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July 9, 2018

RECEIVED

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PUBLIC SERVICE  
COMMISSION

***Via US Mail***

Gwen R. Pinson  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

***Re: Informational Notice of Internal Corporate Restructuring***

Dear Ms. Pinson:

MCI Communications Services, Inc. d/b/a Verizon Business Services (“MCI”) and XO Communications Services, LLC (“XO”) notify the Commission of an internal corporate restructuring that will merge XO Communications, LLC (“XOC”), the unregulated parent of XO, into MCI and thus transfer ownership of XO to MCI. As part of the transaction, Telecommunications of Nevada, LLC d/b/a XO Communications, LLC (“TON”), an XO affiliate operating in Nevada, will be merged into XO.

XOC is a holding company and does not offer telecommunications services in Kentucky or elsewhere. XOC, XO, MCI and TON are all wholly owned subsidiaries of Verizon Communications Inc. (“VCI”). Following the transaction, XO will continue to exist and operate as a certificated legal entity, and both XO and MCI will remain indirect, wholly owned subsidiaries of VCI. The transaction is expected to close on or after July 31, 2018.

As relevant here, the restructuring involves four steps. First, the ownership interest in XOC will be transferred from MCI International Inc., through a series of transactions with its subsidiaries, to MCI. Second, XOC will transfer all of its assets except TON and all of its liabilities to XO. Third, XOC will be merged into MCI, leaving XO as a wholly owned subsidiary of MCI. Fourth, TON will be merged into XO.

The transaction restructures companies within the Verizon group to promote administrative simplicity and will not result in any meaningful change in the management or control of XO. Making XO a direct subsidiary of MCI will greatly simplify MCI's tax accounting and the preparation of its income tax returns, creating significant administrative efficiencies and cost savings. The transaction thus will serve the public interest by reducing the costs of a regulated entity.

Please feel free to contact me if you have any questions, or if the Commission believes any additional action is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy J. Puchley". The signature is written in a cursive, flowing style with some loops and flourishes.