to customers because there will be no impact on the services offered or rates resulting from the separation and there will be no change in customers' points of contacts in the sales, customer care and operation teams.

Moreover, the establishment of Wireline One as an independent, stand-alone corporation will serve the public interest by creating a company whose primary strategic focus will be building upon its wireline capabilities and by providing a full portfolio of quality services to residential and business customers in the markets it serves. This separation establishes a heightened level of clarity in vision and purpose; a level of clarity that has the beneficial effect of better aligning the interests of FiberNet with the interests of its customers. Brought together, the Wireline One companies will be able to compete more effectively in the highly competitive market for wireline telecommunications services. The combined company will benefit from increased economies of scale that will permit it to increase investment in its network, operate more efficiently and provide high quality service to more customers in the Commonwealth. In sum, the creation of a larger and financially stronger telecommunications competitor will benefit Kentucky consumers.

If you have any questions regarding this notice, please contact me.

Respectfully submitted,



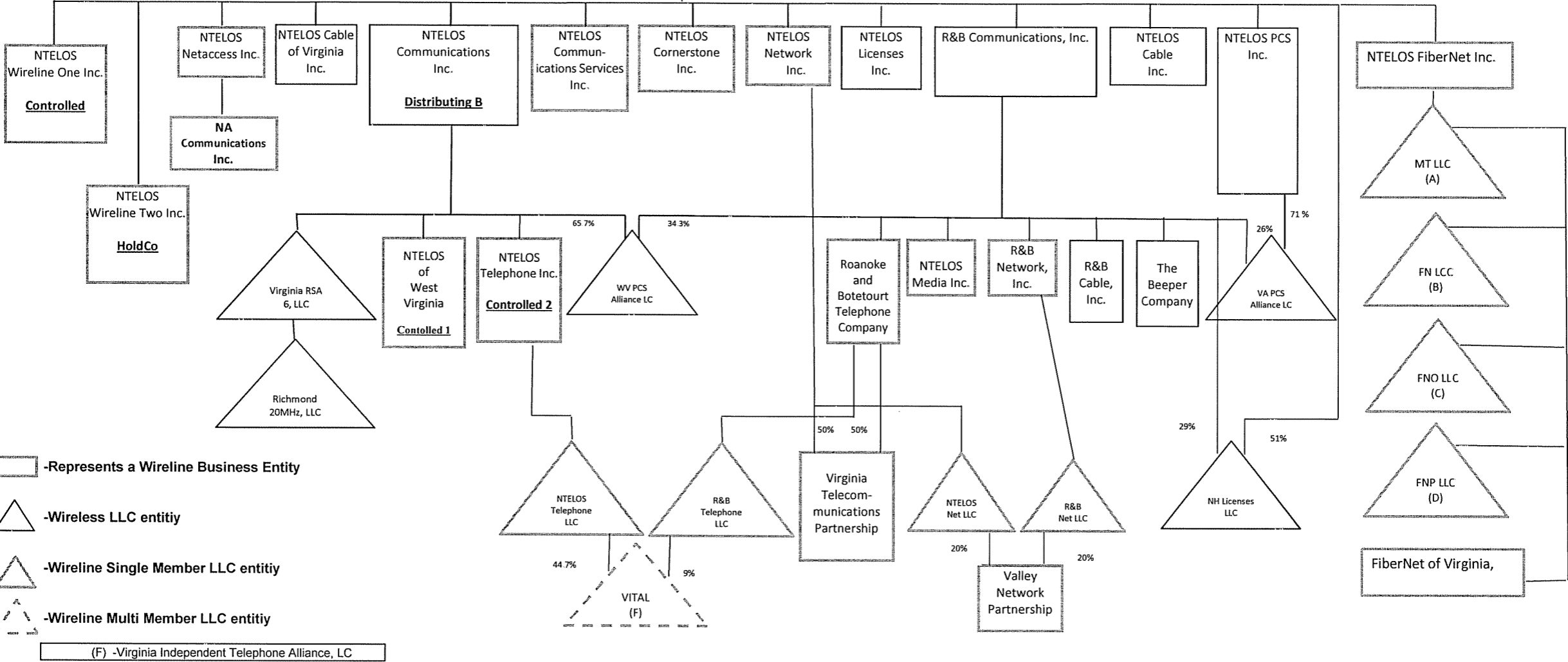
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**NTELOS Holdings Corp.**  
**Distributing**

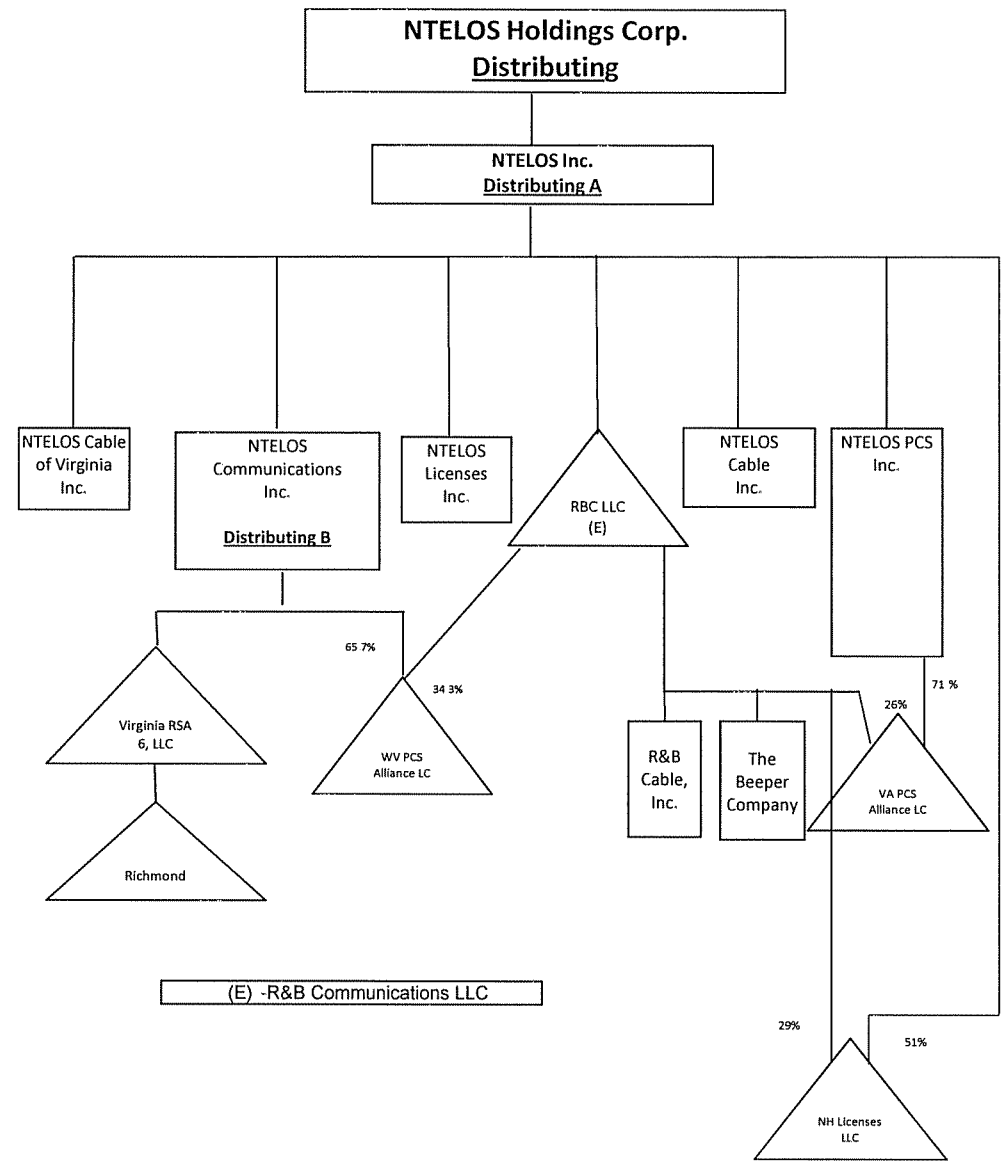
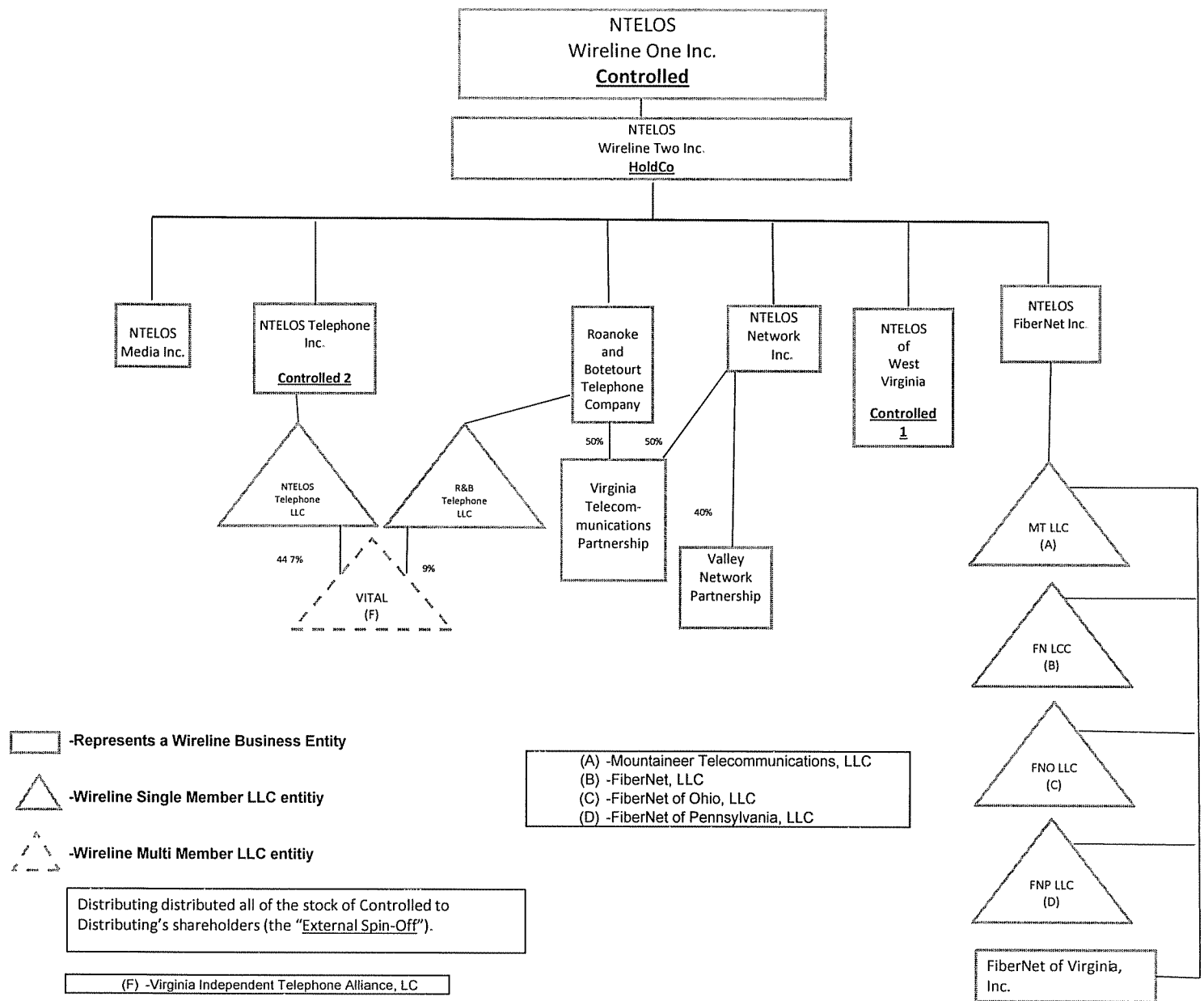
(A) -Mountaineer Telecommunications, LLC  
(B) -FiberNet, LLC  
(C) -FiberNet of Ohio, LLC  
(D) -FiberNet of Pennsylvania, LLC

**NTELOS Inc.**  
**Distributing A**



-Represents a Wireline Business Entity  
 -Wireless LLC entity  
 -Wireline Single Member LLC entity  
 -Wireline Multi Member LLC entity  
 (F) -Virginia Independent Telephone Alliance, LC

**Existing NTELOS Organizational Structure  
Prior to Proposed Transactions**



Post Step 17 external spin-off