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PA PUC
SECRETARY'S BUREAU

August 2, 2010

VIA HAND DELIVERY

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Joint Application of NTELOS, Inc., NTELOS of West Virginia, Inc., One Communications Corp., Conversent Communications, Inc., Mountaineer Telecommunications, LLC, and FiberNet Telecommunications of Pennsylvania, LLC for Approval of the Acquisition by NTELOS, Inc. of all of the Equity Interests of Mountaineer Telecommunications, LLC Resulting in a Change of Control of FiberNet Telecommunications of Pennsylvania, LLC

Docket No. A- _____

Registration of Securities Certificate of FiberNet Telecommunications of Pennsylvania, LLC in Respect of Guarantees of Credit Facilities of NTELOS, Inc.

Docket No. S- _____

EXPEDITED CONSIDERATION REQUESTED

Dear Secretary Chiavetta:

Enclosed for filing please find an original plus three (3) copies of the Joint Application of NTELOS, Inc., NTELOS of West Virginia, Inc., One Communications Corp., Conversent Communications, Inc., Mountaineer Telecommunications, LLC, and FiberNet Telecommunications of Pennsylvania, LLC for Approval of the Acquisition by NTELOS, Inc. of all of the Equity Interests of Mountaineer Telecommunications, LLC Resulting in a Change of Control of FiberNet Telecommunications of Pennsylvania, LLC and for Registration of a Securities Certificate of FiberNet Telecommunications of Pennsylvania, LLC in Respect of Guarantees of Credit Facilities of NTELOS, Inc.

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This Joint Application seeks all such approvals by the Pennsylvania Public Utility Commission as are necessary in connection with the proposed transfer of control of Fibernet Telecommunications of Pennsylvania, LLC through the acquisition of that company's parent corporation (Mountaineer Telecommunications, LLC) by NTELOS, Inc.

Please note that this Joint Application was drafted and finalized prior to the final publication of the Commission's new regulations at 52 Pa. Code §§ 6.321 et. seq. pertaining to abbreviated procedures for review and approval of transfers of control of telecommunications public utilities. Those new regulations were published in the Pennsylvania Bulletin on July 31, 2010. Under the new regulations, the transaction at issue in this Application qualifies as a General Rule Transaction as it involves a change of greater than 20% in Fibernet Telecommunications of Pennsylvania, LLC's controlling interests. To the extent that the new regulations require additional information not currently included in the Joint Application, the Joint Applicants will supplement the Application accordingly. The Joint Applicants respectfully request that the Commission consider this Application in an expedited manner and issue the necessary approvals no later than October 31, 2010 to allow the parties to consummate the transaction as contemplated by the Purchase Agreement.

Please note that certain Appendix F to this filing contains Highly Confidential and Proprietary Information. Therefore, Applicants request that Appendix F to the Application be filed under Seal.

A check in the amount of \$350.00 is enclosed for payment of the filing fee. Copies of the Application have been served in accordance with the attached Certificate of Service. Courtesy copies are also being provided to the office of each of the Commissioners.

If you have questions, please do not hesitate to contact me.

Very truly yours,

STEVENS & LEE


Michael A. Gruin

MAG/kdd
Encl.

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VIA HAND DELIVERY
Secretary Rosemary Chiavetta
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cc: Certificate of Service
Hon. James H. Cawley, Chairman
Hon. Tyrone J. Christy, Vice-Chairman
Hon. Wayne E. Gardner, Commissioner
Hon. Robert F. Powelson, Commissioner
Honorable John F. Coleman, Jr., Commissioner
Raymond B. Ostroski, Esq. (via Federal Express)
Mary McDermott, Esq. (via Federal Express)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of NTELOS, Inc.,	:	
NTELOS of West Virginia, Inc., One	:	
Communications Corp., Conversent	:	Docket No. A-
Communications, Inc., Mountaineer	:	
Telecommunications, LLC, and FiberNet	:	
Telecommunications of Pennsylvania, LLC	:	
for Approval of the Acquisition by	:	
NTELOS, Inc, of all of the Equity Interests	:	
of Mountaineer Telecommunications, LLC	:	
Resulting in a Change of Control of	:	
FiberNet Telecommunications of	:	
Pennsylvania, LLC	:	
	:	
Registration of Securities Certificate of	:	Securities Certificate
FiberNet Telecommunications of	:	Docket No. S-
Pennsylvania, LLC In Respect of	:	
Guarantees of Credit Facilities of	:	
NTELOS, Inc.	:	

**JOINT APPLICATION OF NTELOS, INC., NTELOS OF WEST VIRGINIA, INC., ONE
COMMUNICATIONS CORP., CONVERSENT COMMUNICATIONS, INC.,
MOUNTAINEER TELECOMMUNICATIONS, LLC AND FIBERNET
TELECOMMUNICATIONS OF PENNSYLVANIA, LLC**

**FOR EXPEDITED CONSIDERATION AND APPROVAL OF A CHANGE IN
CONTROL OF FIBERNET TELECOMMUNICATIONS OF PENNSYLVANIA, LLC
AND
REGISTRATION OF SECURITIES CERTIFICATE**

This Joint Application (“Application”), filed as a single submittal pursuant to 52 Pa. Code § 1.34, is filed by the following Joint Applicants:

- **NTELOS, Inc. (“NTI”)**, a Virginia Corporation and non-certificated holding company;
- **NTELOS of West Virginia, Inc. (“NTWV”)**, a Virginia Corporation certificated by the Pennsylvania Public Utility Commission (“PA PUC” or “Commission”) to provide

telecommunications services in the Commonwealth of Pennsylvania and a wholly-owned subsidiary of NTI;

- **One Communications Corp. (“One”)**, a Delaware Corporation and non-certificated holding company;
- **Conversent Communications, Inc. (“Conversent”)**, a Delaware Corporation, non-certificated holding company and wholly-owned subsidiary of One;
- **Mountaineer Telecommunications, LLC (“Mountaineer”)**, a West Virginia LLC, non-certificated holding company, and wholly owned subsidiary of Conversent; and
- **FiberNet Telecommunications of Pennsylvania, LLC (“FiberNet PA”)**, a Pennsylvania LLC and wholly-owned subsidiary of Mountaineer that is certificated to provide telecommunications services in the Commonwealth of Pennsylvania.

The Joint Applicants seek all necessary approvals of the Pennsylvania Public Utility Commission for the proposed transfer of control of FiberNet PA, by way of the acquisition by NTI of all of the equity interests of Mountaineer, the parent company of FiberNet PA. With this Application, the Joint Applicants respectfully request the issuance of a Certificate of Public Convenience pursuant to 66 Pa.C.S.A. §§ 1102(a)(3) and 1103 for the transfer of control of FiberNet PA, by way of the acquisition by NTI of all of the equity interests of Mountaineer, and for such other approvals, certificates, registrations and other relief, if any, as may be necessary under the Public Utility Code and the Commission’s regulations for the transaction described herein. Furthermore, FiberNet PA requests the Registration of a Securities Certificate pursuant to 66 Pa. C.S.A. §1901 and 52 Pa. Code §3.601 with respect to guarantees to lenders in connection with NTI’s existing senior secured credit facility and a \$125 million incremental credit facility on which NTI will close to fund, in part, the acquisition of Mountaineer and the FiberNet

subsidiaries. Moreover, as the purchase agreement requires all necessary regulatory approvals to be obtained prior to closing, the Joint Applicants respectfully request that the Commission consider this Application in an expedited manner and issue the necessary approvals no later than October 31, 2010 to the allow the parties to consummate the transaction as contemplated by the purchase agreement.

In further support thereof, the Joint Applicants respectfully aver as follows:

DESCRIPTION OF THE APPLICANTS

1. Joint Applicant NTELOS, Inc. (“NTI”) is a Virginia Corporation and a wholly-owned subsidiary of NTELOS Holdings Corp. (NASDAQ: NTLS). NTI is not licensed to provide telecommunications services in Pennsylvania, but its subsidiary NTELOS of West Virginia, LLC is licensed in Pennsylvania, as described more fully below. Through its certificated operating entities, NTI is an Integrated Communications Provider serving customers with Wireless, Incumbent Local Exchange Carrier (“ILEC”), Competitive Local Exchange Carriers (“CLEC”), Data and Carrier services across Virginia, West Virginia, Pennsylvania, and Maryland. NTI joins in this filing as the entity that will directly purchase the equity interests of Mountaineer Telecommunications, LLC.

Founded in 1897 as the Clifton Forge-Waynesboro Telephone Company, NTELOS’ wireline business and its predecessor organizations have a long history of providing exceptional telephone service in the rural Virginia cities of Waynesboro and Covington, and portions of Alleghany, Augusta and Botetourt counties. As of December 31, 2009, NTELOS’ two ILEC subsidiaries operated approximately 38,200 rural ILEC lines.

With the launch of Competitive Local Exchange Carrier (CLEC) services in 1998, NTELOS’ wireline business has evolved from a traditional, rural ILEC into a regional provider

of transport, IP, video, voice and data services. NTELOS subsidiaries are certificated as CLECs in Virginia, West Virginia, Pennsylvania and Maryland. As of December 31, 2009, NTELOS's CLEC subsidiaries had approximately 49,700 CLEC lines, virtually all business, across 31 markets. The heart of NTELOS' wireline business is an extensive 4,700 route-mile fiber optic network used to backhaul communications traffic for retail services; to serve as a carriers' carrier network; and to provide transport services to third parties for long distance, internet, wireless and private network services. NTELOS offers its customers leading edge technology services, including Metro Ethernet and IP-based services. NTELOS also holds wireless PCS licenses to operate in twenty-nine basic trading areas with a total licensed population of approximately 8.8 million. NTELOS has built out its wireless network in twenty of those basic trading areas and covers over 5.5 million POPs. NTELOS now serves over 440,000 retail wireless subscribers representing approximately 8% penetration of NTELOS' total covered population.

A complete copy of the organizational chart for NTI and its subsidiaries is attached hereto as Appendix A.

2. Joint Applicant NTELOS of West Virginia, Inc. ("NTWV") is a Virginia Corporation and a wholly-owned subsidiary of NTI. By Order dated March 12, 2010, the PA PUC granted NTWV Certificates of Public Convenience to operate as a CLEC, CAP, and IXC in the Verizon and United Telephone territories in Pennsylvania.¹ NTWV is also certificated as a CLEC in the states of West Virginia and Maryland.

3. Joint Applicant One Communications Corp. ("One") is a Delaware corporation with corporate headquarters in Burlington, MA and operational headquarters in Rochester, NY. One is the largest privately-held, multi-regional integrated telecommunications solutions

¹ See, Opinion and Order, *Application of NTELOS of West Virginia, Inc.*, Docket Nos. A-2009-2148183, A-2009-2148184, A-2009-2148185, A-2009-2148186, A-2009-2148187, A-2009-2148188 (March 12, 2010).

provider in the United States – serving small and mid-sized business customers in through licensed subsidiaries in 18 states across the Northeast, Mid-Atlantic and Upper Midwest, plus the District of Columbia. Five subsidiaries of One are currently certificated as CLECs in Pennsylvania and are doing business under the name “One Communications”².

4. Joint Applicant Conversent Communications, Inc. (“Conversent”), is a Delaware Corporation, a non-certificated holding company and wholly-owned subsidiary of One. Conversent is the holder of all of the issued and outstanding equity interests in Mountaineer, which equity interests are the subject of the transaction at issue.

5. Joint Applicant Mountaineer Telecommunications, LLC (“Mountaineer”), is a West Virginia LLC, a non-certificated holding company, and wholly owned subsidiary of Conversent. Mountaineer is the holder of all of the issued and outstanding equity interest of four (4) certificated subsidiary operating companies which are exclusively engaged in the business of providing telecommunications and information services to business and residential customers throughout West Virginia, portions of Ohio, Maryland, Pennsylvania, Virginia, and Kentucky, in each case under the “FiberNet” name.³ Through a series of fiber installations and the acquisition of fiber assets, Mountaineer’s FiberNet subsidiaries have developed an extensive fiber network that today spans over 3,500 route miles. The network covers all of West Virginia and extends into surrounding areas in Ohio, Maryland, Pennsylvania, Virginia and Kentucky. At the end of 2009, Mountaineer’s FiberNet subsidiaries had approximately 100,000 lines including approximately 9,000 residential lines.

² The five One subsidiaries licensed as CLECs in Pennsylvania are Choice One Communications of Pennsylvania, LLC, Conversent Communications of Pennsylvania, CTC Communications Corp., FiberNet Telecommunications of Pennsylvania, and Lightship Telecommunications, LLC.

³ Mountaineer is the parent company of FiberNet, L.L.C., FiberNet of Virginia, Inc., FiberNet PA (Joint Applicant herein), and FiberNet of Ohio, LLC.

6. Joint Applicant FiberNet Telecommunications of Pennsylvania, LLC (“FiberNet PA”), is a Pennsylvania LLC and the wholly-owned subsidiary of Mountaineer that is certificated to provide telecommunications services in the Commonwealth of Pennsylvania. FiberNet PA was certificated as a CLEC, IXC Reseller and a CAP pursuant to the Commission’s Order entered September 20, 1999, at Docket Numbers A-310828, and A-310828F0002, A-310828F0003.

CONTACT INFORMATION

7. For the purposes of this Application, questions or any correspondence, orders, or other materials should be directed to the following contacts for the Joint Applicants:

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With copies to:

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Email: rostroski@onecommunications.com

DESCRIPTION OF THE PROPOSED TRANSACTION

8. On July 19, 2010, NTI entered into a purchase agreement to acquire all of the outstanding equity interests of Mountaineer from Conversent (the "Purchase Agreement"). **A Copy of the Purchase Agreement is attached hereto as Appendix B.** Pursuant to the Purchase Agreement, NTI will pay cash consideration of approximately \$170 million for the Mountaineer equity interests. NTI intends to fund the purchase through a combination of a permitted incremental term loan under its existing senior credit facility, availability under the undrawn revolver, and cash on hand. The Purchase Agreement provides for NTI to acquire 100% of the equity interests of Mountaineer. Mountaineer is the parent company of FiberNet, L.L.C., FiberNet of Virginia, Inc., FiberNet PA (Joint Applicant herein), and FiberNet of Ohio, LLC. NTI's acquisition of the Fibernet subsidiaries is subject to receiving approval from the FCC and the relevant state regulatory commissions as well as anti-trust review under the Hart-Scott-Rodino Act. Pending all approvals, the acquisition is expected to close in the fourth quarter of 2010. The Purchase Agreement is subject to termination if the acquisition is not completed before December 31, 2010.

9. In order to effectuate the transaction, NTI will create a new wholly-owned NTELOS Inc. subsidiary to hold and own the acquired Mountaineer assets. The new entity will be a Virginia corporation with the name "NTELOS FiberNet Inc." NTELOS Fibernet Inc. will be 100% owned by NTI.

10. No certificated public utility will be directly issuing or assuming securities or indebtedness in connection with this transaction. However NTI has an existing senior secured credit facility comprised of a \$35 million revolving credit facility and a \$635 million term loan ("First Lien Term Loan"). The First Lien Term Loan is secured by a first priority pledge of

substantially all property and assets of NTI and its subsidiaries, as guarantors, excluding the two incumbent local exchange carriers. The First Lien Term Loan also includes various restrictions and conditions, including covenants relating to leverage and interest coverage ratio requirements. In August of 2010, the Company will close on an additional \$125 million senior incremental term loan (the "Incremental Term Loan"). The Incremental Term Loan is contemplated in and permitted by the First Lien Term Loan agreement. The terms and conditions of the Incremental Term Loan are identical to the terms and provisions of the First Lien Term Loan. Proceeds from the Incremental Term Loan will be used to fund the FiberNet acquisition. Upon closing of the FiberNet acquisition and consistent with the treatment of NTI's subsidiaries other than the ILECs, NTI will add the FiberNet companies to the pledge of property and assets and guaranty described above on the First Lien Term Loan and the Incremental Term Loan.

11. For the Commission's convenience, pre- and post-transaction corporation organization charts for Mountaineer (including its FiberNet subsidiaries) are attached hereto as **Appendix C.**

12. The transaction does not involve the assignment or adoption of any of the certificates of public convenience or tariffs held or published by Mountaineer or its FiberNet subsidiaries. The ultimate parent company of Mountaineer and its operating subsidiaries will simply change from One to NTI. The transaction will not result in any change or transfer of assets or facilities of Mountaineer or its operating subsidiaries nor cause any change in the regulatory status of Mountaineer or its operating subsidiaries. The transaction will be transparent to the FiberNet customers except for a possible change in brand name at some point in the future.

13. The transaction will not result in the transfer of any customers. Mountaineer's certificated operating subsidiaries, including FiberNet PA, will continue to provision high quality

telecommunications services to its customers at the at the same or equivalent rates, terms, and conditions, as immediately prior to the transaction.⁴

14. To the best of Joint Applicant's knowledge, there is no affiliation between NTI's and One's respective shareholders. One conducted a competitive process for the sale of the FiberNet companies utilizing Blackstone Advisory Services, L.P as its financial advisor and NTI was chosen in that process. The negotiations that have resulted in the terms and conditions of the Purchase Agreement have been at arm's length.

FINANCIAL INFORMATION AND CORPORATE AUTHORIZATIONS

15. NTI, the acquiring entity in the proposed transaction, has a strong income statement and balance sheet and is financially qualified to consummate the transaction and to control Mountaineer and its operating subsidiaries in manner that is consistent with the public interest. For the twelve month period ending June 30, 2010, NTI generated estimated revenues of approximately \$539 million and adjusted EBITDA of approximately \$219 million. NTI has a long history as stable and profitable company. One measure of a company's profitability is paying dividends to shareholders. NTELOS Holdings Corp. (the parent of NTI) has paid dividends each quarter since early 2007. Since 2005, NTELOS has enjoyed 20% compound annual growth rate (CAGR) in Free Cash Flow and 11% CAGR in earnings before interest, taxes, depreciation, and amortization (EBITDA).

Attached hereto as **Appendix D and E**, respectively, are copies of NTELOS Holdings Corp.'s most recent Form 10-K Annual Report (for the year ended December 31, 2009) and Form 10-Q Quarterly Report (for the quarter ended March 31, 2010), which were filed with the

⁴ In the highly competitive and constantly changing telecommunications marketplace, all providers must continually review their pricing strategy and product mix to respond to marketplace demands. While FiberNet PA's rates, terms and conditions will be the same immediately after the transaction as before the transaction, the prices and product

Securities and Exchange Commission (“SEC”). NTELOS Holdings Corp.’s Form 10-Q Quarterly Report for the quarter ended June 30, 2010 will be filed shortly with the SEC and the Joint Petitioners will provide a copy in this proceeding.

16. Mountaineer and its certificated FiberNet operating subsidiaries are also financially strong. In 2009, the FiberNet entities had revenue of \$76M and EBITDA of \$25M. Capital spending was \$13M for network sustainment and upgrades, customer fiber builds and system development. Attached hereto as **Appendix F** are CONFIDENTIAL Annual Reports filed at the Commission by FiberNet PA for 2008 and 2009 (**CONFIDENTIAL AND FILED UNDER SEAL**).

17. The proposed transaction will create a combined company with double the scope and size of the existing companies. Brought together as a combined company, NTELOS and the Mountaineer FiberNet entities will be able to compete more effectively in the highly competitive market for telecommunications services. The combined company will benefit from increased economies of scale that will permit it to operate more efficiently and provide high quality service to an increased number of customers. The creation of a larger, financially stronger telecommunications competitor will benefit consumers.

18. A certified copy of resolutions adopted by the Board of Directors of One authorizing the transaction is attached hereto as **Appendix G**. A certified copy of resolutions adopted by the Board of Directors of NTI authorizing the transaction is attached hereto as **Appendix H**.

mix necessarily will change over time in the normal course of business and pursuant to regulatory and legal processes.

APPROVAL OF THE TRANSACTION IS IN THE PUBLIC INTEREST

19. Section 1102 of the Public Utility Code, 66 Pa. C.S. §1102, requires a public utility to obtain Commission approval, in the form of a Certificate of Public Convenience, for any transaction which results in the transfer of control of property used and useful in the public service.

Section 1102 of the Public Utility Code, provides, in pertinent part:

“Upon application of any public utility and the approval of such application by the commission, evidenced by its certificate of public convenience first had and obtained, and upon compliance with existing laws, it shall be lawful:

(3) For any public utility or affiliated interest of a public utility as defined in section 2101 . . . to acquire from, or transfer to, any person or corporation . . . by any method or device whatsoever, including the sale or transfer of stock, including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service.

(4) For any public utility to acquire 5% or more of the voting capital stock of any corporation.⁵”

In City of York v. Pa. P.U.C., 449 Pa. 136, 295 A.2d 825 (1972), the Supreme Court of Pennsylvania explained in the context of a utility merger that before it may issue a certificate of public convenience, the Commission must find that an affirmative public benefit will result from the transaction:

[A] certificate of public convenience approving a merger is not to be granted unless the Commission is able to find affirmatively that a public benefit will result from the merger [T]hose seeking approval of a utility merger [are required to] demonstrate more than the mere absence of any adverse effect upon the public

⁵ See also, 52 Pa. Code §69.901, which explains the Commission’s Statement of Policy relating to application of its jurisdiction over a transaction resulting in a different entity becoming the beneficial holder of the largest voting interest in a utility, regardless of the acquiring entity’s tier in the corporate organization.

[T]he proponents of a merger [are required to] demonstrate that the merger will affirmatively promote the “service, accommodation, convenience, or safety of the public” in some substantial way.

Id., 295 A.2d at 828.

20. Approval of this Application and the issuance of the requested Certificate of Public Convenience with respect to the transfer of control of FiberNet PA to NTI via the purchase of Mountaineer is in the public interest, and is necessary and proper for the service, accommodation, convenience of the public. The combination of NTI and the FiberNet entities will create a strong competitor in the Mid-Atlantic region, and will greatly enhance competition for voice and data services to residential and business customers. This strengthening of FiberNet PA’s and NTI’s competitive positions in Pennsylvania will clearly benefit Pennsylvania consumers and the Commonwealth’s telecommunications marketplace.

21. As a result of the transaction, the FiberNet operating subsidiaries will have increased scale and scope while maintaining their commitment to excellent telecommunications services. The FiberNet operating subsidiaries will be afforded access to the expanded resources of NTI. NTI and its operating subsidiaries have the proven management experience, technical proficiency and financial strength to own and operate the FiberNet entities successfully for the benefit of its customers.

22. The proposed transaction will serve the public interest by enhancing the current abilities of the Fibernet companies to provide their customers the prospect of a more comprehensive suite of services. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. These organizations have growing customer bases and highly complementary business models of providing facilities-based voice and especially data services. The transaction will provide

FiberNet and its customers with NTI's extensive 4,700 route-mile fiber optic network used to backhaul communications traffic for retail services; to serve as a carriers' carrier network; and to provide transport services to third parties for long distance, internet, wireless and private network services, as well as NTI's leading edge technology services, including Metro Ethernet and IP-based services. This transaction will help create a stronger, more enduring competitor than either carrier could achieve on its own in a similar time frame. By bringing together each organization's respective strengths, product suites, and geographic footprints, the combined organization will realize substantial synergies and cost-savings. This transaction will strengthen their ability to enhance current service offerings, as well as to bring to a broader customer base a more advanced suite of services. Together these operating companies will have the expertise to identify and create significant cross-selling opportunities to deliver long-term value to their customers.

23. The telecommunications industry has seen rapid and fundamental changes in technology, customer preferences, and the competitive landscape. These changes require rapid responses and business execution strategies by carriers. To succeed in the current telecommunications marketplace, carriers must have a strategic focus on providing high-quality services while seeking synergies and reducing expense. This transaction will allow FiberNet and NTI to do just that.

24. The public interest will also be served because FiberNet will be able to gain greater access to capital markets and consequently become better positioned to pursue a profitable growth strategy. The combined companies' collective positive cash flows substantially exceed their operating expenses and debt service. Approval of the proposed transaction therefore will better position the Joint Applicants to reduce costs, to increase revenue,

and to match their business goals with their financing needs in order to achieve significant and deliberate growth.

25. The FiberNet entities will continue to employ highly experienced operating personnel to maintain and continue to enhance the FiberNet network. After the transaction is consummated, the FiberNet leadership team will work to integrate its operations with NTI and determine optimal staffing levels within each department. Customers of all types and sizes are demanding high bandwidth services on fiber optic facilities with a high degree of reliability and rapid provisioning, repair, and maintenance. Meeting these customer needs requires competitive carriers to reduce their dependence on ILECS and to spend capital not only on dark fiber routes but on metro fiber rings, fiber-to-the-premises, and network infrastructure equipment.

26. Customers subscribing to the FiberNet entities' telecommunications services will not be adversely affected in any way by the proposed transaction, which will result in a seamless transfer of ownership to the NTELOS corporate family. As noted above, the transaction will be transparent to the FiberNet entities' customers, with the possible exception of a change in the brand name of the customers' service provider. The transaction will not cause any adverse change in how FiberNet PA conducts business with its customers, and those customers will continue to receive high quality service and increased future opportunities for new and improved services.

27. The Joint Applicants are not proposing any change in telecommunications rates, terms or conditions in connection with this Application. FiberNet PA's tariffed rates will remain unchanged unless and until a revised tariff is submitted to and approved by the Commission. Service Agreements and other contracts for regulated telecommunications services will continue to be honored in accordance with their terms consistent with the normal course of business. The

books and records of FiberNet PA will continue to be maintained in conformance with the Commission's relevant rules and regulations. Following consummation of the transaction, FiberNet PA will continue to be subject to applicable Pennsylvania law and regulations.

REGISTRATION OF SECURITIES CERTIFICATE

28. For purposes of the Request for Registration of Securities Certificate, FiberNet PA hereby incorporates the averments made in paragraphs 1-27 of this Application as if set forth at length.

29. **Securities to be Registered.** NTELOS has an existing senior secured credit facility comprised of a \$35 million revolving credit facility and a \$635 million term loan ("First Lien Term Loan"). The First Lien Term Loan is secured by a first priority pledge of substantially all property and assets of NTI, and its subsidiaries, as guarantors, excluding the two incumbent local exchange carriers. The First Lien Term Loan also includes various restrictions and conditions, including covenants relating to leverage and interest coverage ratio requirements. In August of 2010, the Company will close on an additional \$125 million senior incremental term loan (the "Incremental Term Loan"). The Incremental Term Loan is contemplated in and permitted by the First Lien Term Loan agreement. The terms and conditions of the Incremental Term Loan are identical to the terms and provisions of the First Lien Term Loan. Proceeds from the Incremental Term Loan will be used to fund the FiberNet acquisition. Upon closing of the FiberNet acquisition and consistent with the treatment of NTI's subsidiaries other than the ILECs, NTI will add the FiberNet companies, including FiberNet PA, to the pledge of property and assets and guaranty described above on the First Lien Term Loan and the Incremental Term Loan. Therefore, while FiberNet PA itself will not incur the debt or issue securities, NTI's

senior secured lenders have conditioned their financing upon each of NTI's operating subsidiaries except the ILECs providing security for the credit facility. This will result in a *contingent liability* in all FiberNet subsidiaries after the acquisition closes, including FiberNet PA. **Summaries of the terms of First Lien Term Loan and the Incremental Term Loan are attached hereto as Appendix I.**

30. **Proposal to Dispose of Securities.** The First Lien Term Loan and the Incremental Term Loan described above mature in 2015, with certain interim payment obligations prior to the maturity date. The cash generated from NTELOS' operating segments, including FiberNet after the closing, will continue to fund all working capital requirements, capital expenditures, interest costs, cash dividends and required debt principal payments prior to maturity.

31. **Purpose of Securities.** As set forth above, the transaction and the associated financing is in the public interest, and is necessary and proper for the service, accommodation, convenience of the public.

32. No registration statement, application or declaration will be filed with the Securities Exchange Commission as FiberNet PA will merely assume a contingent liability in this transaction.

33. **Attachments and other requirements of 52 Pa. Code 3.601.** There is attached hereto and made a part hereof the following:

A. Summaries of the terms of the First Lien Term Loan and the Incremental Term Loan is attached hereto as **Appendix I.**

B. CONFIDENTIAL Annual Reports filed at the Commission by FiberNet PA for 2008 and 2009 are attached hereto as **Appendix F(CONFIDENTIAL AND FILED UNDER SEAL)**, and set forth FiberNet PA's balance sheet and income statement.

C. The CONFIDENTIAL Annual Reports filed at the Commission by FiberNet PA for 2008 and 2009 attached hereto as **Appendix F(CONFIDENTIAL AND FILED UNDER SEAL)** also contain information regarding the plant (fixed capital) accounts of FiberNet PA.

D. There are no securities of other corporations owned by FiberNet PA

E. FiberNet PA will have no other funded debt as of the time of issuance of the security pledge in connection with the credit facility.

F. A copy of the Resolution of Board of Directors of NTI. authorizing the incurrence of the incremental portion of the debt is attached hereto as Appendix H.

G. No charges or credits shall be incurred by, or reflected on the books of FiberNet PA as a result of this assumption of contingent liability.

H A summary of NTI's liquidity and debt is attached hereto as Appendix J.

OTHER APPROVALS, CERTIFICATES, AND/OR RELIEF

34. In addition to the Certificates of Public Convenience requested above, Joint Applicants, by this Application, also respectfully request all such other approvals, certificates, registrations, and other relief, if any, as may be necessary under the Pennsylvania Public Utility Code for transfer of control and the transaction described herein.

35. All of the annual reports, tariffs, certificates, notifications, and approvals filed with the Commission by any of the Joint Applicants are incorporated herein by reference.

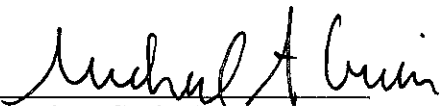
36. Attached hereto is the affidavit of Mary McDermott, Senior Vice-President, Legal and Regulatory Affairs of NTI confirming the accuracy of the statements made in this Application with respect to NTELOS, Inc. and NTELOS of West Virginia, Inc.

37. Attached hereto is the affidavit of Raymond B. Ostroski, Executive Vice President and General Counsel of One Communications Corp., confirming the accuracy of the statements made in this Application with respect to One Communications Corp., Conversent Communications, Inc., Mountaineer Telecommunications, LLC and FiberNet Pennsylvania, LLC.

WHEREFORE, because the public interest, convenience, and necessity would be furthered by a grant of this Application for the above-described transaction, Joint Applicants NTI, NTWV, One, Conversent, Mountaineer, and FiberNet PA respectfully request the Commission to issue a Certificate of Public Convenience pursuant to Chapter 11 of the Pennsylvania Public Utility Code approving the transfer of control of FiberNet PA to NTI, by way of the acquisition by NTI of all of the equity interests of Mountaineer, and other approvals, certificates, registrations and other relief, if any, as may be necessary under the Public Utility Code and the Commission's regulations for the transaction described herein. Furthermore, FiberNet PA requests the Registration of a Securities Certificate pursuant to 66 Pa. C.S.A. §1901 and 52 Pa. Code §3.601 with respect to pledges and guarantees described herein. Moreover, the Joint Applicants respectfully request that the Commission consider this Application in an expedited manner and issue the necessary approvals no later than October 31, 2010 to the allow the parties to consummate the transaction as contemplated the Purchase Agreement.

Respectfully submitted,

August 2, 2010


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**Counsel for One, Conversent, Mountaineer and
FiberNet PA**

AFFIDAVIT

I, Mary McDermott, being the holder of the office of Senior Vice-President, Legal and Regulatory Affairs., do hereby affirm according to law, depose and say that I am authorized to make this affidavit on behalf of Joint Applicants NTELOS, Inc. and NTELOS of West Virginia, Inc., and that the facts set forth in the foregoing Application with respect to NTELOS, Inc. and NTELOS of West Virginia, Inc. are true and correct to the best of my knowledge, information and belief, and that I expect to prove the same at any hearing held in connection with this matter.

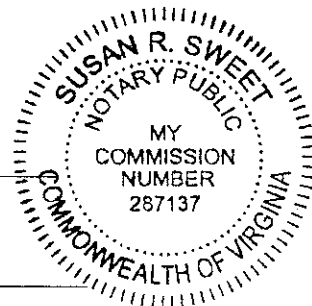
Mary McDermott

AFFIANT

Sworn and subscribed before me this 27th day of July, 2010

Susan R. Sweet
Notary Public

My Commission expires: 5/31/12



AFFIDAVIT

I, Raymond B. Ostroski being the holder of the office of Executive Vice President and General Counsel of One Communications Corp., do hereby affirm according to law, depose and say that I am authorized to make this affidavit on behalf of Joint Applicants One Communications Corp., Conversent Communications, Inc., Mountaineer Telecommunications, LLC, and FiberNet Telecommunications of Pennsylvania, LLC, and that the facts set forth in the foregoing Application with respect to One Communications Corp., Conversent Communications, Inc., Mountaineer Telecommunications, LLC, and FiberNet Telecommunications of Pennsylvania, LLC, are true and correct to the best of my knowledge, information and belief, and that I expect to prove the same at any hearing held in connection with this matter.

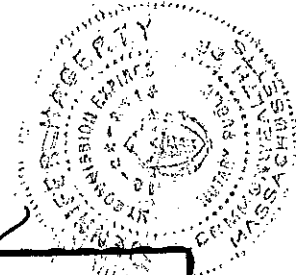
Raymond B. Ostroski

Raymond B. Ostroski
EVP, General Counsel and Secretary

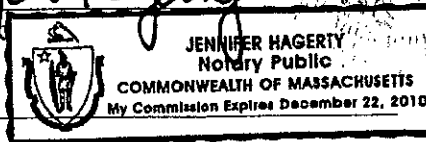
AFFIANT

Sworn and subscribed before me this 2 day of August, 2010

Jennifer Hagerty
Notary Public



My Commission expires:



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of NTELOS, Inc.,	:	
NTELOS of West Virginia, Inc., One	:	
Communications Corp., Conversent	:	Docket No. A-
Communications, Inc., Mountaineer	:	
Telecommunications, LLC, and FiberNet	:	
Telecommunications of Pennsylvania, LLC	:	
for Approval of the Acquisition by	:	
NTELOS, Inc, of all of the Equity Interests	:	
of Mountaineer Telecommunications, LLC	:	
Resulting in a Change of Control of	:	
FiberNet Telecommunications of	:	
Pennsylvania, LLC	:	
	:	
Registration of Securities Certificate of	:	Securities Certificate
FiberNet Telecommunications of	:	Docket No. S-
Pennsylvania, LLC In Respect of	:	
Guarantees of Credit Facilities of	:	
NTELOS, Inc.	:	

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of August, 2010, copies of the foregoing Application have been served upon the persons listed below in accordance with the requirements of 52 Pa. Code Sections 1.54 and 1.55 of the Commission's rules.

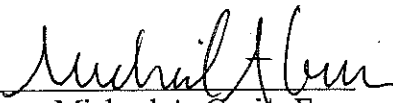
VIA HAND DELIVERY

Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, F West
Harrisburg, PA 17120

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

DATE: August 2, 2010


Michael A. Gruin, Esq.

LIST OF APPENDICES

- APPENDIX A:** Organizational Chart For NTI And Its Subsidiaries
- APPENDIX B:** Purchase Agreement
- APPENDIX C:** Pre- And Post-Transaction Corporation Organization Charts For Mountaineer (Including Its Fibernet Subsidiaries)
- APPENDIX D:** NTELOS Holdings Corp.'s most recent Form 10-K Annual Report (for the year ended December 31, 2009)
- APPENDIX E:** NTELOS Holdings Corp.'s Form 10-Q Quarterly Report (for the quarter ended March 31, 2010)
- APPENDIX F:** CONFIDENTIAL Annual Reports filed at the Commission by FiberNet PA for 2008 and 2009 (**CONFIDENTIAL AND FILED UNDER SEAL**).
- APPENDIX G:** Certified Copy Of Resolutions Adopted By The Board Of Directors Of One Authorizing The Transaction
- APPENDIX H:** Certified Copy Of Resolutions Adopted By The Board Of Directors Of NTI Authorizing The Transaction
- APPENDIX I:** Summaries of the terms of the First Lien Term Loan and the Incremental Term Loan
- APPENDIX J:** Summary of NTI's liquidity and debt