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PUBLIC SERVICE
COMMISSION

December 18, 2007

VIA UPS OVERNIGHT

Ms. Stephanie Bell
Secretary to the Commission
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: *Informational Filing* Regarding a Pro Forma Change in Ownership of Authorized
Telecommunications Providers

Dear Ms. Bell:

One Communications Corp. ("One") and its operating subsidiaries in Kentucky, CTC Communications Corp. and FiberNet, LLC (the "One Subsidiaries,"¹ and together with One, the "Parties"), by their counsel, hereby respectfully notify the Kentucky Public Service Commission ("Commission") of their participation in a transaction that will dilute the existing ultimate ownership of the One Subsidiaries. Please note that this is a parent holding company level transaction; that is, the stock of the One Subsidiaries will remain wholly owned by One and will not be directly affected by the transaction described herein.

The dilution of Columbia Ventures Broadband LLC's ("CVC Broadband") existing majority ultimate ownership is anticipated to result from the exercise of options to purchase, and immediate sale of, shares of One's Class A common stock by certain current and former employees of One. Because CVC Broadband will remain in *de facto* control of the One Subsidiaries and there will be no new shareholders of the One Subsidiaries as a result of the transaction, the Parties submit that no Commission approval is required to consummate the transaction described herein.

¹ Each of the One Subsidiaries uses the d/b/a "One Communications."

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This change in the ultimate ownership of the One Subsidiaries does not involve a transfer of operating authority, assets or customers. Immediately following the transaction, the One Subsidiaries will continue to offer the same services at the same rates, terms and conditions as at present pursuant to their existing authorizations. Accordingly, the transaction will be transparent to consumers. In connection with this notification, the Parties provide the following information:

THE PARTIES

One is a Delaware corporation with headquarters at 220 Bear Hill Road, Waltham, Massachusetts 02451. One is the surviving corporation from the merger of CTC Communications Group, Inc. ("CTC Group") and Choice One Communications Inc. ("Choice One"). The Commission was notified of the merger of CTC Group and Choice One on February 24, 2006. The merger was consummated on June 30, 2006. Subsequent to the merger but on that same date, One acquired control of Conversent Communications, Inc. ("Conversent"). The Commission was notified of One's acquisition of Conversent on April 10, 2006. As a result of these mergers, One acquired several operating subsidiaries, including certain of the One Subsidiaries in Kentucky.

One is a holding company for the One Subsidiaries, which also have principal places of business located at 220 Bear Hill Road, Waltham, Massachusetts 02451. The One Subsidiaries are common carriers that provide communications services to small, medium and large size businesses predominantly in the Northeast, Mid-Atlantic and Midwest regions (Connecticut, Delaware, District of Columbia, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and Wisconsin) as well as to a small number of residential customers in Connecticut, New York, and West Virginia. In Kentucky, the One Subsidiaries are authorized to provide intrastate telecommunications services.² Each of the One Subsidiaries operates on an international basis pursuant to One's international Section 214 authorization from the FCC and, as noted above, does business under the name "One Communications."

The One Subsidiaries' service offerings include local, long distance and toll free telephony services; post-paid calling card services; conference calling; frame relay, private line, DSL, VPN, ATM and MPLS services; web hosting services; Internet access, webmail, and converged services. Where possible, the One Subsidiaries provide their services using their own broadband, IP-based network consisting of Cisco network infrastructure and a redundant fiber optic backbone (10,000 fiber miles). The network also includes the use of packet switching technology as well as more traditional circuit switches. In addition, the One Subsidiaries provide service by reselling the local and interexchange telephony services of other telecommunications carriers.

² See Utility ID No. 5144700; Utility ID No. 05053200.

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Prior to the transaction, there are two entities holding a 10 percent or greater ownership interest in One: CVC Broadband and Quantum Partners LDC (“Quantum”).

CVC Broadband. CVC Broadband holds a 50 percent ownership interest in One, and thus has control of One. CVC Broadband, a Washington state limited liability company, is a holding company and a wholly-owned subsidiary of Columbia Ventures Corporation (“CVC”). CVC, a Washington state corporation, owns and operates a portfolio of telecommunications companies and a small number of manufacturing businesses around the world. Neither CVC nor CVC Broadband provide telecommunications services. Kenneth D. Peterson, Jr., a U.S. citizen, holds 100 percent of the ownership interest in CVC. Mr. Peterson is Chief Executive Officer, Chairman and Founder of CVC. The address of CVC Broadband, CVC and Mr. Peterson is 203 SE Park Plaza Drive, Suite 270, Vancouver, Washington 98684.

Quantum. Quantum holds a 13 percent ownership interest in One. Quantum is a Cayman Islands limited duration corporation whose principal business is investment. Quantum is wholly-owned by Quantum Emerging Growth Partners C.V. (“Quantum Emerging”), a Netherlands Antilles limited partnership whose principal business is investment. The managing general partner of Quantum Emerging is Emerging Growth Fund Management C.V. (“Emerging Growth”), a Netherlands Antilles limited partnership whose business is investment.³ The managing general partner of Emerging Growth is Quastro N.V. (“Quastro”), a Netherlands Antilles corporation whose business is investment. The sole shareholder of Quastro is George Soros, a U.S. citizen whose is Chairman of Soros Fund Management LLC (“SFM”), a Delaware limited liability company. By virtue of a management agreement between SFM and Quantum, Mr. Soros exercises voting and dispositive power over the shares of One held by Quantum. The address of SFM and George Soros is 888 Seventh Avenue, New York, NY 10106.

A diagram showing the pre-transaction corporate structure of One and the One Subsidiaries is provided in **Exhibit A**.

³ Quantum Endowment Fund N.V. (“QEF NV”) is a limited partner of Quantum Emerging with an equity interest of over 50 percent. No entity has an ownership or voting interest of 10 percent or more in QEF NV.

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The Transaction

The transaction involves the exercise of options to purchase, and immediate sale of, shares of One's Class A common stock by certain current and former employees of One to an existing minority shareholder of One. The sale is anticipated to occur in multiple tranches, some of which have already closed. One expects that post-transaction, CVC Broadband's ownership interest will be diluted from a 50 percent ownership interest to a 48-49 percent ownership interest in One, and Quantum will continue to hold a 13 percent ownership interest in One. No other shareholder will hold a 10 percent or greater ownership interest in One following the transaction. As such, no single shareholder will have majority control of One following the transaction. However, CVC Broadband will retain *de facto* control of One post-transaction. It is anticipated that this transaction will close within ten business days from the date of this letter.

The transaction does not involve the transfer of any operating authority, assets, or customers. Immediately following the transaction, One and the One Subsidiaries will continue to offer to their customers the same services and at the same rates, terms and conditions pursuant to existing authorizations, tariffs, contracts, and published rates and charges. Accordingly, the transaction will be transparent to consumers. The only change will be that no single shareholder will have ultimate majority ownership of One and the One Subsidiaries.⁴ A diagram showing the corporate structure of One and the One Subsidiaries post-transaction is provided in **Exhibit B**.

Public Interest Considerations

The pro forma transaction will serve the public interest and does not present any anti-competitive issues. The transaction will be entirely transparent to the customers of the One Subsidiaries. Customers of the One Subsidiaries will continue to receive high-quality telecommunications and information services without interruption and without change in their rates, terms or conditions. No actual or potential competitors will be lost as a result of this transaction. The One Subsidiaries – all non-dominant carriers -- will continue to compete with AT&T and Verizon as well as other CLECs in the local and long distance markets.

The Parties submit that no prior Commission approval is required for the Parties to consummate the transaction described herein. Should the Commission believe that any action is required, the Parties respectfully request that the Commission notify the undersigned at its earliest convenience. In the absence of any response from the Commission, the Parties will proceed with their plans to consummate the transaction as contemplated.

⁴ The change in ownership does not raise slamming concerns, and does not otherwise necessitate compliance with the procedures prescribed by the Federal Communications Commission, 47 C.F.R. § 64.1120(e) or by the Commission for notification of customers prior to a carrier-to-carrier sale or transfer of a carrier's subscriber base.

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Enclosed please find four (4) copies, a duplicate copy and a self-addressed, postage-paid envelope. Please date-stamp the duplicate upon request and return it in the envelope provided. Should the Commission have any questions regarding this matter, please do not hesitate to contact Melissa Conway at (202) 342-8552.

Respectfully submitted,

One Communications Corp.
CTC Communications Corp. and
FiberNet, LLC

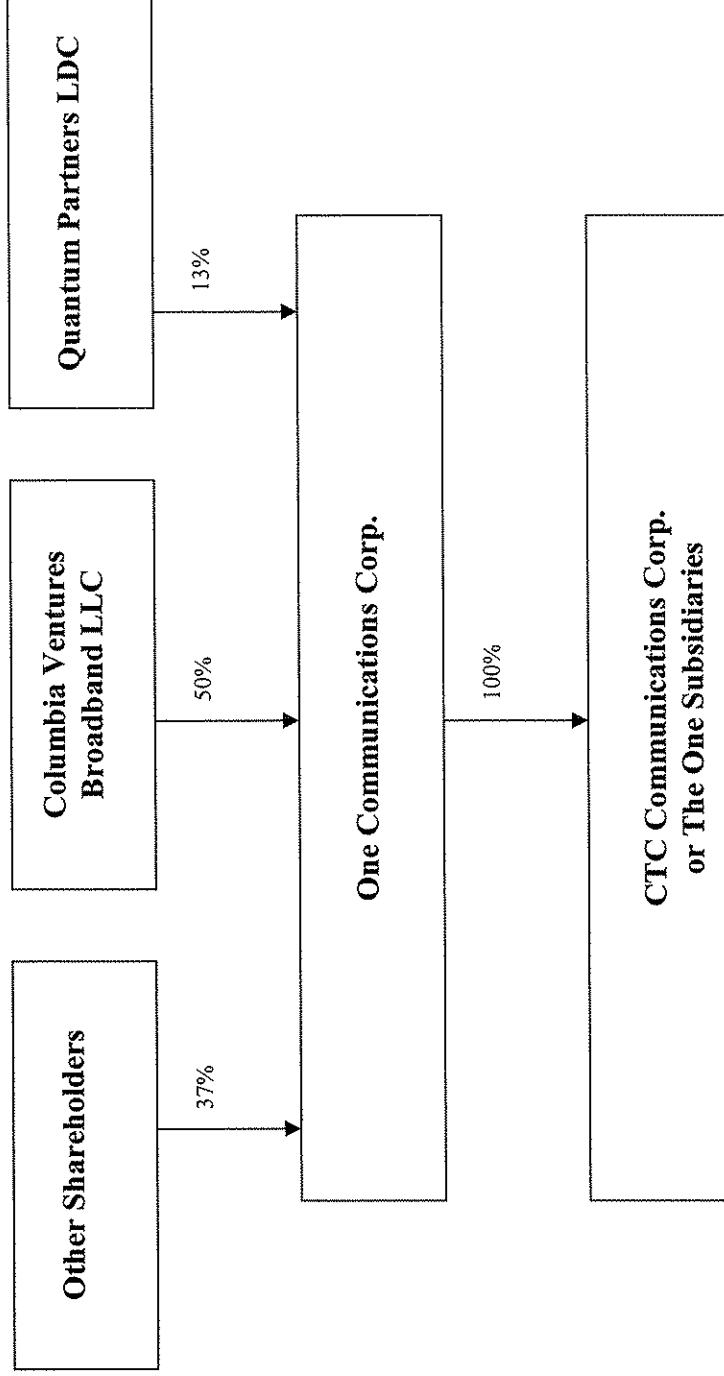
A handwritten signature in black ink that reads "Melissa Conway". The signature is written in a cursive style with a horizontal line underneath the name.

Joan M. Griffin
Melissa Conway
KELLEY DRYE & WARREN LLP
3050 K Street, NW
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Washington, D.C. 20007
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Their Counsel

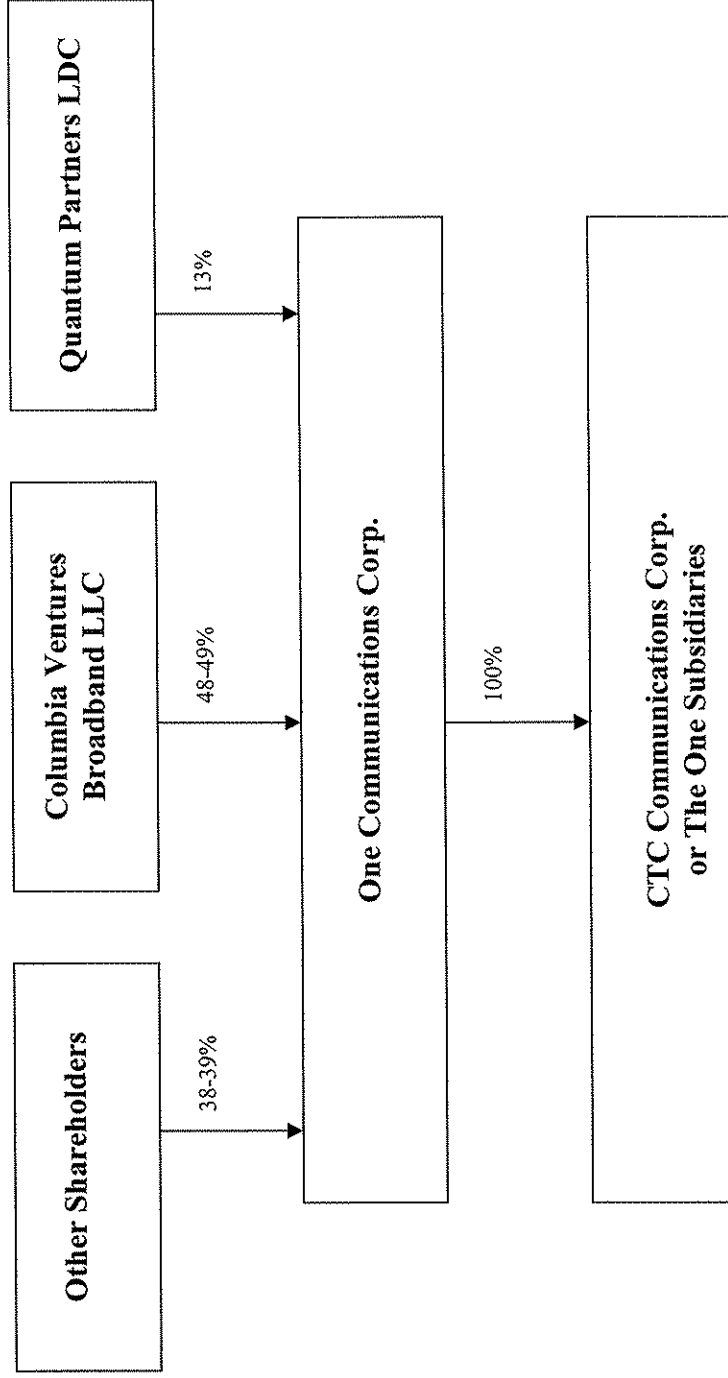
Attachments

CORPORATE STRUCTURE PRE-TRANSACTION



No shareholders other than CVC Broadband and Quantum hold a direct 10% or greater ownership interest in One.

POST-TRANSACTION CORPORATE STRUCTURE

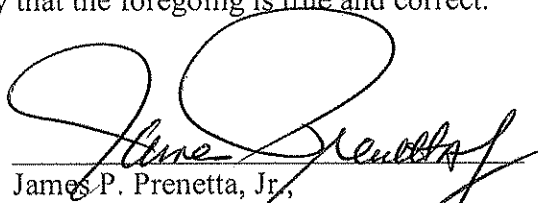


No shareholder other than CVC Broadband and Quantum is expected to hold a direct 10% or greater ownership interest in One post-close.


VERIFICATION

I, James P. Prenetta, Jr., am Executive Vice President, Secretary and General Counsel of One Communications Corp., and am authorized to represent it and its subsidiaries, and to make this verification on their behalf. The statements in the foregoing document relating to One Communications Corp. and its subsidiaries, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

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


James P. Prenetta, Jr.,
Executive Vice President, Secretary and
General Counsel
One Communications Corp.

Subscribed and sworn to before me this 10th day of December 2007.


Notary Public

My Commission expires: November 10, 2011



MARY-JANE SHORTS
Notary Public
Commonwealth of Massachusetts
My Commission Expires
November 10, 2011