



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**www.bpu.state.nj.us**

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION)  
OF PPL ENERGY SERVICES GROUP, )  
LLC, PPL TELCOM, LLC, PPL PRISM, LLC )  
AND CII HOLDCO, INC. FOR APPROVAL )  
OF THE TRANSFER OF CONTROL OF )  
PPL TELCOM, LLC AND PPL PRISM, LLC )  
FROM PPL ENERGY SERVICES GROUP, )  
LLC TO CII HOLDCO, INC. AND TO )  
CHANGE THE NAMES OF PPL TELCOM, )  
LLC AND PPL PRISM, LLC )

ORDER OF APPROVAL

DOCKET NO. TM07060376

(SERVICE LIST ATTACHED)

BY THE BOARD:

On June 12, 2007, PPL Energy Services Group, LLC (PPL-Parent), PPL Telcom, LLC (Telcom), PPL Prism, LLC (Prism) and CII Holdco, Inc. ("CII") (collectively, Petitioners), filed a petition pursuant to N.J.S.A. 48:2-51.1 and 48:3-10 seeking the Board's approval of the transfer of control of Telcom and Prism, both subsidiaries of PPL-Parent to CII. In addition, Petitioners request approval to change the names of Telcom and Prism within 30 days of the transaction. Following the transfer, Telcom and Prism will continue to offer services at the same terms, rates and conditions on which they currently provide such services in the State.

BACKGROUND

Telcom is a Delaware limited liability company whose sole member is PPL-Parent, also a Delaware limited liability company. Prism is a Delaware limited liability company whose sole member is Telcom. Telcom, Prism and PPL-Parent all have a principal office located in Allentown, Pennsylvania. According to the petition, PPL Parent is an unregulated holding company for subsidiaries that provide mechanical contracting and telecommunications services and business solutions, and develop, build, finance and operate renewable-fuel electric generating facilities. Telcom and Prism provide broadband connectivity for telecommunication companies, internet service providers and large businesses in the mid-Atlantic region. In New Jersey, Telcom and Prism are authorized to provide interexchange telecommunications services pursuant to authority granted by the Board in Docket Nos. TE03030186 (May 8, 2003) and TE03030184 (May 8, 2003), respectively. Telcom has four (4) customers in New Jersey, and Prism has six (6).

CII is a Delaware corporation, that is wholly-owned by Communications Infrastructure Investments, LLC (CII-Parent and together with CII, the "Company"), a Delaware limited liability company. CII and CII-Parent have a principal office located in Boulder, Colorado. According to the petition, the Company was organized to acquire and support long-term development of fiber-based bandwidth solutions-oriented businesses. The petition also includes management biographies for the Company's management team that describes the various telecommunications backgrounds of the team members.

## DISCUSSION

Pursuant to a Purchase Agreement (Agreement), dated May 23, 2007, entered into among PPL-Parent, C-II-Parent and C-II, C-II will purchase from PPL-Parent all of the membership interests in Telcom. As a result, CII will acquire direct control of Telcom, and indirect control of Prism. Following the transfer, Telcom and Prism will continue to offer services on the same terms, rates and conditions on which they currently provide such services in the State. Petitioners note that within 30 days of completion of the transaction, Telcom and Prism will change their names to names selected by C-II.

Petitioners state that under new ownership, Telecom and Prism will continue to provide high-quality telecommunications services to consumers, while gaining access to additional resources and to the operational expertise of the Company. The petition also states that the current ultimate parent of Telcom and Prism had announced in May, 2007, that it planned to sell the telecommunication operation of its business to focus on its core business of energy supply and delivery. with By letter dated June 27, 2007, the Division of Rate Counsel advised the Board that it recommends approval of the petition.

## FINDINGS AND CONCLUSIONS

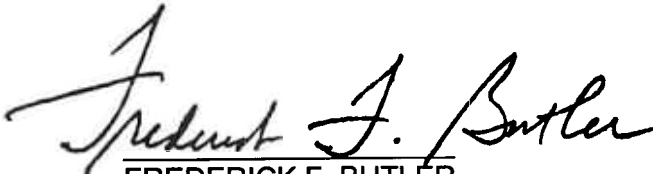
After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since both Prism and Telcom's New Jersey customers will continue to receive the same services from the same entities at the same rates and under the same terms and conditions; nor will there be a negative impact on employees. Moreover, a positive benefit may be expected from the strengthening of the Petitioners posture in the telecommunications market as a result of being transferred to a company that will be more focused on and committed to the telecommunications industry.

Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no negative impact on, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and is in the public interest. The Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the transfer. Petitioners are also directed to file new tariff pages to reflect the name change.

DATED: 8/1/07

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

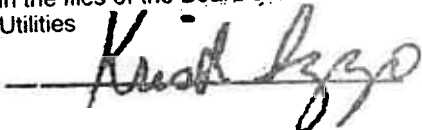
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
CHRISTINE V. BATOR  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
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