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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER  
Chairman

WILLIAM MUNDELL  
Commissioner

MARC SPITZER  
Commissioner

MIKE GLEASON  
Commissioner

KRISTIN K. MAYES  
Commissioner

Arizona Corporation Commission  
**DOCKETED**

JAN 19 2005

DOCKETED BY

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AZ CORP COMMISSION  
DOCUMENT CONTROL

T-03574A-05-0038  
T-03291A-05-0038

Docket Nos. T-03291A-05-  
T-03574A-05-

APPLICATION OF INTERMEDIA )  
COMMUNICATIONS, INC. AND )  
MCIMETRO ACCESS TRANSMISSION )  
SERVICES LLC FOR APPROVAL OF )  
REORGANIZATION, TRANSFER OF )  
CERTAIN ASSETS, AND )  
CANCELLATION OF INTERMEDIA'S )  
CERTIFICATES OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
PROVIDE LOCAL EXCHANGE AND )  
INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES )

**VERIFIED JOINT APPLICATION  
OF INTERMEDIA COMMUNICATIONS, INC. AND  
MCIMETRO ACCESS TRANSMISSION SERVICES LLC**

Intermedia Communications, Inc. ("Intermedia") and MCImetro Access Transmission Services LLC ("MCImetro"), both subsidiaries of MCI, Inc. ("MCI"), pursuant to A.R.S. § 40-285 (to the extent applicable),<sup>1</sup> A.A.C. R14-2-803 (to the extent applicable),<sup>2</sup> and A.A.C. R14-2-

<sup>1</sup> Because Intermedia has no customers, approval pursuant to A.R.S. § 40-285 may be unnecessary as the assets to be transferred are not "necessary or useful in the performance of its duties to the public."

<sup>2</sup> In Decision No. 62702, the Commission granted MCImetro a limited waiver of the affiliated interests rules. MCImetro notes that this transaction will not result in significant increased capital costs of the

1 1107, request that the Arizona Corporation Commission (“Commission”) grant this Joint  
2 Application, to the extent required, to approve the merger of Intermedia and MCImetro, the  
3 transfer of certain assets from Intermedia to MCImetro, and the cancellation of Intermedia’s  
4 Certificates of Convenience and Necessity to provide local exchange telecommunications services  
5 and interexchange telecommunications services in the State of Arizona. This approval will  
6 streamline MCI’s corporate structure in a manner that will simplify administrative requirements  
7 for the company, the Commission, and consumers.

8 **I. DESCRIPTION OF MCI, INC.**

9 MCI, Inc. is a global telecommunications company organized and existing under the laws  
10 of the State of Delaware with its principal place of business located at 22001 Loudoun County  
11 Parkway, Ashburn, Virginia, 20147. Through various operating subsidiaries, MCI provides  
12 international and domestic interstate, intrastate and local telecommunications services in each of  
13 the 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. MCI’s  
14 telecommunications offerings are comprehensive in scale and scope and include virtually every  
15 type of voice and data service. Additional information about MCI is available at [www.mci.com](http://www.mci.com).

16 MCI, Inc. is the parent company of various operating subsidiaries; it offers no services  
17 directly to the public and holds no certificates of public convenience and necessity issued by the  
18 Commission. On October 31, 2003, MCI, Inc. (f/k/a WorldCom, Inc.) and 221 of its direct and  
19 indirect domestic subsidiaries emerged from Chapter 11 bankruptcy proceedings.<sup>3</sup> Throughout  
20 the bankruptcy reorganization proceedings, MCI continued to operate its businesses, both in  
21 Arizona and elsewhere, without interruption, maintained its state-of-the-art network, preserved  
22 service quality, and continued to expand the availability of innovative and competitive services.

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25 Arizona operations, significant additional costs allocated or charged directly to the Arizona jurisdiction, or  
26 a significant reduction of net income to the Arizona operations. To the contrary, this merger should  
provide benefits to the Arizona operations.

<sup>3</sup> *In re WorldCom, Inc.*, Case No. 02-13533 (AJG) (S.D.N.Y.).

1 The actions set forth in this Application are part of MCI's continuing effort to streamline  
2 its corporate legal structure to achieve certain operating efficiencies, cost savings, and  
3 administrative benefits. The more efficient structure will also reduce duplication of effort and  
4 confusion in MCI's dealings with regulators, other government agencies, vendors, and customers.

## 5 **II. DESCRIPTION OF PROPOSED MERGER**

6 The Merger is an essential aspect of MCI's plan to streamline its corporate structure in a  
7 manner that will simplify administrative requirements for MCI, regulators and consumers. As  
8 shown in Exhibits 2A and 2B, MCI, Inc., the ultimate parent of Intermedia, will retain ultimate  
9 control of the surviving subsidiary, MCImetro. The Merger is expected to close January 31, 2005,  
10 subject to required state regulatory approvals.

11 MCI, Inc. currently has six subsidiaries certificated in Arizona: (i) Intermedia; (ii)  
12 MCImetro; (iii) MCI WorldCom Communications, Inc.; (iv) MCI WorldCom Network Services,  
13 Inc.; (v) Teleconnect Long Distance Services and Systems Co. d/b/a Telecom USA; and (vi) TTI  
14 National, Inc. *See Exhibit 1.* Each of these subsidiaries holds separate Certificates and files its  
15 own tariffs separate from the other subsidiaries. The Merger will result in Intermedia's assets  
16 being transferred to MCImetro. There are, however, no customers of Intermedia receiving  
17 services regulated by this Commission, hence the Merger will have no customer impact.  
18 Intermedia is not a Class A public service corporation. In connection with the Merger, Intermedia  
19 also requests that the Commission cancel its Certificates. Thus, as shown in Exhibit 2B, post-  
20 Merger Intermedia will no longer be providing telecommunications services in Arizona. Once the  
21 Commission approves this Application, MCI will make any necessary filing to cancel the  
22 Intermedia tariff and price list.

## 23 **III. EFFECT OF THE MERGER**

24 Intermedia has no Arizona intrastate voice customers. The local and long distance voice  
25 customers of Intermedia were migrated to other MCI (then WorldCom, Inc.)-affiliated services  
26 after Intermedia was purchased by WorldCom. Appropriate Commission approvals were obtained

1 or notice provided for those transactions and prior notice was given the customers at that time.

2 While the facilities, including local switches of Intermedia, will be merged into MCImetro, there  
3 is no customer impact.

4 The Merger will result in a streamlined and more efficient corporate structure that achieves  
5 cost savings and eliminates administrative duplication, including overlapping reports and  
6 regulatory filings.

#### 7 **IV. DESCRIPTION OF INTERMEDIA**

8 Intermedia is certificated to provide local exchange and intrastate interexchange  
9 telecommunications services in Arizona pursuant to Docket Nos. T-03291A-96-0585 (Decision  
10 No. 61665) and T-03291A-99-0235 (Decision No. 62278), respectively. As stated above,  
11 Intermedia has no intrastate customers. Similarly, since Intermedia is not providing intrastate  
12 services, there are no Arizona counties that will be impacted or affected by Intermedia's decision  
13 to cancel its Certificates. Even though Intermedia has no remaining customers, pursuant to AAC  
14 R14-2-1107(B), Intermedia still intends to publish notice of this Application in Maricopa County,  
15 the county in which it previously provided services.

#### 16 **V. REFUND OF DEPOSITS**

17 Through this filing, Applicant verifies that because there are no customers there are no  
18 deposits held by Applicant.

#### 19 **VI. ALTERNATIVE SERVICE PROVIDERS**

20 Qwest Corporation is providing service in the exchanges in the geographic area affected  
21 by this cancellation. Additionally, other service providers are certificated in the affected  
22 geographic area.

#### 23 **VII. CONTACT INFORMATION**

24 Correspondence concerning this Application may be directed to:  
25  
26

1 Thomas H. Campbell  
2 Michael T. Hallam  
3 Lewis and Roca LLP  
4 40 North Central  
5 Phoenix, AZ 85004  
6 Phone: (602) 262-5723  
7 Fax: (602) 734-3841

8 With a copy to:

9 David Adelman, Esq.  
10 Sutherland Asbill & Brennan LLP  
11 999 Peachtree Street, N.E.  
12 Atlanta, Georgia 30309  
13 Phone: (404) 853-8000  
14 Fax: (404) 853-8806  
15 Email: [david.adelman@sablaw.com](mailto:david.adelman@sablaw.com)

16 And:

17 Marsha Ward, Esq.  
18 MCI, Inc.  
19 6 Concourse Parkway, Ste. 600  
20 Atlanta, Georgia 30328  
21 Phone: (770) 284-5490  
22 Fax: (770) 284-5488  
23 Email: [marsha.ward@mci.com](mailto:marsha.ward@mci.com)

24 **VIII. THIS APPLICATION SHOULD BE CONSIDERED ON AN EXPEDITED BASIS**

25 The public interest will be best served by the expeditious grant of this Application.  
26 Approval of the Merger and the cancellation of Intermedia's Certificates will increase MCI's  
efficiencies and assist the Commission in increasing its administrative efficiencies. Given that  
Intermedia has no intrastate voice customers, MCI respectfully requests that, to the extent  
required, the Commission approve these transactions and the cancellation of Intermedia's  
Certificates as expeditiously as possible.

1 RESPECTFULLY SUBMITTED this 19th day of January, 2005.

2 LEWIS AND ROCA LLP

3  
4 

5 Thomas H. Campbell  
6 Michael T. Hallam  
7 40 North Central Avenue  
8 Phoenix, AZ 85004

9 Attorneys for Intermedia Communications, Inc. and  
10 MCImetro Access Transmission Services LLC

11 ORIGINAL and fifteen (15) copies  
12 of the foregoing application filed  
13 this 19th day of January, 2005, with:

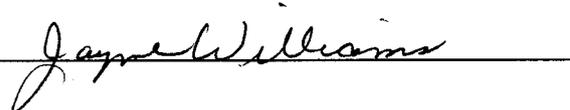
14 The Arizona Corporation Commission  
15 Utilities Division – Docket Control  
16 1200 W. Washington Street  
17 Phoenix, Arizona 85007

18 Copy of the foregoing hand-delivered  
19 this 19th day of January, 2005, to:

20 Christopher C. Kempley, Chief Counsel  
21 Legal Department  
22 Arizona Corporation Commission  
23 1200 W. Washington Street  
24 Phoenix, Arizona 85007

25 Ernest G. Johnson, Director  
26 Utilities Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Lyn Farmer, Chief Administrative Law Judge  
Hearing Divisions  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

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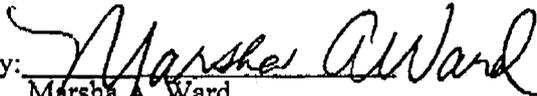
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VERIFICATION

I, Marsha A. Ward, state that I am National Director, State Regulatory of MCI, Inc., Applicant in the foregoing Application of MCI, Inc.; that I am authorized to make this Verification on behalf of MCI, Inc; and that the statements in the foregoing Application are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 19<sup>th</sup> day of January, 2005, at Fulton County, Georgia.

By:   
Marsha A. Ward

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**EXHIBIT 1**

**Exhibit 1**

**CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY**

<b>Entity</b>	<b>Authority</b>
Intermedia Communications, Inc.	IXC, CLEC
MCI metro Access Transmission Services LLC	CLEC
MCI WorldCom Communications, Inc.	IXC
MCI WorldCom Network Services, Inc.	IXC
Teleconnect Long Distance Services and Systems Co. d/b/a Telecom USA	IXC
TTI National, Inc.	IXC

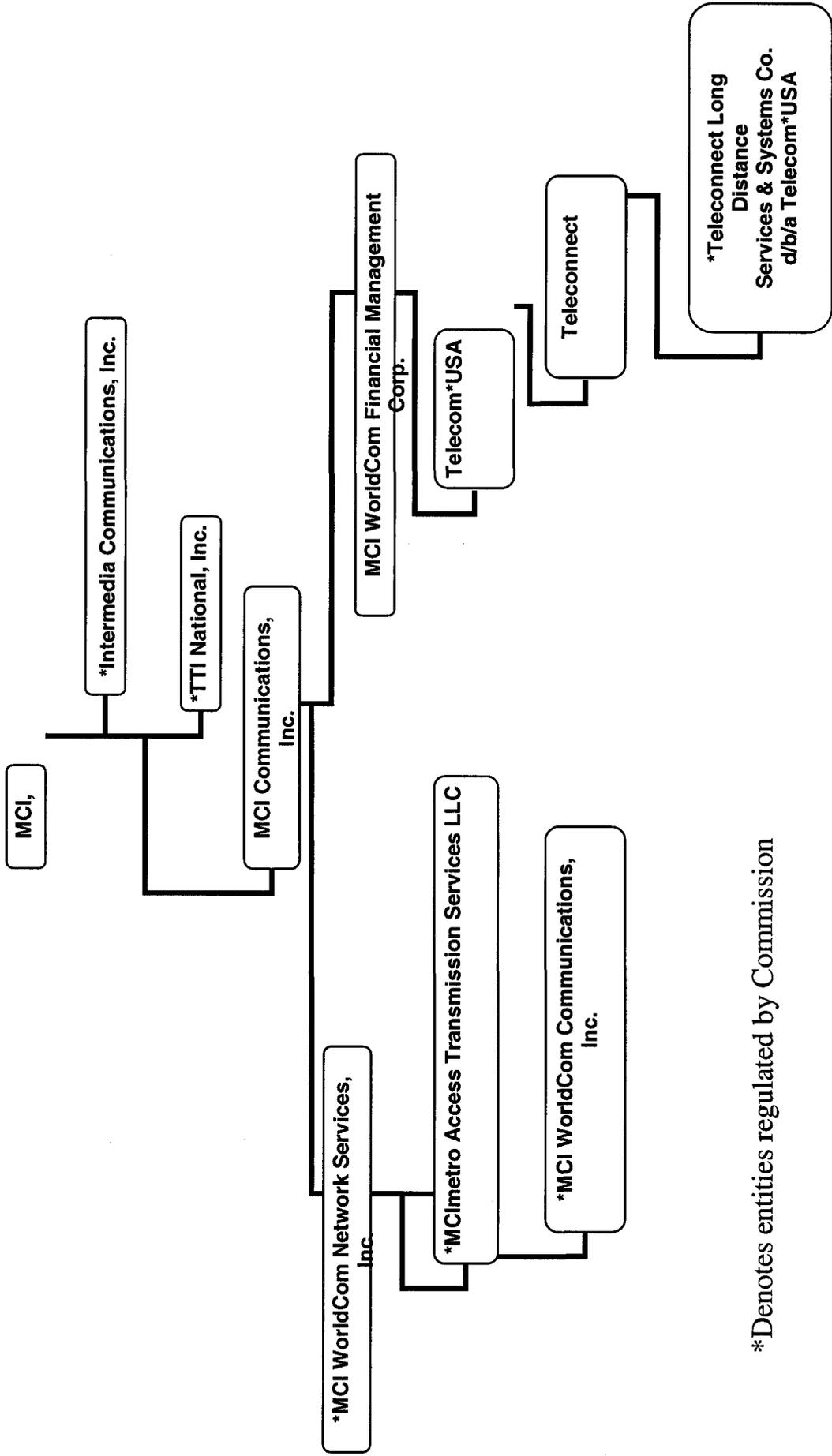
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**EXHIBIT 2A**

Exhibit 2A

ORGANIZATIONAL CHARTS

Arizona Pre-Reorganization Structure



\*Denotes entities regulated by Commission

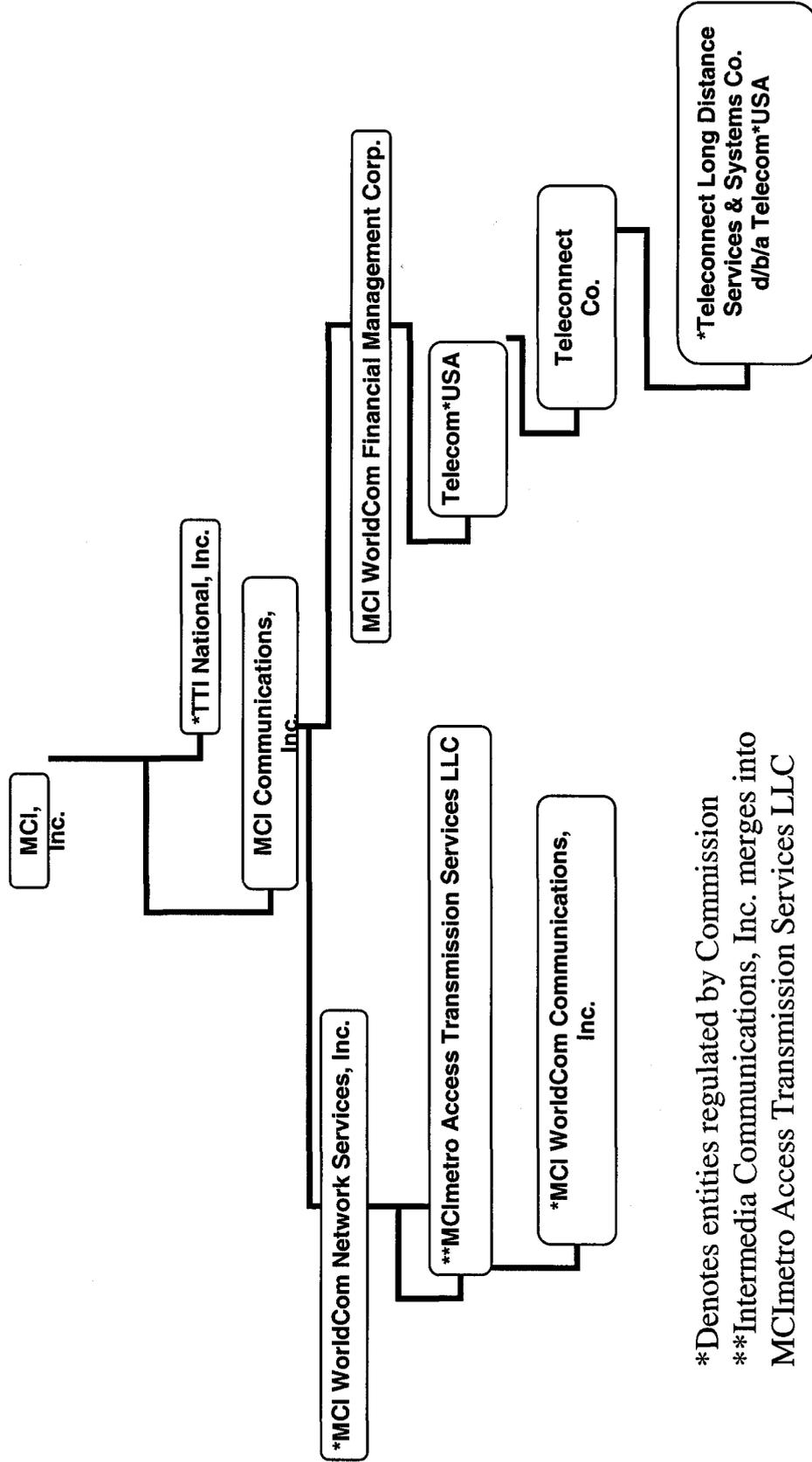
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**EXHIBIT 2B**

Exhibit 2B

ORGANIZATIONAL CHARTS

Arizona Post-Reorganization Structure



\*Denotes entities regulated by Commission

\*\*Intermedia Communications, Inc. merges into MCImetro Access Transmission Services LLC