

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

May 6, 2004

IN RE:

**PETITION FOR TRANSFER OF CONTROL
OF ADELPHIA BUSINESS SOLUTIONS OF
NASHVILLE, L.P. AND ADELPHIA BUSINESS
SOLUTIONS OPERATIONS, INC**

**DOCKET NO.
03-00605**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on March 22, 2004 for consideration of the Petition of Adelphia Business Solutions, Inc. d/b/a TelCove ("ABIZ") for TRA approval of a transfer of authority to provide telecommunications services ("Petition"), as required under Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

Background

ABIZ is the ultimate parent company of Adelphia Business Solutions of Nashville, L.P. (“ABS-Nashville”), certificated on August 12, 1995 in TRA Docket No. 94-00661, and Adelphia Business Solutions Operations, Inc. (“ABS-Op”), certificated on June 29, 2000 in TRA Docket No. 00-00271.¹ ABIZ and ABS-Nashville have pending before the Bankruptcy Court of the Southern District of New York a petition for reorganization under Chapter 11 of the United States Bankruptcy Code.

ABIZ filed the Petition with the TRA on November 17, 2003 for approval of a transfer of control pursuant to Tenn. Code Ann. § 65-4-113. This Petition was not considered pending the Company’s compliance with TRA requirements for approval of a name change in TRA Docket No. 03-00458. In a letter dated February 13, 2004, the Company requested expedited approval of the Petition to facilitate emergence from bankruptcy on March 1, 2004.² Because of this deadline and because the Reorganization Plan anticipates an additional name change, the Authority proceeded with consideration of the Petition.

The Petition

According to the Petition, the Reorganization Plan proposes several stock transactions which will result in a change in ownership of ABIZ but will not result in any direct change in ownership of its subsidiary companies. The Reorganization Plan was approved by the Bankruptcy Court on

¹ ABS-Op assumed the certificate of public convenience and necessity granted to Hyperion Communication of Tennessee, L P in TRA Docket No 98-00732

² The TRA was informed by phone on March 2, 2004 that emergence from bankruptcy has been postponed until March 26, 2004

December 19, 2003. ABS-Nashville and ABS-Op will continue to be the direct holders of their respective CCNs and will still be the actual provider of telecommunications services; however, because the transaction will result in a *pro forma* transfer of the CCNs due to the change in ultimate ownership of the companies, ABIZ is seeking the approval of the TRA.

According to the Petition, the transaction will be seamless to the customers of ABS-Nashville³ and will result in no changes in the terms, rates, or conditions of service or the day-to-day operations of the certificated Company. Moreover, the Parties propose to serve the public interest through the transaction by creating a financially stronger company and a more competitive provider of telecommunications services.

The March 22, 2004 Authority Conference

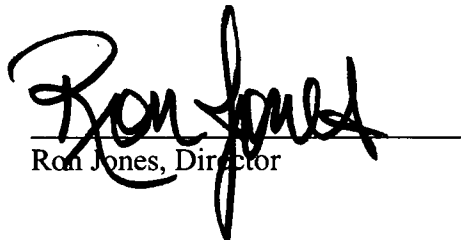
At the March 22, 2004 Authority Conference, the Directors voted unanimously to approve the Petition pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-113.

IT IS THEREFORE ORDERED THAT:

- 1 The Petition of Adelphia Business Solutions, Inc. is approved
2. The *pro forma* transfer of CCNs as described in the Petition and discussed herein is approved.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Ron Jones, Director

³ ABS-Op is not presently offering services in the State of Tennessee