

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
XO Utah, Inc., XO Long Distance)
Services and XO Communications)
Services , Inc. For Approval of)
Internal Corporate Reorganization)

DOCKET NO. 02-2208-01
ORDER APPROVING MERGER AND
TRANSFER OF AUTHORITY

The Commission approves the Applicants' proposed merger and authorizes the transfer of XO Utah Inc.'s operating certificate to XO Communications Services Inc.

ISSUED: August 31, 2004

By The Commission:

On July 26, 2004, XO Utah, Inc., XO Long Distance Services, Inc., and XO Communications Services Inc. (collectively Applicants) submitted an Application seeking Commission authorization for their reorganization as described in the Application. The Commission requested and received the Recommendation of the Division of Public Utilities (DPU) concerning the Application. Based upon the information it has gathered, the DPU recommends approval of the reorganization and suggests that the Commission proceed pursuant to Administrative Rule R746-110. Pursuant to that Rule, the Commission may proceed through informal proceedings, without conducting a hearing, where no opposition is anticipated. The Commission's resulting order would become effective and final 20 days after issuance if no meritorious protest is filed.

The Applicants propose that XO Utah, Inc. (XOU) and XO Long Distance Services, Inc. (XOLD) be merged into XO Communications Services, Inc. (XOCSI). After the merger, XOU and XOLD will cease to operate and will no longer exist; XOCSI will provide service to the customers of XOU and XOLD as XOU and XOLD transfer their customer bases, services and operations to XOCSI through the merger. The Applicants state that the merger will improve operations by eliminating administrative redundancy and improve overall efficiency, the transfer will be virtually transparent to consumers and will have no adverse impact upon them. To consummate the merger, Applicants

seek Commission approval and authorization for the transfer of XOU's operating certificate to XOC SI.

Based upon the Applicant's Application and the DPU's recommendations, and no opposition having been expressed to the Application, the Commission will convert these proceedings to informal proceedings and will issue an order approving the reorganization merger and transfer of the certificate.

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. These proceedings are converted to informal adjudicative proceedings pursuant to Administrative Rule R746-110. The Commission's Order issued herein is issued in tentative form and will not become effective until 20 days have passed from its issuance date. Any person may file a protest to the order prior to its effective date. If the Commission finds such protest meritorious, the effective date will be suspended pending further proceedings. Absent meritorious protest, the order shall automatically become effective without further action.

2. The Applicant's proposed reorganization merger, as described in their Application, is approved. Approval and authorization for the transfer of XO Utah's operating certificate to XO Communications Services is hereby granted.

3. Unless suspended by the Commission, this Order shall constitute the Commission's final agency action on the Application upon its effective date. Pursuant to Utah Code 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 31st day of August, 2004.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

GW#40193