



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

VERIFIED PETITION OF TELCOVE)
OPERATIONS, LLC FOR APPROVAL OF)
A PRO FORMA TRANSFER OF CONTROL)
OF AN AUTHORIZED INTRASTATE)
CARRIER)

ORDER OF APPROVAL

DOCKET NO. TM07110882

(SERVICE LIST ATTACHED)

BY THE BOARD:

On November 16, 2007, TelCove Operations, LLC (TelCove Operations or Petitioner) filed a petition pursuant to N.J.S.A. 48:2-51.1, and to the extent applicable N.J.S.A. 48:3-10, seeking such Board approval as may be necessary or required to enable Petitioner to complete a proposed internal reorganization at the holding company level that would result in an internal transfer of control of TelCove Operations. TelCove Operations proposes a transaction whereby its direct corporate parent, Eldorado Acquisition Three, LLC (Eldorado) will be merged with and into Level 3 Communications, LLC (Level 3 LLC), Eldorado's immediate corporate parent. Following the transfer, TelCove Operations will continue to offer services at the same terms and rates, and on the same conditions on which it currently offers such services in the state.

BACKGROUND

TelCove Operations is a Delaware limited liability company corporation which has its principal office located in Canonsburg, Pennsylvania. TelCove Operations is a wholly owned subsidiary of Eldorado, which, in turn, is a wholly owned subsidiary of Level 3 LLC. Level 3 LLC is, in turn, a wholly owned subsidiary of Level 3 Communications Inc. (Level 3), a Delaware corporation publicly traded on the NASDAQ. Through its subsidiaries, Level 3 is authorized to provide telecommunications services throughout the United States. In New Jersey, Level 3 has six operating subsidiaries that are certified by the Board: Broadwing Communications, LLC; Level 3 Communications, LLC; WilTel Communications, LLC; WilTel Local Network, LLC; Looking Glass Networks, Inc. and TelCove Operations. TelCove Operations is authorized to provide local exchange and interexchange telecommunications services in New Jersey as the result of an earlier internal corporate reorganization that was approved by the Board in Docket TM06120889 on March 3, 2007. TelCove Operations has approximately 227 customers in New Jersey and 27 employees.

DISCUSSION

According to the petition, TelCove Operations proposes an internal reorganization at the holding company level whereby TelCove Operations' direct corporate parent, Eldorado will be merged with and into Eldorado's direct parent, Level 3 LLC. TelCove Operations, which is already an indirect wholly owned subsidiary of Level 3 LLC, will become a direct wholly owned subsidiary of Level 3 LLC. Petitioner states that while the proposed transaction will result in a pro forma change in the intermediate corporate chain of ownership of TelCove Operations, the proposed change in holding company structure will not affect the ultimate ownership or control of TelCove Operations. The proposed transaction will not affect any of the other Level 3 subsidiaries that operate in New Jersey. Furthermore, Petitioner states that as a holding company level transaction, the proposed change will not affect the operations, operating authority, assets or customers of TelCove Operations, and accordingly, the proposed transactions will be transparent to the customers of TelCove Operations. Also, Petitioners state that there will not be any changes in employment in New Jersey or any impact on the retirement plans for New Jersey employees as a result of the proposed transaction.

Petitioner submits that the proposed transaction will serve the public interest by streamlining the corporate ownership structure of TelCove Operations, and simplifying the corporate reporting requirements of the Level 3 entities.

FINDINGS AND CONCLUSIONS

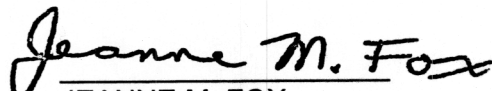
After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since TelCove Operations' New Jersey customers will continue to receive the same services from the same entity at the same rates and under the same terms and conditions nor will there be a negative impact on employees. Moreover, a positive benefit is likely as Petitioners expect the transaction to streamline corporate ownership structure of TelCove Operations, and simplify the corporate reporting requirements, and associated costs of the Level 3 entities.

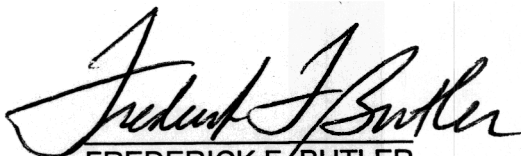
Accordingly, after careful review of this matter in accordance with the requirements of N.J.S.A. 48:2-51.1, the Board FINDS that the change of control will have no negative impact on the rates of current customers. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service. 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.

DATED:

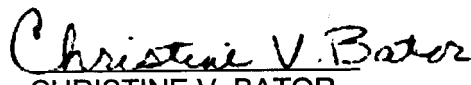
1/17/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

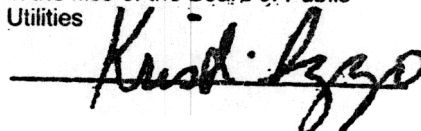

JOSEPH L. FIORDALISO
COMMISSIONER


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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Docket No. TM07110882

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