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April 19, 2006

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**PUBLIC SERVICE  
COMMISSION**

**VIA OVERNIGHT DELIVERY**

Beth O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Re: Level 3 Communications, LLC, ICG Communications, Inc. and ICG Telecom  
Group, Inc. – **NOTIFICATION OF TRANSACTION**

Dear Ms. O'Donnell:

Level 3 Communications, LLC (“Level 3”), ICG Communications, Inc. (“ICG”), and ICG Telecom Group, Inc. (“ICG Telecom”) (collectively, the “Parties”), hereby notify the Commission of a series of transactions whereby Level 3 will acquire indirect ownership and control of ICG Telecom, a certificated carrier authorized to provide telecommunications services in Kentucky. Specifically, Level 3 proposes to complete certain transactions through which Level 3 will acquire ICG, the ultimate parent of ICG Telecom. As a result, ICG Telecom will become an indirect, wholly owned subsidiary of Level 3.

The Parties understand that no approval of the proposed transactions is required in Kentucky.<sup>1</sup> The Parties nonetheless file this letter as a courtesy to the Commission to ensure the continuing accuracy of the Commission's records.

An original and four (4) copies of this letter are enclosed. Please date stamp and return the enclosed extra copy of this letter in the attached self-addressed, stamped envelope.

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<sup>1</sup> See Administrative Case Nos. 359 and 370.

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## **I. THE PARTIES**

### **A. ICG Communications, Inc. ("ICG") and ICG Telecom Group, Inc. ("ICG Telecom")**

ICG and ICG Telecom are corporations formed under the laws of the States of Delaware and Colorado, respectively. ICG's corporate headquarters are located at 9800 Mt. Pyramid Court, Suite 250, Englewood, Colorado 80112. ICG, through its operating subsidiary ICG Telecom, provides a variety of regulated and unregulated voice and Internet services, including Ethernet and Private Line transport services, dedicated Internet access, PRI and hosted Voice over Internet Protocol. ICG Telecom provides such products to businesses, government agencies and resellers primarily in Colorado and Ohio through the Company's extensive fiber-optic networks located in those states. ICG Telecom is authorized to provide intrastate long distance and local exchange telecommunications services in Kentucky pursuant to authority granted by the Commission in Case No. 94-516 and Case No 96-501, respectively.

### **B. Level 3 Communications, LLC ("Level 3")**

Level 3 is a Delaware limited-liability company headquartered at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, which engages in the provision of domestic and international communications and information services. Level 3 holds authority operate as a competitive long distance reseller and a local exchange reseller of telecommunications services in Kentucky pursuant to tariffs accepted for filing by the Commission on September 15, 1998 (Tariff Filing No. 59-929) and September 18, 1998 (Tariff Filing No. 59-928). Level 3 is an indirect, wholly-owned subsidiary of Level 3 Communications, Inc., a Delaware corporation also headquartered in Broomfield, Colorado, and a global communications and information services company that offers a wide range of communications services over its 23,000 mile broadband fiber optic network, including Internet-protocol-based services, broadband transport, collocation services, and patented Softswitch-based managed modem and voice services. Level 3 Communications, Inc., is a publicly traded company listed on NASDAQ (symbol: LVLT). Level 3's extensive operations and telecommunications experience makes the Company well qualified to acquire control of ICG and, therefore, of ICG Telecom.

## **II. DESCRIPTION OF THE TRANSACTIONS**

The Parties have agreed to complete a series of transactions whereby Level 3 will acquire direct ownership and control of ICG, and therefore will become the indirect owner of ICG Telecom. On April 14, 2006, Level 3 and ICG entered into a Stock Purchase Agreement ("Agreement") pursuant to which Level 3 will acquire all of the stock of ICG. As a result, ICG will become a direct wholly owned subsidiary of Level 3 and ICG Telecom will become an indirect, wholly owned subsidiary of Level 3. An illustrative chart describing the proposed transactions is attached hereto.

Although the proposed transactions will result in a change in the ultimate ownership of ICG Telecom, the transactions will not adversely affect ICG Telecom's operations or any of the customers who receive service in connection with ICG Telecom's on-going operations. Immediately following the consummation of the transactions, those customers will continue to receive service under the same rates, terms and conditions of service and continue to receive service under the ICG brand name. As a new indirect subsidiary of Level 3, ICG Telecom will continue to operate and provide services to its customers and will retain the assets used in the provisions of those services. As a result, the transactions will be virtually transparent to ICG Telecom's customers in terms of the services they receive.

### **III. PUBLIC INTEREST STATEMENT**

The Parties respectfully submit that the proposed transactions serve the public interest. In particular, the Parties submit that the transactions will ensure that ICG Telecom's customers can continue to receive service on an uninterrupted basis, and that the transactions will be seamless in nature and therefore virtually transparent to those customers. The transaction described above will serve the public interest by ensuring the continued viability of ICG's operations. Furthermore, by providing ICG access to Level 3's highly qualified management team and financial, technical and managerial capabilities, the proposed transactions will enable ICG and Level 3 to provide customers an expanded range of services that is expected to enhance competition in the domestic telecommunications market.

At the same time, the proposed changes in ownership of ICG will not inconvenience, confuse or otherwise harm ICG Telecom's customers. Immediately following the proposed transactions, ICG Telecom's customers will continue to receive service under the same rates, terms and conditions of service as those that customers currently receive. As a result, the proposed transactions will not adversely affect ICG Telecom's customers in terms of the services they receive.

### **IV. CONCLUSION**

In light of the foregoing, the Parties respectfully submit that the proposed transactions will serve the public interest. Questions regarding this filing may be addressed to the undersigned.

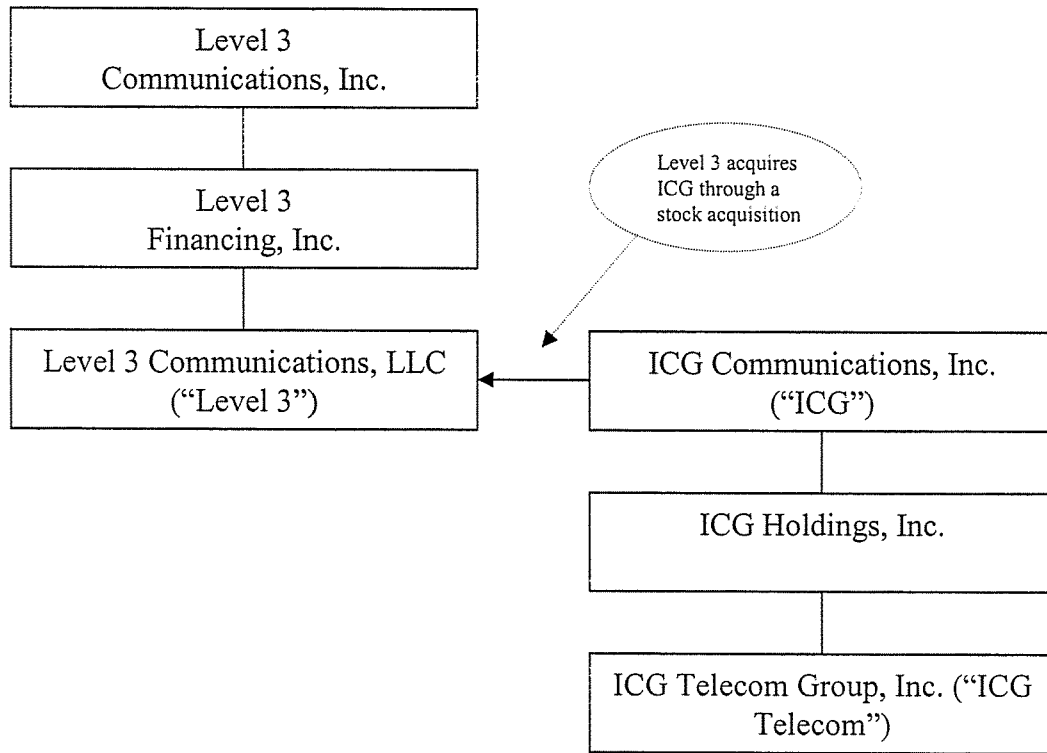
Respectfully submitted,



Edward S. Quill, Jr.  
Michael W. Fleming

# Exhibit: Illustrative Chart

## Pre-Transaction



## Post-Transaction

