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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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| In the Matter of the Proposed Acquisition of<br>MCI, Inc. by Verizon Communications,<br>Inc., | Docket No. 05-2430-01<br><br><b>OBJECTION TO COVAD'S PETITION TO<br/>INTERVENE</b> |
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Verizon Communications Inc. (“Verizon”) and MCI, Inc., (“MCI”) object to the Petition to Intervene filed by DIECA Communications, Inc., d/b/a Covad Communications (“Covad”).

As grounds therefore, Verizon and MCI state:

1. Covad has petitioned to intervene citing §63-46b-9 of the Utah Code Annotated and R746-10-7 of the Utah Administrative Code.

2. Under §63-46b-9, Covad must provide a statement of facts demonstrating that its legal rights or interests are substantially affected by the proposed acquisition or that it qualifies as an intervenor under a provision of law. Covad must also provide a statement of the specific relief that it seeks from the Utah Public Service Commission (“Commission”). The Commission shall grant a petition for intervention only if the presiding officer determines that Covad’s legal interests may be substantially affected by the proposed acquisition and that the interests of justice

and the orderly and prompt conduct of the adjudicative proceedings will not be materially impaired by allowing the intervention. Section 63-46b-9 does not grant an absolute right to intervene, rather it establishes a conditional right to intervene if the requisite legal right is present or the petitioner will be substantially affected by the adjudicative proceeding.<sup>1</sup>

3. This is a transaction between two holding companies that are not regulated as public utilities, telecommunications corporations, or telephone companies by this Commission. Accordingly, on March 9, 2005, Verizon and MCI delivered a Notification to the Commission stating that because the acquisition does not involve the merger of one public utility with another, the proposed acquisition does not require Commission approval under Utah law..

4. As stated in the Notification, nothing in the acquisition requires any assets, operations, lines, plants, franchises or permits of MCI subsidiaries to be merged into the assets, operations, lines, plants franchises or permits of Verizon subsidiaries. Likewise, nothing in the acquisition requires any changes in the rates, terms or conditions for the provision of any telecommunications services provided in Utah. Any future changes in the rates, terms or conditions for the provision of any telecommunications services provided in Utah by any regulated entity will be subject to the normal regulatory approvals associated with such changes.

5. Faced with the demonstration that the Commission need take no further action, Covad simply fails to state any facts justifying its intervention. Covad merely states that it is a certificated telecommunications provider and offers telecommunications services, data access, and data network services in Utah and that it purchases some services from MCI. Solely based

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<sup>1</sup> Docket No. 01-135-38, In the Matter of the Application of PACIFICORP, dba Utah Power & Light Company for Approval of Provisions for the Supply of Electric Service to Magnesium Corporation of America, Order Denying Intervention issued April 9, 2002.

on those representations, Covad asserts that this proceeding could substantially affect its legal rights and ability to provide service in Utah. Covad's petition fails both facially and substantively. Moreover, because Verizon and MCI have simply provided the Commission with a "notification" describing the transaction and explaining that the Commission lacks authority to rule on it, there is no "proceeding" in which Covad could intervene.

6. Covad does not describe what services it purchases from MCI, whether such services are regulated by this Commission, and on what basis (e.g., tariff, price list or contract) it obtains them. Covad thus fails to provide any factual basis for its intervention. Moreover, because the acquisition will not affect the rates, terms and conditions of any regulated services provided by a Utah-regulated MCI entity, Covad has not even begun to make the case that its undefined "interests" will be "substantially affected" by the acquisition. The acquisition will have no impact on Covad's purchases. Similarly, Covad has failed to provide any statement of the relief that it seeks from the Commission, depriving the Commission of any idea of what relief Covad is seeking.

7. Accordingly, this Commission has no factual basis to conclude that Covad's legal interests may be substantially affected by the proposed acquisition and that the interests of justice and the orderly and prompt conduct of the adjudicative proceedings will not be materially impaired by allowing the intervention.

WHEREFORE, Verizon and MCI object to Covad's petition to intervene and request the Commission deny the petition.

DATED this \_\_\_\_\_ day of April, 2005.

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**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of April, 2005, I caused to be mailed, first class, postage prepaid, a true and correct copy of the foregoing **OBJECTION TO COVAD'S**

**PETITION TO INTERVENE** to:

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