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July 9, 2018

RECEIVED

JUL 11 2018

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,

Handwritten signature of Kathy J. Puchley in black ink.