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December 1, 2005

RECEIVED

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PUBLIC SERVICE
COMMISSION

BY OVERNIGHT DELIVERY

Executive Secretary
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: Notification by Adelfhia Telecommunications, Inc. and
Telecom Management, Inc. d/b/a Pioneer Telephone
of an Asset Purchase Agreement

Dear Sir or Madam:

On behalf of Adelfhia Telecommunications, Inc. ("ATI") and Telecom Management, Inc. d/b/a Pioneer Telephone ("Pioneer") (together "Applicants"), this letter is to advise the Commission of an Asset Purchase Agreement (the "Agreement"), whereby Pioneer will acquire substantially all of the long distance telecommunications assets of ATI, including, but not limited to, ATI's customer accounts in this State (the "Acquisition").

It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.

Pioneer is a Maine corporation with principal offices located at 583 Warren Avenue, Portland, Maine 04103. Pioneer is a certified long distance telecommunications resale provider in this State.¹

ATI is a Delaware corporation with principal offices located at 5619 DTC Parkway, Suite 800, Greenwood Village, Colorado 80111. ATI was certified as a long distance

¹ Pioneer provides resold long distance telecommunications services in this State pursuant to authority granted in Docket No. T 64-1076 dated September 10, 2003.

telecommunications resale provider in this State.² ATI advised the Kentucky PSC, in correspondence dated May 11, 2005, that Adelphia was exiting the long distance market and thus returning its certification as an interexchange carrier. Shortly after that letter was sent, a buyer was found who would acquire the Kentucky customer base and continue to provide long distance services to ATI's Kentucky customers.

Unfortunately by the time the sale was approved by the bankruptcy court the PSC had cancelled, effective July 28, 2005, ATI's. ATI respectfully requests that the PSC either reinstate the certification for the purposes of transferring the customer basis to Pioneer or allow the transfer to take place without ATI's certification being reinstated. Allowing the transfer to take place without additional regulatory actions would be cost effective and expeditious, and thus would be in the best interest of the affected ATI customers.

Since June 25, 2002, ATI has been operating under the protection of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").³ The sale of the customers and assets of ATI pursuant to the Agreement has been approved by the Bankruptcy Court.

The Acquisition contemplates the following:

- a. Pioneer will receive ownership, right, title and interest in and to substantially all of ATI's long distance telecommunications assets, including its customer accounts, as defined in the Agreement.
- b. The bankruptcy estate of ATI will receive the purchase price set forth in the Agreement, pursuant to an Order of the Bankruptcy Court approving the Agreement.

Pioneer proposes the Acquisition to consolidate the business and customer accounts of ATI with Pioneer in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of Pioneer's and ATI's customers. Service to ATI's customers will continue uninterrupted.

² ATI provides resold local and long distance telecommunications services in this State pursuant to authority pursuant to Utility No. 5137700.

³ See *In Re: Adelphia Communications Corporation, et al.*, Case No. 02-41729 (REG) (jointly Administered) (the "Chapter 11 Case") in the United States Bankruptcy Court for the Southern District of New York.

The customers of ATI will be given the opportunity to switch their service from ATI to a different carrier. Pioneer anticipates that none of the customers of ATI will experience any change in rates due to the Acquisition. To the extent that any of ATI's rates are not presently included in Pioneer's Tariffs, Pioneer will amend its Tariffs accordingly to include such rates. As a result, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either ATI or Pioneer. Those customers of ATI who choose not to switch their service to a different carrier will receive service from Pioneer.

The technical, managerial and financial personnel of ATI will assist with the transition and integration of the acquired Assets after the transaction and the technical, managerial and financial personnel of Pioneer will continue to serve the transferred ATI customers with the same high level of expertise.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by ATI. The Acquisition will serve the public interest in that it will ensure that current ATI customers maintain uninterrupted service. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of Pioneer to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

Enclosed is a Tariff Adoption notice on behalf of Pioneer.

Enclosed are the original and ten (10) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or

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have any questions regarding the matters discussed herein, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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ADOPTION NOTICE

The undersigned of Telecom Management, Inc. d/b/a Pioneer Telephone ("Pioneer") of Maine hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing telecommunications service state wide in the Commonwealth of Kentucky filed with the Public Service Commission of Kentucky by Adelphia Telecommunication, Inc. ("Adelphia") of Colorado and in effect on the 1st day of July, 2005, the date on or about which the management of the public service business of the said Adelphia was taken over by Pioneer.

This notice is issued on the 1st day of December, 2005, in conformity with 807 KAR 5:011, Section 10 of the Regulations for filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Telecom Management, Inc. d/b/a Pioneer Telephone

By: 
Edward P. Gothard
Counsel for Telecom Management, Inc.
d/b/a Pioneer Telephone

Jo Gentry
Director of External Affairs for
Adelphia Telecommunication, Inc.