



Sender's Direct Dial: (814) 260-2801  
Facsimile: (814) 260-2026  
E-mail: [terry.romine@telcove.com](mailto:terry.romine@telcove.com)

October 27, 2003

Thomas Dorman, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

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PUBLIC SERVICE  
COMMISSION

Re: Notification of Transfer of Control of Adelphia Business Solutions of Kentucky, Inc.  
d/b/a TelCove

Dear Secretary Thomas:

On March 27, 2002, Adelphia Business Solutions, Inc. d/b/a TelCove ("ABIZ, Inc."), the parent corporation of Adelphia Business Solutions of Kentucky, Inc. d/b/a TelCove filed Chapter 11 bankruptcy in the Bankruptcy Court for Southern District of New York (Case No. 02-11389). In an effort to emerge from bankruptcy, ABIZ, Inc. has proposed a Reorganization Plan<sup>1</sup> which would include, among other transactions, the issuance of ten million shares of new common stock. A Confirmation Hearing on the Reorganization Plan has been scheduled for December 8, 2003, and we expect that the Reorganization Plan will be approved by the bankruptcy court at that hearing. Upon the effective date of the Reorganization Plan, in early January 2004, a change of control will occur at the parent level. If any approval is necessary for the transfer of control of the subsidiary, Adelphia Business Solutions of Kentucky, Inc. d/b/a TelCove ("TelCove"), which is authorized by the Commission to provide local exchange and interexchange services in Kentucky, we request that the Commission provide such approval.

## I. Background

ABIZ, Inc.'s subsidiary, Adelphia Business Solutions of Kentucky, Inc. d/b/a TelCove ("TelCove") is authorized to provide local exchange and exchange access service in Kentucky. TelCove's principal offices are located at 712 North Main Street, Coudersport, Pennsylvania 16195. On March 27, 2002, TelCove filed Chapter 11 bankruptcy in the Court and its case is jointly administered with ABIZ, Inc.'s.

<sup>1</sup> A copy of the Plan of Reorganization filed on August 22, 2003 with the Court is attached hereto as Exhibit A.

## II. Designated Contacts

The designated contacts for questions concerning this request are as follows:

Terry Romine, Esq.  
Deputy General Counsel of Operations  
TelCove  
712 North Main Street  
Coudersport, Pennsylvania 16915  
Tel: (814) 260-2801  
Fax: (814) 260-2026

## III. The Proposed Transaction

On March 27, 2002, ABIZ, Inc. filed a petition to reorganize under Chapter 11 of the United States Code. The case was filed in the United States Bankruptcy Court for the Southern District of New York ("Court") and assigned Case No. 02-11389.

The Reorganization Plan proposes to: 1) authorize the issuance by ABIZ, Inc. of ten million shares of new common stock with a par value of \$0.1; 2) extinguish the current equity interest in ABIZ, Inc., which is the interest of any holder of an equity security of ABIZ, Inc. represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in ABIZ, Inc.; 3) permit holders of certain secured note claims to elect to receive a proportionate share of either new common stock or a cash recovery; 4) permit holders of general unsecured claims to elect to receive new common stock, warrants or cash; and 5) allow ABIZ, Inc to emerge from Chapter 11 and permit TelCove to continue to operate as a competitive local exchange carrier. ABIZ, Inc. will continue to hold the stock of its subsidiaries, including TelCove, as it does now. Therefore, to the extent that there is a change of control, it will occur at the parent company level.

There are several steps to the confirmation of ABIZ Inc.'s Reorganization Plan. The first is the filing of the Reorganization Plan and the Disclosure Statement with the Court, which occurred on August 22, 2003. Upon approval by the Court of the Disclosure Statement, which occurred on October 20, 2003, the Disclosure Statement and the Reorganization Plan will be distributed to the creditors to vote to approve or disapprove the Reorganization Plan. Once the result of the votes is determined, a Confirmation Hearing is held for the Court to approve or reject the Reorganization Plan. This hearing is scheduled for December 8, 2003.

## IV. The Transaction is in the Public Interest

The transactions described herein would be in the public interest because it would result in a reorganized company that is financially stronger and better able to meet the challenges of today's telecommunications market. The public interest will be served because TelCove offers consumers a viable telecommunications choice, thus furthering the state of telecommunications

competition in Kentucky. As the Commission is well aware, the national economic downturn over the past two years has been extremely inhospitable to competitive local exchange carriers. TelCove has weathered the storm of bankruptcy and now hopes to emerge as a competitor in the Kentucky telecommunications market.

The proposed transaction will be transparent to TelCove's customers. The planned transaction will not result in a change in the management or operations of TelCove. TelCove's management team has proved itself capable during extremely challenging times in the industry and is committed to the survival and growth of the company. TelCove will continue to offer its existing customers the same services as it currently offers under the same rates, terms and conditions.

WHEREFORE, ABIZ, Inc. and TelCove respectfully request that the Commission approve, to the extent deemed necessary, ABIZ, Inc.'s change of control, and issuance of new common stock consistent with, and conditioned on, bankruptcy court approval of ABIZ Inc.'s Chapter 11 bankruptcy Reorganization Plan.

Respectfully submitted,



Terry J. Romine  
Deputy General Counsel of Operations

Enclosure