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June 24, 2002

Mr. Dale Hardy Roberts Missouri Public Service Commission P.O. Box 360 Jefferson City, MO 65102

RE: TA-2002-

Application of Xspedius Management Co. of Kansas City LLC for Certificate of Service Authority to Provide Interexchange and Non-Switched Local Exchange Telecommunications Services

Dear Mr. Roberts:

Enclosed for filing on behalf of Xspedius Management Co. of Kansas City LLC., please find an original and eight (8) copies of an "APPLICATION FOR SERVICE AUTHORITY AND FOR COMPETITIVE CERTIFICATE OF **CLASSIFICATION."**

Please see that this filing is brought to the attention of the appropriate Commission personnel.

Copies of this filing are being hand-delivered, or sent via postage-prepaid U.S. mail, to the Office of Public Counsel and the Commission's General Counsel's office.

Thank you for your cooperation and assistance in this matter.

Sincerely,

WILLIAM D. STEINMEIER, P.C.

William D. Steinme

Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of

Xspedius Management Co. of Kansas City LLC

For Authority to Provide Intrastate Interexchange and) Non-Switched Local Exchange Telecommunications) Services in the State of Missouri) Case No. TA-2002-____

APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY AND FOR COMPETITIVE CLASSIFICATION

Comes now Xspedius Management Co. of Kansas City, LLC ("Xspedius" or the "Applicant"), by its undersigned attorneys and pursuant to §§ 392.410 and 392.440 *et seq.*, RSMo, and hereby respectfully requests that the Missouri Public Service Commission ("Commission") grant it authority to provide facilities-based and resale intrastate interexchange, and local exchange telecommunications service (namely facilities-based and resale intrastate private line and special access services), throughout the state of Missouri as permitted under the law, and classify its services as competitive. Pursuant TO §392.361 and §392.420, RSMo, the Applicant also seeks a waiver of certain of the Commission's requirements for intrastate interexchange and local exchange telecommunications, Xspedius states as follows:

1. THE APPLICANT

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The Applicant, Xspedius Management Co. of Kansas City, LLC, is a wholly-owned subsidiary Xspedius Management Co., LLC. Applicant a limited liability company formed under the laws of Delaware. The Applicant is currently applying for a Certificate of Authority to do business in Missouri from the Missouri Secretary of State's Office. Pursuant to 4 CSR 240-2.060, the Applicant will late-file with the Commission its Certificate of Authority as Exhibit A. The Applicant's principal offices are located at P.O. Box 1116, O'Fallon, MO 63366-1116. The toll-free number for customer service is: 1-877-962-1900.

II. DESIGNATED CONTACTS

All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case should be addressed to:

William D. Steinmeier
Mary Ann (Garr) Young
William D. Steinmeier, P.C.
2031 Tower Drive
P. O. Box 104595
Jefferson City, Missouri 65110-4595
Telephone: (573) 659-8672
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with a copy to:

Brad Mutschelknaus Enrico C. Soriano Winafred Brantl KELLEY DRYE & WARREN LLP 1200 19th Street, N.W., Fifth Floor Washington, D.C. 20036 (202) 955-9600 (202) 955-9792 (facsimile) bmutschelknaus@kelleydrye.com esoriano@kelleydrye.com WBrantl@kelleydrye.com

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James C. Falvey Senior Vice President – Regulatory Affairs 7125 Columbia Gateway Drive Suite 200 Columbia, MD 21046

Leon Nowalsky Nowalsky, Bronston & Gothard, APPLC 3500 N. Causeway Blvd., Suite 1442 Metairie, LA 70002 Telephone: (504) 832-1984 Fax: (504) 831-0892 Email: BHeggelund@nbglaw.com

The corporate contact for consumer issues or customer complaints is:

Chad Pifer, Esq. Directory of Regulatory & Legal Affairs Xspedius 901 Lakeshore Drive Floor 2 Lake Charles, LA 70601

III. DESCRIPTION OF THE APPLICANT'S NETWORK, SERVICES SOUGHT TO BE PROVIDED, AND AUTHORITY REQUESTED

By this Application, Xspedius seeks authority to operate as an intrastate interexchange carrier providing both facilities-based and resale intrastate interexchange services and provider of facilities-based and resale intrastate private line and special access services. Xspedius seeks Commission authorization to provide these services throughout Missouri. Xspedius will initially provide the following services, which are the same services being provided by American Communications Services of Kansas City, Inc., ("e.spire") to its existing customers.

• 1+ long distance

- Audio conference calling
- Post-paid calling card
- Dedicated toll-free service
- Pre-paid calling card service
- Directory assistance
- Special access
- Private line
- Other miscellaneous services

By separate Joint Application filed simultaneously with the instant application, Xspedius seeks authority of the Commission to transfer virtually all of the assets of American Communications Services of Kansas City, Inc., ("ACSI of Kansas City") and ACSI Local Switched Services, Inc. ("ACSI Local"), collectively known as the "e.spire" Operating Entities. ACSI Local Switched Services, Inc., d/b/a e.spire ("ACSI Local") is a Delaware corporation providing competitive interexchange and local exchange telecommunications services in Missouri pursuant to authority granted by the Missouri Public Service Commission in its Report and Order issued September 23, 1997 in Case No. TA-98-57. American Communication Services of Kansas City, Inc., d/b/a e.spire ("ACSI of Kansas City") is a Maryland corporation providing basic local telecommunications service in Missouri pursuant to authority granted by the Missouri Public Service Commission in its Report and Order issued September 23, 1997 in Case No. TA-98-57. American Communication Services of Kansas City, Inc., d/b/a e.spire ("ACSI of Kansas City") is a Maryland corporation providing basic local telecommunications service in Missouri pursuant to authority granted by the Missouri Public Service Commission in its Report and Order issued March 19, 1997 in Case No. TA-96-455.

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The Applicant has no plans to construct interexchange facilities at this time, but may undertake such deployment in the future if market conditions or other considerations so dictate. The Applicant will, however, use the existing telecommunications facilities of e.spire in Missouri in the event that this Commission approves Xspedius' acquisition of e.spire's assets pursuant to the application for transfer filed simultaneously with this application.

The Applicant intends to offer intrastate interexchange telecommunications services in Missouri in accordance with the terms, conditions, and rates contained in the tariff of American Communications Services of Kansas City, Inc. (e.spire), which Applicant intends to adopt. An affiliated company, Xspedius Management Co. Switched Services, LLC, by separate application, is also applying for authority to provide competitive basic local exchange services in Missouri.

IV. QUALIFICATIONS OF THE APPLICANT

The Applicant has the requisite managerial, technical, and financial qualifications to operate a viable business and provide the services sought to be provided in Missouri.

V. PUBLIC INTEREST

Xspedius submits that the public interest will be served by Commission approval of this application because Xspedius's proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the federal Telecommunications Act of 1996 and Chapter 392 RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri. Approval

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of Xspedius' Application is likewise in the public interest because it will prevent the customers of the e.spire Operating Entities from facing the risk of poor quality of service, interruption or disconnection which might occur as a consequence of e.spire's financial status. Expedited approval of this application will protect the viability of the transaction approved by the Bankruptcy Court on June 5, 2002, ensure a seamless transition from e.spire to Xspedius, and avoid customer confusion or inconvenience. Public interest considerations, therefore, compel that Xspedius' Application be granted.

VI. REGULATORY TREATMENT AND WAIVERS

As a new interexchange entrant, Xspedius requests streamlined regulatory treatment afforded similarly situated telecommunications carriers in Missouri. Likewise, to the extent the Commission has granted other interexchange carriers a waiver of certain of the Commission's rules and regulations, Xspedius respectfully requests that it be granted the same waivers.

Consistent with the Commission's treatment of other certificated telecommunications companies, Xspedius respectfully requests that, pursuant to §392.361.5 and §392.420, RSMo, the following statutes and regulations be waived with respect to its interexchange, local exchange and special access service offerings:

STATUTES

§ 392.210.2	 Uniform System of Accounts
§ 392.240(1)	 Just and Reasonable Rates
§ 392.270	 Ascertain Property Value
§ 392.280	 Depreciation Accounts
§ 392.290	 Issuance of Securities
§ 392.300.2	 Acquisition of Stock
§ 392.310	 Issuance of Stock and Debt
§ 392.320	 Stock Dividend Payment
§ 392.330	 Issuance of Securities, Debts and Notes
§ 392.340	 Reorganization

<u>RULES</u>

4 CSR 240-10.020	Depreciation Fund Income
4 CSR 240-30.010(2)(C)	 Posting of Rate Schedules at
	Central Office
4 CSR 240-30.040	Uniform System of Accounts
4 CSR 240-33.030	Inform Customers of Lowest Price
4 CSR 240-35	Bypass Reports

Xspedius will comply fully with all applicable Commission rules except those that are specifically waived by the Commission pursuant to the Company's request herein. To the extent that the Commission may modify its waiver policies, Xspedius respectfully reserves the right to amend its waiver requests accordingly.

Xspedius has no pending or final judgments or decisions against it or its affiliates from any state or federal agency or court that involve customer services or rates. No annual report or assessment fees are overdue.

VII. CLASSIFICATION

Xspedius requests classification as a competitive telecommunications company within the State of Missouri. The Company believes that the highly developed state of the local exchange and interexchange telecommunications services market in Missouri and nationwide ensures that its proposed services will be subject to sufficient competition to warrant a less rigorous degree of regulation.

VIII. <u>CONCLUSION</u>

Xspedius seeks authorization to provide intrastate interexchange telecommunications services and non-switched local exchange (private line) and special access services in Missouri. Xspedius possesses the requisite managerial, technical, and financial qualifications to operate a telecommunications business in Missouri, as shown in this Application. Moreover, public interest considerations demonstrate that a grant of authority to Xspedius will serve the public interest.

WHEREFORE, Xspedius respectfully requests that the Commission grant the instant Application.

Respectfully submitted,

 William D. Steinmeier
 Mo. Bar #25689

 Mary Ann (Garr) Young
 Mo. Bar # 27951

 WILLIAM D. STEINMEIER, P.C.
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Brad Mutschelknaus D.C. Bar #332262 Enrico C. Soriano D.C. Bar #451810 Winafred Brantl VA Bar #46683 KELLEY DRYE & WARREN LLP 1200 19th Street, N.W., Fifth Floor Washington, D.C. 20036 (202) 955-9600 (202) 955-9792 (facsimile) bmutschelknaus@kelleydrye.com esoriano@kelleydrye.com WBrantl@kelleydrye.com

COUNSEL FOR XSPEDIUS MANAGEMENT CO. OF KANSAS CITY, LLC

Dated: June 24, 2002

Certificate of Service

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid, to the Office of the General Counsel of the Missouri Public Service Commission, and to the Office of Public Counsel, on this 24th day of June 2002.

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William D. Steinmeier

<u>EXHIBIT A</u>

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Secretary of State Certificate

To be late-filed

Verifications

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tarish <u>County</u> of Calcasicu State of Louisiana

VERIFICATION OF MARK W. SENDA

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I, Mark W. Senda, being duly swom upon oath, do hereby depose and state as follows: 1. My name is Mark W. Senda. I am employed by Xspedius Management Co., LLC ("Xspedius") as Chief Executive Officer. My business address is Xspedius Management Co., LLC, P.O. Box 1116, O'Fallon, MO 63366-1116. I am authorized by Xspedius to make this Verification on its behalf.

2. I declare that I have read the foregoing document and that the facts and any matters stated therein are true to the best of my knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.

SUBSCRIBED AND SWORN TO BEFORE ME this 14th day of June, 2002.

County of HOWARD

State of MARYLAND

VERIFICATION OF JAMES C. FALVEY

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I, James C. Falvey, being duly sworn upon oath, do hereby depose and state as follows:
My name is James C. Falvey. I am employed by e.spire Communications, Inc.
("e.spire") as Senior Vice President – Regulatory Affairs. My business address is e.spire
Communications, Inc., 7125 Gateway Drive, Suite 200, Columbia, MD 21046. I am authorized by e.spire to make this Verification on its behalf.

2. I declare that I have read the foregoing document and that the facts and any matters stated therein are true to the best of my knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.

James

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____, 2002.

Notary Pu

