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**APR 21 2005**

**PUBLIC SERVICE  
COMMISSION**

April 20, 2005

**VIA UPS**

Ms. Stephanie Bell, Secretary  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Re: Notification Regarding the Transfer of Assets, Including Customers, of ICG Telecom Group, Inc. to Xspedius Management Co. Switched Services, LLC, Xspedius Management Co. of Lexington, LLC and Xspedius Management Co. of Louisville, LLC

Dear Ms. Bell:

ICG Telecom Group, Inc. ("ICG"), Xspedius Management Co. Switched Services, LLC, Xspedius Management Co. of Lexington, LLC, and Xspedius Management Co. of Louisville, LLC (collectively, "Xspedius" and, together with ICG, the "Parties"), through their undersigned counsel, hereby respectfully notify the Kentucky Public Service Commission ("Commission") of a proposed transaction involving the transfer of certain of the assets of ICG, including certain customer accounts, to Xspedius without interruption of service.

Xspedius is already authorized to provide telecommunications services in Kentucky and is ready, willing and able to acquire the assets and continue serving the ICG customers in Kentucky in a seamless manner. The Commission has already examined the qualifications of Xspedius to provide telecommunications service and determined that it is in the public interest for Xspedius, backed by its parent corporation, Xspedius Communications, LLC, to be an authorized service provider in Kentucky. The acquisition of the ICG assets will enable Xspedius to compete more effectively in the telecommunications marketplace as well as allow ICG to restructure its operations and continue to implement its business strategies going forward.

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Pursuant to the terms of an Asset Purchase Agreement ("Agreement") dated April 6, 2005 among ICG, ICG's parent company, ICG Communications, Inc. ("ICG Parent"), and Xspedius' parent company, Xspedius Communications, LLC ("Xspedius Parent"), Xspedius Parent will acquire certain of the assets of ICG related to its communications business in five (5) markets: Birmingham, Alabama; Atlanta, Georgia; Louisville, Kentucky; Charlotte, North Carolina; and Nashville, Tennessee (the "Transaction"). The proposed Transaction is not expected to result in any loss or impairment of service to any of the ICG customers. Customers will continue to receive their existing services at the same rates, terms and conditions and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. The only change will be in the customers' service provider.

The Parties understand that prior Commission approval of the Transaction is not required. Thus, the Parties submit this letter for informational purposes only. In support of this notification, the Parties provide the following information:

**The Parties.**

**ICG Telecom Group, Inc.** ICG Communications, Inc. ("ICG Parent") is the holding company of the ICG companies, including ICG, a family of companies that provides communications and information services over a nationwide fiber-optic data and voice network. ICG Parent (a Delaware corporation) and ICG (a Colorado corporation) are both located at 161 Inverness Drive West, Englewood, Colorado 80112.

The ICG companies, including ICG, offer a range of resold and facilities-based services, including service over a managed fiber-optic network with numerous points of presence nationwide. ICG's service offerings include local and long distance telecommunications services, data services, information services, and other communications solutions. ICG services are primarily offered to medium and large-sized businesses, ISPs, interexchange carriers and other telecommunications carriers.

ICG is a wholly owned subsidiary of ICG Holdings, Inc., an intermediate holding company organized under the laws of Colorado, which in turn is a wholly owned subsidiary of ICG Parent. ICG is authorized to provide interstate and international services and local and/or intrastate long distance services in virtually every state. In Kentucky, ICG is authorized to

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provide interexchange and local exchange telecommunications services.<sup>1</sup> Although most of the ICG customers in Kentucky are being transferred to Xspedius, ICG will continue to provide service to certain ICG nationwide customers and therefore will still operate on a limited basis in Kentucky. As a result, ICG does not seek to discontinue service or surrender its authorizations to provide telecommunications service in Kentucky.

**Xspedius.** Xspedius is a wholly owned subsidiary of Xspedius Communications, LLC (“Xspedius Parent”), a Delaware limited liability company that is privately-held and located at 5555 Winghaven Boulevard, O’Fallon, Missouri 63366. Through its subsidiaries, Xspedius Parent (together with its subsidiaries, the “Company”) provides advanced, integrated telecommunications services targeted to residential and small business customers, including local and long distance telephone services in combination with enhanced communication features. The Company currently is authorized to provide competitive local and long distance telecommunications services in 20 states, and the District of Columbia, operating 2,273 metropolitan fiber route miles (as of December 31, 2004), in a total of 55 markets. In Kentucky, Xspedius is authorized to provide interexchange and local exchange telecommunications services.<sup>2</sup> Thus, Xspedius is qualified and authorized to acquire the ICG customers and provide them with continuing quality service. The financial, managerial and technical qualifications of Xspedius are on file with the Commission in connection with its certification docket and are incorporated by reference herein. More information about Xspedius can be found at [www.xspedius.com](http://www.xspedius.com).

### **The Transaction.**

Pursuant to the terms of the Agreement dated April 6, 2005 among ICG, ICG Parent and Xspedius Parent, Xspedius Parent will acquire certain of the assets of ICG related to its communications business in five (5) markets: Birmingham, Alabama; Atlanta, Georgia; Louisville, Kentucky; Charlotte, North Carolina; and Nashville, Tennessee (the “Transaction”). The assets include fiber network, switching and other related assets. The proposed transfer of customers from ICG to Xspedius will have no adverse impact on customers. Following completion of the Transaction, the ICG customers will continue to receive service from Xspedius pursuant to the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with

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<sup>1</sup> See Case No. 94-516, August 31, 1995; Case No. 96-501, December 26, 1996.

<sup>2</sup> See T 63-0785, T 63-0787 and T 63-0786.

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Commission requirements. As a result, the proposed Transaction will be entirely transparent to customers served by ICG in terms of the services that they receive. To ensure a seamless transition and avoid customer confusion or inconvenience, the Parties will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission and Kentucky requirements for changing a customer's presubscribed carrier. A copy of the notification letter that will be sent to the affected customers will be provided to the Commission upon request.

**Public Interest Considerations.**

The Parties submit that the Transaction is in the public interest. In particular, the assignment of the ICG customer accounts will ensure that those customers continue to receive uninterrupted service. At the same time, the proposed Transaction will allow ICG to continue to restructure its operations and allow ICG to continue to implement its business strategies going forward. It is expected that the Transaction will increase competition in the Kentucky telecommunications market by strengthening Xspedius' position as an effective and multifaceted telecommunications carrier. The Company's acquisition of these assets will allow Xspedius to combine its financial, technical and market resources and expertise with that of ICG, thereby enhancing its ability to provide reliable, competitively priced services to customers in Kentucky.

The Parties emphasize that, following the transfer, the former ICG customers will continue to receive services from an experienced and qualified carrier, which services will be consistent with the quality of services currently provided by ICG. Indeed, the proposed Transaction will be virtually transparent to customers in terms of the services those customers receive. As set forth above, Xspedius is well qualified to continue to provide such services. In sum, the proposed Transaction is expected to enhance competition in the Kentucky market by enhancing Xspedius as a viable competitor while at the same time allowing ICG to continue the on-going restructuring of the ICG operations. The Parties anticipate that customers will experience a seamless transition of service provider. Further, these customers will be sufficiently notified of the Transaction and their rights. Hence, the public interest will be served by Xspedius' provision of services to the transferred ICG customers.

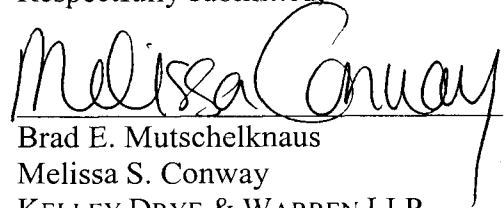
As noted above, it is the Parties understanding that prior Commission approval is not required to consummate the Transaction described herein. The Parties therefore submit this

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letter for notification purposes only. Enclosed are four (4) copies of this letter, a duplicate and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon request and return it in the envelope provided. Should you have any questions regarding this matter, please do not hesitate to contact Melissa Conway at (202) 955-9667.

Respectfully submitted,

A handwritten signature in cursive script that reads "Melissa Conway". The signature is written in black ink and is positioned above a horizontal line.

Brad E. Mutschelknaus  
Melissa S. Conway  
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Counsel for the Parties

MSC:cpa