



January 5, 2005

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**VIA OVERNIGHT MAIL**

Ms. Beth A. O'Donnell  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

**Re: FiberNet, L.L.C. — Notification of Anticipated Transfer of Control**

Dear Ms. O'Donnell:

FiberNet, L.L.C. ("FiberNet") hereby notifies the Commission of a planned transfer of control transaction involving its parent entity. The anticipated transaction and the ways in which the public interest will be served by this transaction are described in greater detail below.

***I. The Entities***

1. FiberNet is a limited liability company organized under the laws of West Virginia with its principal place of business at 211 Leon Sullivan Way, Charleston, West Virginia 25301. FiberNet is registered to provide competitive local exchange, interexchange, and access services in Kentucky.

2. FiberNet is a wholly-owned subsidiary of Mountaineer Telecommunications, LLC ("Mountaineer"), a limited liability company organized under the laws of West Virginia with its principal place of business at 211 Leon Sullivan Way, Charleston, West Virginia 25301. Mountaineer subsidiaries, including FiberNet, operate as competitive providers of telecommunications services in several states in the Mid-Atlantic region.

3. Conversent Holdings, Inc. ("Conversent Holdings"), is a corporation organized under the laws of Delaware with its principal place of business at 313 Boston Post Road West, Marlborough, Massachusetts 01752. Subsidiaries of Conversent Holdings currently are authorized to provide facilities-based and/or resold telecommunications services in eight states in the Northeast, and by the Federal Communications Commission to provide international and domestic interstate services. Neither Conversent Holdings nor any of its subsidiaries operate in Kentucky.

## ***II. The Anticipated Transaction***

4. Mountaineer and Conversent Holdings have signed a letter of intent to combine their businesses. To effectuate the combination, a new corporation, Conversent Communications, Inc. ("CCI"), has been formed. In the combination, Mountaineer will become a subsidiary of CCI by virtue of the contribution to CCI of all ownership interests in Mountaineer. Conversent Holdings will become a subsidiary of CCI by merging with a wholly-owned subsidiary of CCI. Although Mountaineer and Conversent Holdings both will become subsidiaries of CCI, they will remain separate legal entities. FiberNet thus will remain a subsidiary of Mountaineer and will become an indirect subsidiary of CCI. A table setting forth the pre- and anticipated post-transaction ownership interests is attached as Exhibit A. An organizational chart showing the anticipated post-transaction corporate structure of CCI is attached as Exhibit B.

5. The proposed combination is expected to be completed by March 31, 2005.

## ***III. The Public Interest Will Benefit From This Transaction***

6. Although registered in Kentucky, FiberNet has not commenced operations in the Commonwealth. Thus, the proposed transactions will not adversely affect rates, terms, service, or operation of FiberNet within Kentucky. FiberNet will remain the operating subsidiary in Kentucky. FiberNet anticipates no change in corporate name as the result of the anticipated transaction. Overall, the transaction will be transparent to the public.

7. The proposed transaction is consistent with the public interest in promoting competition among telecommunications carriers in the Commonwealth.

8. The proposed business combination involving FiberNet's parent entity will serve the public interest in promoting competition among telecommunications carriers by providing it (and its parent and affiliated entities) with the opportunity to strengthen their competitive positions with greater size and financial resources. As a result, the proposed transactions are expected to yield both financial benefits and operational flexibility that will ultimately benefit FiberNet's customers.

9. The transaction is necessary and appropriate, is consistent with the performance by FiberNet of its services to the public, will not impair (and indeed is intended to enhance) FiberNet's ability to perform such services, and will promote a lawful business objective. Furthermore, by increasing the breadth and scope of telecommunications services made available through the potential expansion of FiberNet's parent company's operations, this financing transaction will ultimately benefit Kentucky consumers. In sum, being part of a larger company and greater access to capital will strengthen FiberNet's ability to bring competitive telecommunications services to consumers in the Commonwealth of Kentucky.

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10. The proposed transaction, therefore, is in the public interest.

**IV. Conclusion**

11. Accordingly, FiberNet, L.L.C. notifies the Commission of the anticipated transaction described above. If you have any questions, please contact the undersigned at your earliest convenience.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Hamula", written over a horizontal line.

Steve Hamula, Esquire  
Director of Regulatory Affairs  
FiberNet, L.L.C.  
211 Leon Sullivan Way  
Charleston, WV 25301

Tele: (304) 720-2159  
Fax: (304) 720-2121  
E-mail: shamula@wvfiber.net

**EXHIBIT A**

**PRE-TRANSACTION AND ANTICIPATED POST-TRANSACTION  
OWNERSHIP INTERESTS**

**Before Transaction    After Transaction**

**Conversent Holdings, Inc.**

NEVD Holdings, LLC	55.68%	28.853%
Robert C. Fanch Revocable Trust	13.54%	12.320%
Thomas W. Binning	0.75%	0.684%
Pottle Family Trust	0.30%	0.274%
Robert Shanahan	0.45%	0.411%
Apache Holding II Limited Partnership	0.34%	0.307%
REC Non-Grantor Trust	0.34%	0.307%
REON Holdings, LLC	10.99%	3.531%
Seaport Capital Partners II, L.P.	7.37%	14.707%
Seaport Investments, LLC	0.15%	0.316%
William Manley Management	0.15%	0.138%
	9.93%	6.451%
Total	100.00%	68.300%

**Mountaineer Telecommunications, LLC**

Blackstone TWF Capital Partners, LP	43.10%	10.940%
Blackstone TWF Family Investment Partnership L.P.	3.31%	0.840%
Charter Communications VI, LLC	33.67%	8.540%
RCF Competitive Telecom Investors, LLC	19.92%	5.060%
RCF Mountaineer Promote, LLC	0%	<u>6.320%</u>
Total	100.00%	31.700%

GRAND TOTAL

100.00%

**EXHIBIT B**

**ANTICIPATED POST-TRANSACTION ORGANIZATIONAL CHART**

