



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: October 16, 2013

Re: In the Matter of the Notification of CTC Communications Corp., DeltaCom, LLC and EarthLink Business, LLC Regarding Certain Pro Forma Intra-Company Changes, Docket No.13-2287-01.

RECOMMENDATION (Acknowledge):

The Division of Public Utilities (“Division”) has reviewed the notification CTC Communications Corp., DeltaCom, LLC and EarthLink Business, LLC (“Applicant”) Regarding Certain Pro Forma Intra-Company Change and recommends the Public Service Commission (“Commission”) acknowledge the applicants notification.

EXPLANATION:

On or about October 09, 2013, The Applicants filed a notification regarding certain pro forma intra-company changes with the Commission, which will result in the intra-company restructuring, whereby, DeltaCom LLC will become a direct subsidiary of EarthLink Business, LLC. The Division has reviewed the applicants notice and found the following:

EarthLink Business, LLC is Delaware corporation with their principal business office at 1375 Peachtree Street, Atlanta, Georgia 30309. EarthLink Business, LLC is authorized to provide local exchange and interexchange telecommunications services in the state of Utah by the Commission on December 22, 1999, Docket No. 99-2287-01, and amended in Docket No. 12-2287-01 to reflect its current name. DeltaCom, LLC is an Alabama corporation with their principal business office at Peachtree Street, Atlanta, Georgia 30309. Deltacom, LLC is currently registered with the state of Utah to provide long distance telecommunications services, acknowledge by the Commission on February 14, 1994. All companies listed are indirect subsidiaries of EarthLink, Inc.

EarthLink, Inc. in an effort to become a more efficient company is realigning and reducing the number of its subsidiaries. The intra company changes they are proposing will merge ITC^DeltaCom, Inc., a direct subsidiary of DeltaCom, Inc., with EarthLink Business, LLC. At that time ITC^DeltaCom will cease to exist and EarthLink Business, LLC will become the surviving entity and the direct parent company of DeltaCom, LLC.

The Applicants submit that the transaction described will serve the public interest. The pro forma changes will further simplify and realign EarthLink's existing corporate structure thereby reducing its reporting and accounting burdens and providing other efficiencies, enabling EarthLink and its subsidiaries to become stronger competitors to the ultimate benefit of consumers. The pro forma changes may also provide the Company with greater flexibility for future equity, debt and other transactions.

The Applicants further submit that pro forma changes will be transparent to customers and will not result in any change in their services, and the rates, terms, and conditions of their services will not change as a result of the purely intra-company changes.

The Division has reviewed the notification of Applicants regarding the pro forma intra company change and recommends that the Commission acknowledge the applicants notification.

Cc. Samuel R. DeSimone, Jr. Executive VP General Counsel & Secretary, EarthLink, Inc.
Jean L. Kiddoo, Counsel for the Parties
Brett P. Ferenchak, Counsel for Parties
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah