

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

<b>IN RE:</b>	<b>November 10, 2010</b>	)	
		)	
<b>JOINT PETITION OF CCGI HOLDINGS, LLC, CCGI</b>		)	
<b>HOLDING CORPORATION, DSLNET COMMUNICATIONS,</b>		)	<b>DOCKET NO.</b>
<b>LLC AND DIECA COMMUNICATIONS, INC. FOR</b>		)	<b>10-00165</b>
<b>APPROVAL OF A <i>PRO FORMA</i> CHANGE IN CORPORATE</b>		)	
<b>STRUCTURE OF DSLNET COMMUNICATIONS, LLC AND</b>		)	
<b>DIECA COMMUNICATIONS, INC.</b>		)	

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**ORDER APPROVING *JOINT PETITION***

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This matter came before Chairman Mary W. Freeman, Director Eddie Roberson and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on September 27, 2010 for consideration of the *Joint Petition* filed on August 13, 2010 by CCGI Holdings, LLC ("New Holdco"), CCGI Holding Corporation ("CCGI"), DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad"), and DSLnet Communications, LLC ("DSLnet") (New Holdco, CCGI, Covad, and DSLnet collectively, "Petitioners").

New Holdco is a Delaware limited liability company that is ultimately controlled by Platinum Equity, LLC ("Platinum"). Neither New Holdco nor Platinum offer any regulated telecommunications services. Platinum is a privately held Delaware limited liability company and is a global firm specializing in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, logistics, manufacturing and entertainment distribution. Platinum indirectly controls several other telecommunications carriers.

CCGI is a Delaware corporation that is ultimately controlled by Platinum and is the parent company of Covad Communications Group, Inc. ("Covad Communications"), a Delaware

corporation that owns Covad Communications Company (“CCC”), a California corporation, and DIECA Communications, Inc. (“DIECA”), a Virginia corporation. Covad Communications is a nationwide provider of integrated voice and data communications. In Tennessee, Covad is authorized to provide intrastate telecommunications services pursuant to Authority Order issued in Docket No. 99-00823 on May 22, 2000.

DSLnet is a Delaware limited liability company that provides high-speed access to the Internet. DSLnet is authorized to provide intrastate telecommunications services in forty-seven states and the District of Columbia. In Tennessee, DSLnet is authorized as a competing telecommunications service provider pursuant to Authority Order issued in Docket No. 99-00092 on July 29, 1999. DSLnet is also authorized by the Federal Communications Commission to provide international and domestic interstate telecommunications services as a non-dominant carrier. DSLnet is a wholly-owned subsidiary of MegaPath Inc., which in turn will be a wholly-owned subsidiary of CCGI upon completion of the MegaPath Inc.-CCGI transaction approved in Docket No. 10-00089.

#### **THE JOINT PETITION**

As previously described in Docket No. 10-00089, CCGI and MegaPath Inc. entered into an Agreement and Plan of Merger dated as of March 26, 2010 (the “Agreement”). Pursuant to the Agreement, MegaPath Inc. will become a wholly-owned, direct subsidiary of CCGI, and CCGI will acquire indirect control of DSLnet. The *Joint Petition* asserts that as part of the ultimate post-closing structure of the combined operations of the parties, the Petitioners have determined that they require the insertion of a holding company above CCGI in the corporate ownership chain. The company to be inserted will be New Holdco. Therefore, the *pro forma* insertion of New Holdco, which will not change the ultimate ownership of any regulated company, will technically effectuate a *pro forma* change in corporate structure for DSLnet and Covad.

Following the consummation of the proposed transaction, DSLnet’s and Covad’s customers will continue to receive service under the same rates, terms and conditions of service as before. The proposed *pro forma* transaction will not involve a change in either company’s operating authority in

Tennessee, and their tariffs will remain in effect. The proposed transaction will be seamless and virtually transparent to Tennessee consumers.

**FINDINGS AND CONCLUSIONS**

Tenn. Code Ann. § 65-4-113(a) (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services and provides:

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.

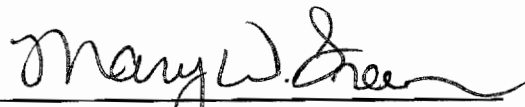
Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, which in pertinent part, states as follows:

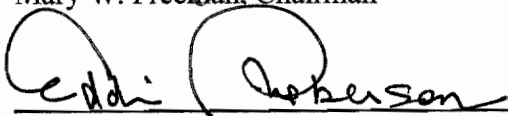
Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

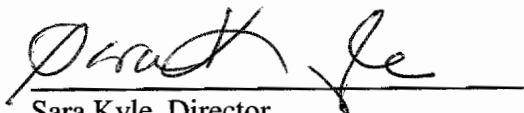
Based on the assertions in the *Joint Petition*, the panel found that this transaction is in the public interest and will be transparent to customers. Based on the record and the findings, the panel voted unanimously to approve the *Joint Petition* pursuant to Tennessee Code Annotated § 65-4-113.

**IT IS THEREFORE ORDERED THAT:**

The *Joint Petition* filed by CCGI Holdings, LLC, CCGI Holding Corporation, DIECA Communications, Inc. d/b/a Covad Communications Company, and DSLnet Communications, LLC is approved.

  
Mary W. Freeman, Chairman

  
Eddie Roberson, Director

  
Sara Kyle, Director