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UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK

<hr/>		X
In re	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-_____ ()
	:	
Debtors.	:	Jointly Administered
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**MOTION OF THE DEBTORS PURSUANT TO
 SECTIONS 105(a) AND 366 OF THE BANKRUPTCY CODE
 FOR ORDER DEEMING UTILITIES ADEQUATELY ASSURED OF
 FUTURE PERFORMANCE AND ESTABLISHING PROCEDURES FOR
DETERMINING REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCE**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, “Allegiance” or the “Debtors”), respectfully represent:

Introduction

1. On the date hereof (the “Commencement Date”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. Simultaneously with the filing of their petitions and this Motion,

the Debtors requested an order for joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

Jurisdiction

2. This Court has subject matter jurisdiction to consider and determine this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

An Overview of Allegiance’s Business

3. Allegiance is a facilities-based national local exchange carrier that provides integrated telecommunications products and services to small and medium-sized business customers, large businesses (*i.e.*, national customers with multiple locations), governmental entities, wholesale customers and other institutional users. Allegiance offers its customers a variety of services, including:

- local and long distance voice services, including basic telephone services and advanced calling features;
- broadband and other Internet and data services, including high-speed Internet access, wide area network interconnection, domain name registration, web hosting, email and colocation services;
- integrated local long distance/Internet access offerings, which provide customers with integrated voice and Internet access over a single broadband line;
- wholesale services to other regional and national service providers, including equipment colocation, managed modem ports and Internet protocol traffic aggregation; and
- customer premise equipment sales and maintenance services.

4. Allegiance serves more than 100,000 business customers in 36 markets. Allegiance employs approximately 3,560 people, of which approximately 97 employees are covered by collective bargaining agreements.

5. As of the Commencement Date, the Debtors have approximately \$245 million of cash. As of December 31, 2002, the Debtors' consolidated books and records reflected assets totaling approximately \$1.441 billion and liabilities totaling approximately \$1.397 billion. For the three months ending December 31, 2002, the Debtors, on a consolidated basis, reported revenues of approximately \$204.91 million, EBITDA (i.e., earnings before interest, taxes, depreciation, amortization, non-cash deferred compensation expense and non-cash goodwill impairment charges) of approximately negative \$34 million and net losses of approximately \$120 million.

**Allegiance is Critical to Promoting Sustainable
Competition in the Local Telecommunication Marketplace**

The Telecommunications Act of 1996

6. In February of 1996, Congress enacted the Telecommunications Act of 1996 (the "Telecom Act"), with the stated purpose of:

promot[ing] competition and reduc[ing] regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

H.R. REP No. 104-204(I), 104th Cong. 1st Sess. 1995 (July 24, 1995), reprinted in 1996 U.S.C.C.A.N. 10, **10. In that regard, the Telecom Act required Incumbent Local Exchange Carriers, including the Regional Bell Operating Companies ("ILECs") – i.e., existing telecommunications monopolies – to allow newly created Competitive Local Exchange Carriers ("CLECs") to (a) interconnect with the ILECs, (b) access portions of the ILEC network and (c) collocate their equipment in ILEC facilities all at forward-looking cost based rates. In addition, CLECs were permitted to purchase ILEC services at wholesale prices and resell them to customers at retail prices.

7. The enactment of the Telecom Act spurred entrepreneurs to start hundreds of new businesses to compete in the local telecommunications marketplace. During the late 1990s, investors recognized the growth opportunity inherent in the opening of a competitive local telecommunications marketplace and invested billions of dollars in equity and debt capital into a multitude of telecommunications companies primed to provide competing services to American consumers.

8. Funded with significant amounts of investment capital, two types of CLECs emerged. The first type of CLECs were “resellers”. Specifically, “reseller” CLECs purchased telecommunications services from ILECs at a discount and resold the services to customers at a higher price. Thus, these CLECs simply offered consumers the same services supplied by ILECs - generally at lower prices. To be successful with this low margin business model, “reseller” CLECs invested their capital in sales and marketing efforts designed to acquire a substantial customer-base and attendant market-share in a relatively short period of time and ahead of their many competitors. However, because resellers were providing the identical services as the ILECs (with no differentiation) and were attempting to build a large market share in a highly competitive market, this business model was flawed and many in the telecommunications industry believe that the “resale” business will fail.

9. The second type of CLECs were “facilities-based” CLECs. These CLECs invested significant sums of money to build their own proprietary infrastructure and network in order to effectively compete with the ILECs. Specifically, facilities-based CLECs combined elements of an ILEC’s network with their own to provide consumers with true differentiated services. As Michael Powell stated in his partial dissent to the FCC’s 2003 Triennial Review:

Facilities -based competition means a competitor can offer real differentiated service to consumers Facilities-based competitors own

more of their own network and control more of their costs, thereby offering consumers real potential for lower prices. Facilities-based competitors offer greater rewards for the economy – buying more equipment from other suppliers . . . and creating more jobs. . . . And, facilities providers create vital redundant networks that can serve own nation if other facilities are damaged by those hostile to our way of life.

F.C.C., 2003 Triennial Review - Open Meeting, Separate Statement of Chairman Michael R.

Powell, dissenting in part (February 20, 2003) (transcript available at

www.fcc.gov/web/cpd/triennial_review/). Allegiance is such a facilities-based CLEC with a nationwide network and a facility-based business strategy.

The Allegiance Nationwide Network – Servicing 36 Metropolitan Areas

10. In 1997, a management team of industry veterans launched Allegiance and focused on building a reliable nationwide network based on proven technologies, a nationwide direct sales force primarily focused on the small to medium sized business enterprise and information processing systems to support its operations. Allegiance was one of the first major local exchange carriers to open markets utilizing the “smart build” strategy. This strategy allowed a more rapid ramp-up in operations than the traditional competitive local exchange model in which extensive networks were built, including fiber networks, prior to the generation of significant revenues. In contrast, Allegiance’s initial network build-out simply required (a) deploying digital switching platforms with local and long distance capability and (b) leasing transport facilities from the incumbent local exchange carriers and other competitive local exchange carriers to connect its switches with its transmission equipment colocated in the incumbent local exchange carrier’s central offices. Once traffic volume justified further “success-based” investment, Allegiance leased dark fiber or built specific network segments. This strategy offered two major economic benefits. First, it enabled Allegiance to enter new markets with alacrity and reduce up-front capital requirements for entering individual markets

prior to revenue generation. Second, in contrast to the traditional competitive local exchange carriers that generally built their networks in highly concentrated downtown areas due to the high cost of constructing fiber networks, Allegiance's business model enabled it to provide services to customers in downtown areas as well as the more geographically dispersed, less competitive areas of its targeted markets.

11. Allegiance's initial business plan proposed entering into 24 of the largest metropolitan areas in the United States. Subsequently, management expanded its business plan to (a) increase the total number of target markets to 36, (b) increase its service area, i.e., its colocation "footprint" in its original 24 markets, and (c) acquire long-term rights to use dark fiber rings to replace network elements leased by the Debtors from the incumbent local exchange carriers.

12. In addition to internal growth, Allegiance's business plan included growth through strategic acquisitions. For example, in December 2001, Allegiance acquired certain assets of Intermedia Business Internet (the "Intermedia Acquisition"). The Intermedia Acquisition enabled Allegiance to (a) become a Tier 1 Internet access provider, (b) provide large quantities of data transmitted at high-speeds over the Internet to and from a customer's premises, (c) efficiently exchange traffic with other Internet backbone providers giving Allegiance greater control over its Internet access, and (d) leverage its local service presence to provide additional services to its target market. In June 2003, Allegiance acquired certain assets of Shared Technologies (the "Shared Technologies Acquisition"). The Shared Technologies Acquisition (a) added customer premises equipment sales, installation and maintenance to Allegiance's portfolio of integrated products and services, (b) strategically enhanced Allegiance's target market of small to medium size business enterprises, and (c) allowed Allegiance to provide a complete communications solution to business customers.

13. As of the date hereof, Allegiance provides its telecommunications services in major metropolitan areas across the United States, including the following 36 markets: Atlanta, Austin, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Fort Lauderdale, Fort Worth, Houston, Long Island, Los Angeles, Miami, Minneapolis/St. Paul, New York City, Northern New Jersey, Oakland, Ontario/Riverside, CA, Orange County, Philadelphia, Phoenix, Pittsburgh, Portland, Sacramento, St. Louis, San Antonio, San Diego, San Francisco, San Jose, Seattle, Tampa, Washington, D.C., West Palm Beach/Boca Raton and White Plains. Allegiance is colocated in 849 central offices and has a Tier 1 Internet backbone.

The FCC Recognizes the Importance of Allegiance

14. Federal policy recognizes the importance of facilities-based CLECs and Allegiance is the model. In that regard, the Federal Communications Commission (the “FCC”) recently published its latest rules for local competition in the *FCC Triennial Review*. In reviewing these rules, a Kaufman Bros. Equity Research Report, dated March 4, 2003, stated that “*Allegiance is the blueprint for local competition proposed by the FCC.*” In addition, Kevin J. Martin, Commissioner of the FCC has noted:

Allegiance has focused on building a business that adheres to the letter of the Telecom Act while leveraging the entrepreneurial spirit of the law, as well. Today, Allegiance stands as a model of what Congress intended in 1996, and what we hope to achieve in the years ahead – new entrants that have the opportunity to continue to invest in infrastructure, bring innovation and offer new service offerings to consumers in local markets that are open to fair and robust competition.

Kevin J. Martin, Commissioner, F.C.C., Address to the Telecommunications Law Conference and the Texas Chapter of the Federal Communications Bar Association (March 7, 2002) (transcript available at www.fcc.gov/Speeches/Martin/2002/spkjm203.html).

15. Thus, it is clear that Allegiance, by focusing on an intelligent – well thought out business model – building its own network and offering its consumers innovative

services, is an integral player in the telecommunications marketplace and a model for the nation's policy of promoting sustainable facilities-based competition in the local telecommunications arena. With an appropriate capital structure and a reduction in unnecessary costs, Allegiance believes it will be one of the most successful telecommunications companies in the United States.

Capital Structure of the Debtors

Capital Stock

16. Allegiance Telecom, Inc. has two classes of authorized stock: (a) 750,000,000 shares of common stock, with par value of \$0.01 per share and (b) 1,000,000 shares of preferred stock, with par value of \$0.01 per share. As of December 31, 2002, Allegiance Telecom, Inc. had (i) 124,830,110 shares of common stock issued and outstanding, with 295 registered holders and at least 20,000 beneficial owners, and (ii) no shares of preferred stock outstanding. Allegiance Telecom, Inc.'s common stock is publicly traded on the Nasdaq National Market under the symbol "ALGX."

17. Allegiance Telecom, Inc. owns 100% of the capital stock of Allegiance Telecom Company Worldwide ("ATCW"), and ATCW directly or indirectly owns 100% of the capital stock of each of the other Debtors.

Prepetition Notes

18. In 1998, Allegiance Telecom, Inc. issued two series of notes: (i) 11 3/4% Senior Discount Notes with a face value of \$445 million, due on February 15, 2008 (the "Senior Discount Notes") and (ii) 12 7/8% Senior Notes with a face value of \$205 million, due on May 15, 2008 (the "Senior Notes"). The Senior Discount Notes were issued under that certain Indenture, dated as of February 3, 1998, between Allegiance Telecom, Inc. and The Bank of New York, as Indenture Trustee. The Senior Notes were issued under that certain Indenture,

dated as of July 7, 1998, between Allegiance Telecom, Inc. and The Bank of New York, as Indenture Trustee. Neither the Senior Discount Notes nor the Senior Notes are secured by any assets of the Debtors or guaranteed by any of the Debtors.

Prepetition Credit Agreement

19. Prior to the Commencement Date, ATCW entered into that certain Credit and Guaranty Agreement, dated as of February 15, 2000, as amended as of November 27, 2002 (the “Prepetition Credit Agreement”), among ATCW, as borrower; all of the other Debtors, as guarantors; Goldman Sachs Credit Partners L.P. (“Goldman Sachs”), as syndication agent and sole lead arranger; General Electric Capital Corporation (“GECC”) (as successor to Toronto Dominion (Texas), Inc.), as administrative agent, BankBoston, N.A. (“BankBoston”) and Morgan Stanley Senior Funding, Inc. (“Morgan Stanley”), as co-documentation agents; Goldman Sachs, GECC, BankBoston, Morgan Stanley, certain managing agents, and lenders party thereto from time to time (collectively, the “Prepetition Lenders”). As of the Commencement Date, the amount outstanding under the Prepetition Credit Agreement was approximately \$465.3 million. The Debtors have pledged substantially all of their assets as collateral under the Prepetition Credit Agreement, including (a) the capital stock of ATCW and (b) substantially all of the assets of ATCW and its direct and indirect subsidiaries, including the capital stock owned by ATCW in each of its Debtor subsidiaries. As of the Commencement Date, there were 27 Prepetition Lenders under the Prepetition Credit Agreement.

Events Leading to Chapter 11 Filing

20. The distressed economic environment in the United States that followed the economic boom of the late 1990s has had a global and adverse impact on the telecommunications industry. In the late 1990s, in an effort to finance operations and build their networks, telecommunications companies borrowed significant amounts of money from lenders

and the public through the issuance of debt. The resulting significant indebtedness incurred by telecommunications companies, combined with poor economic conditions required many companies, including the Debtors, to focus on reducing their debt either through out of court restructurings or the chapter 11 process.

21. Many of Debtors' existing and potential customers have experienced their own financial difficulties, thereby decreasing customer demand for existing and new services. The financial difficulties of the Debtors' customers has led to non-payment, partial payment, or slow payment of bills for services provided by the Debtors. The financial instability of other companies in the telecommunications industry has adversely affected the willingness of potential customers to move their telecommunications services to the Debtors. In addition, certain of the Debtors' suppliers have requested deposits, letters of credit, or other types of security. Moreover, telecommunications carriers that owe reciprocal, access charge and/or other intercarrier compensation to the Debtors have either refused to pay or failed to pay in a timely manner for the services provided by the Debtors.

22. As a consequence of the foregoing, the Debtors' business operations were adversely impacted and, due to revenue trends and continuing negative EBITDA, the Debtors determined that their current level of indebtedness needed to be significantly reduced. Thus, in order to maximize the long-term wealth generating capacity of their business operations, the Debtors, among other things, (a) established a special restructuring committee of the Board of Directors of Allegiance Telecom, Inc., (b) retained restructuring advisors, and (c) commenced extensive negotiations with their senior lenders and bondholders, as detailed below.

Negotiations with the Prepetition Lenders and the Ad Hoc Committee of Bondholders

23. The Debtors, in the exercise of their sound business judgment - and in recognition of the distressed economic environment and the need for the Debtors' businesses to

focus on profitability instead of high revenue growth - determined that a meaningful de-leveraging of their capital structure was crucial for the preservation and maximization of the value of their businesses. In that regard, the Debtors, in conjunction with their financial advisors and the Board of Directors of Allegiance Telecom, Inc., commenced the process of determining the appropriate capital structure for their business operations. After determining the appropriate capital structure, the Debtors commenced negotiations with the Prepetition Lenders and the Ad Hoc Committee (as defined below) to effectuate a restructuring transaction.

24. In October of 2002, Allegiance began negotiations with its Prepetition Lenders regarding a potential restructuring of its long-term debt. On November 27, 2003, Allegiance and its Prepetition Lenders entered into that certain First Amendment to the Prepetition Credit Agreement (the "Amendment"). Pursuant to the Amendment, the Debtors obtained a moratorium on their financial covenants through April 30, 2003. In exchange for the Amendment, Allegiance agreed, among other things, (a) that an event of default would occur on April 30, 2003 unless it reduced its long term debt to a level not to exceed \$645 million, and (b) to repay \$15 million to the Prepetition Lenders on account of debt owed under the Prepetition Credit Agreement. During the latter part of 2002 and to meet covenants under the Amendment, the Debtors significantly lowered their capital expenditures, reduced headcount, substantially decreased growth, eliminated less profitable products and services, and continued to optimize their existing network assets.

25. After entering into the Amendment, the Debtors commenced negotiations with the Prepetition Lenders to consummate a permanent restructuring. In connection with the negotiations regarding the permanent restructuring, the Debtors commenced negotiations with an

ad hoc committee of noteholders, which is comprised of certain holders of the Senior Notes and the Senior Discount Notes (the “Ad Hoc Committee”).

26. The Debtors, the Prepetition Lenders and the Ad Hoc Committee were not able to reach an agreement concerning the permanent restructuring prior to the April 30 deadline. On April 29, 2003, in order to avoid the occurrence of certain events of default under the Prepetition Credit Agreement, the Debtors and the Prepetition Lenders entered into a forbearance agreement (the “Forbearance Agreement”), which expires on May 15, 2003. The Forbearance Agreement provided for, among other things, a pay down of \$5 million of principal owed under the Prepetition Credit Agreement.

27. After entering into the Forbearance Agreement, the Debtors continued their negotiations with the Prepetition Lenders and the Ad Hoc Committee. However, the parties were unable to reach an agreement prior to the expiration of the term of the Forbearance Agreement. Consequently, the Debtors, in the exercise of their prudent business judgment, determined that it was in the best interests of all of their stakeholders and for the maximization of the value of their businesses to commence these chapter 11 cases and consummate a restructuring of their indebtedness under the auspices of this Court.

The Utility Companies

28. In connection with the operation of their businesses and management of their properties, the Debtors obtain electricity, telephone, telecommunications and similar utility services (collectively, the “Utility Services”) from numerous different utility companies and telecommunications vendors throughout the United States (the “Utility Companies”). Annexed hereto as Exhibit “A” is a list of substantially all of the Utility Companies providing Utility Services to the Debtors as of the Commencement Date. Neither the omission from nor inclusion of a party in Exhibit “A” is dispositive as to whether a particular party is or is not a Utility

Company, but simply represents the Debtors' current belief as to the status of such party. The relief requested herein is requested with respect to all Utility Companies providing Utility Services and is not limited to those identified on Exhibit "A."

29. The Debtors have a timely payment history with the Utility Companies, and, in accordance with the telecommunications industry standards, the Debtors generally pay their undisputed Utility Company bills within their required due dates. To the best of the Debtors' knowledge, there are no defaults or arrearages with respect to the Debtors' undisputed Utility Services invoices, except for potential payment interruptions that may be caused by the commencement of the Debtors' chapter 11 cases and those relating to disputes with Utility Companies arising out of their reciprocal, access charge and/or other intercarrier compensation payments to the Debtors.

30. The Telecommunications Act of 1996 mandates that Incumbent Local Exchange Carriers ("ILECs") must interconnect with, and grant, certain telecommunications companies, which are referred to as Competitive Local Exchange Carriers ("CLECs"), access to their networks to enable such companies to compete with the ILECs in the local exchange markets. Such interconnection and access is granted via interconnection agreements entered into among CLECs, such as Debtors, and ILECs. Such interconnection agreements are filed with and approved by state regulatory agencies. The Federal Communications Commission (the "FCC") and the applicable state agencies that regulate public utilities have established rules and regulations that also govern the terms, conditions, and prices required to be made available in an interconnection agreement. In addition, ILECs and CLECs provide other telecommunications services pursuant to tariffs filed with the FCC and state regulatory agencies.

31. Each interconnection agreement or tariff establishes the terms, conditions and pricing under which an ILEC will (a) provide access to portions of its network which the Debtors may resell to its customer and/or use in its own network and (b) provide access to its network to enable the Debtors to exchange traffic with an ILEC. The portions of the network used by the Debtors may be in the form of network elements (such as the loop to the customer location, transport facilities, switching, etc.) or in the form of resale of an entire telecommunications service. The Telecommunications Act of 1996, FCC and state regulatory agency regulations and orders govern the nature, extent and prices for the use of the portions of the ILEC's network. When the parties interconnect their networks to exchange traffic, to the extent that a party's customer originates a call that is brought to its destination by the other party, the party whose network that is used to complete the call bills the originating party. This two-way billing is referred to as reciprocal, access charge and/or other intercarrier compensation, depending upon whether the calls are local or toll calls. With respect to the Debtors, reciprocal, access charge and/or other intercarrier compensation represents a substantial source of revenue for the estate.

32. There are also interconnection agreements or tariffs between CLECs for the provision of telecommunications services among the parties to such agreements and tariffs. Similar to the ILEC-CLEC interconnection agreements, the CLEC-CLEC interconnection agreements and tariffs establish the terms, conditions, and pricing under which CLECs will provide access to their networks to enable other CLECs to deliver and receive voice and data traffic.

33. The amounts paid to ILECs and CLECs pursuant to the interconnection agreements and tariffs represents the most significant portion of the Debtors monthly obligations

for Utility Services. A portion of the Debtors' obligations to the ILECs and other CLECs, however, is offset by the concomitant obligations of ILECs and CLECs to the Debtors under such interconnection agreements and tariffs.

Relief Requested

34. By this Motion, the Debtors seek entry of an order (a) prohibiting the Utility Companies from altering, refusing, or discontinuing Utility Services, or discriminating against the Debtors, including any Utility Companies that sent a notice of disconnection to the Debtors prior to the Commencement Date, (b) until further order of this Court or a postpetition agreement between any Utility Company and Debtors, deeming the Utility Companies adequately assured of future payment within the meaning of section 366 of the Bankruptcy Code by their entitlement to an administrative expense claim and (c) establishing a procedure for determining requests by Utility Companies for additional assurances of future payment beyond those set forth in this Motion.

Cause Exists to Prohibit the Utility Companies from Interrupting Service and Deeming Utility Companies Adequately Assured of Future Payment

35. Section 366 of the Bankruptcy Code provides as follows:

(a) Except as provided in subsection (b) of this section, a utility may not alter, refuse, or discontinue service to, or discriminate against, the trustee or the debtor solely on the basis of the commencement of a case under this title or that a debt owed by the debtor to such utility for service rendered before the order for relief was not paid when due.

(b) Such utility may alter, refuse, or discontinue service if neither the trustee nor the debtor, within 20 days after the date of the order for relief, furnishes adequate assurance of payment, in the form of a deposit or other security, for service after such date. On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.

11 U.S.C. § 366.¹ Accordingly, following the 20-day period after the Commencement Date, section 366 of the Bankruptcy Code contemplates that the Utility Companies may discontinue service to the Debtors if the Debtors do not provide adequate assurance of payment of their postpetition obligations. Any interruption of Utility Services in these chapter 11 cases would shut down the Debtors' business operations, interrupt critical services to the Debtors' customers and irreparably harm the Debtors' estates.

36. Pursuant to section 366(b) of the Bankruptcy Code, this Court may determine the standards for adequate assurance of future payments for the Utility Services. Determinations of adequate assurance under section 366 of the Bankruptcy Code are fully within the Court's discretion. See Virginia Elec. & Power Co. v. Caldor, Inc., 117 F.3d 646, 650 (2d Cir. 1997); In re Adelpia Bus. Solutions, Inc., 280 B.R. 63, 81 (Bankr. S.D.N.Y. 2002); see also In re Begley, 41 B.R. 402, 405-406 (E.D. Pa. 1984), aff'd, 760 F.2d 46 (3d Cir. 1985) (“[S]ection 366(b) vests in the bankruptcy court the exclusive responsibility for determining the appropriate security which a debtor must provide to his utilities to preclude termination of service for non-payment of pre-petition utilities bills”).

37. “Adequate assurance” under section 366 of the Bankruptcy Code is not synonymous with “adequate protection.” In determining what constitutes adequate assurance, the Court is not required to give the utilities the equivalent of a guaranty of payment, but must

¹ Section 366 of the Bankruptcy Code applies to entities that are traditionally viewed as utilities, such as those that provide electricity, telephone service, or water, and to any entity that supplies services that cannot be readily obtained or replaced elsewhere, or to any entity that constitutes a monopoly with respect to the services that it provides to the debtor. See, e.g., In re One Stop Realtour Place, Inc., 268 B.R. 430 (Bankr. E.D. Pa. 2001) (provider of telephone service is a utility regardless of whether telephone service may be available from another provider); In re Coastal Dry Dock & Repair Corp., 62 B.R. 879, 883 (Bankr. E.D.N.Y. 1986) (landlord of the Brooklyn Navy Yard “occupies ‘a special position with respect to the debtor’ in its role as the [debtor’s] utility supplier”). To the extent some of the Utility Companies listed on Exhibit “A” provide goods or services to the Debtors in a capacity other than that of a utility, with respect to any such goods or services, such Utility Companies are not entitled to adequate assurance under section 366 of the Bankruptcy Code.

only determine that the utility is not subject to an unreasonable risk of nonpayment for postpetition services. See Adelphia, 280 B.R. at 80; In re Caldor, Inc.-NY, 199 B.R. 1, 3 (S.D.N.Y. 1996); Massachusetts Elec. Co. v. Keydata Corp. (In re Keydata Corp.), 12 B.R. 156, 158 (1st Cir. B.A.P. 1981). Whether a utility is subject to an unreasonable risk of nonpayment must be determined by examining the totality of the circumstances and making “a particularized inquiry into the postpetition economics of a debtor’s chapter 11 case.” See Adelphia, 280 B.R. at 82-83. Further, in making a determination as to the need for any additional postpetition deposits, the court should ensure that the utility is treating the debtor the same as it would treat a similarly situated, non-bankruptcy debtor. See In re Whitaker, 84 B.R. 934, 942 (Bankr. E.D. Pa. 1988), aff’d, 92 B.R. 110 (E.D. Pa. 1988), aff’d, 882 F.2d 791 (3d Cir. 1989). Moreover, courts have recognized that requiring a debtor to allocate valuable liquidity for a deposit to provide further adequate assurance effectively can “prejudice the unsecured creditor body for the benefit of a single one.” In re Magnesium Corp. of America, 278 B.R. 698, 713-714 (Bankr. S.D.N.Y. 2002).

38. The United States Court of Appeals for the Second Circuit has held that where, as here, debtors have generally timely paid their undisputed utility bills prior to the commencement of their chapter 11 cases (except as may result from the Utility Companies’ failure to pay undisputed reciprocal, access charge and/or other intercarrier compensation due to the Debtors), the administrative expense priority provided in sections 503(b) and 507(a)(1) of the Bankruptcy Code constitutes adequate assurance of payment, and no deposit or other security is required. See Virginia Elec. & Power Co. v. Caldor, Inc., 117 F.3d 646 (2d Cir. 1997); see also In re Demp, 22 B.R. 331, 332 (Bankr. E.D. Pa. 1982); In re Shirley, 25 B.R. 247, 249 (Bankr. E.D. Pa. 1982) (“[S]ection 366(b) of the [Bankruptcy] Code does not permit a utility to request

adequate assurance of payment for continued services unless there has been a default by the debtor on a pre-petition debt owed for services rendered.”).

39. Utility Services are vital to any telecommunications company’s ability to operate its business, and the Debtors’ business in particular. The Debtors have operations in thirty-six major metropolitan areas in the United States and provide critical local and long distance voice, data and Internet communications services to their customers. In addition, the Debtors’ ability to provide services to their customers is dependent upon the provision of the Utility Services by the Utility Companies.

40. If the Utility Companies are permitted to terminate Utility Services on the 21st day after the Commencement Date, the Debtors would be forced to cease operations, resulting in a substantial loss of revenues and assets of the Debtors’ estates and effectively undermining the Debtors’ reorganization efforts. In addition, any termination of service would cause significant harm to the Debtors’ customers and the public switched telephone network. Accordingly, an interruption of the Utility Services in these chapter 11 cases would severely disrupt the Debtors’ business operations, resulting in irreparable harm to the Debtors’ restructuring efforts. It is therefore critical, for the Debtors and their customers, that Utility Services continue uninterrupted. In that regard, as set forth below, the Debtors seek entry of an order establishing procedures for determining that the Debtors have provided the Utility Companies with adequate assurance of payment as required by section 366 of the Bankruptcy Code.

41. The Debtors represent that to the extent the Utility Companies remain current on their obligations to the Debtors, including, but not limited to, paying the reciprocal, access charge and/or other intercarrier compensation owed to the Debtors by such Utility

Companies, the Debtors will continue to pay all undisputed postpetition obligations for the Utility Services in accordance with the parties' prepetition practices. The Debtors estimate that the average monthly cost of their Utility Services is approximately \$30 million. As stated above, the Debtors have a good payment history with the Utility Companies, except to certain carriers who have not paid reciprocal, access charge and/or other intercarrier compensation to the Debtors. Moreover, contemporaneously herewith, the Debtors are seeking approval of their use of cash collateral during these chapter 11 cases, which use would include making payments to the Utility Companies for the Utility Services. If the Debtors' request for use of cash collateral is approved, the Debtors will have ample cash resources to adequately assure the Utility Companies of timely future payment.

42. In addition, the Debtors propose to provide adequate assurance of payment in the form of granting administrative expense priority to any postpetition utility obligations pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code for Utility Services rendered to the Debtors by the Utility Companies following the Commencement Date. The Debtors propose that the foregoing method of providing adequate assurance be without prejudice to the rights of any Utility Company to seek additional assurance for itself and that any burden of proof shall remain unaffected by the Court's approval of the methods proposed herein.

43. The Debtors further request that the Court issue an order establishing the following procedures for determining requests by the Utility Companies for additional assurances of future payment beyond those set forth in this Motion:

- (a) The Debtors will serve such order by first-class mail within five (5) business days of its entry on all of the Utility Companies listed on Exhibit "A".
- (b) Such order will provide that any Utility Company may request in writing, within twenty-five (25) days of the date

that the order is entered, additional assurances of payment in the form of deposits or other security.

- (c) In the event that a Utility Company makes a timely request for additional assurance that the Debtors believe is unreasonable, the Debtors shall file a motion for the determination of adequate assurance of payment and set such motion for a hearing (a “Determination Hearing”).
- (d) Any Utility Company requesting additional adequate assurance shall be prohibited from threatening to or in fact altering, refusing or discontinuing services to, or discriminating against, the Debtors and shall be deemed to have adequate assurance of payment, unless and until the Court issues a final order to the contrary in connection with a Determination Hearing or otherwise.

44. The adequate assurance of payment proposed herein will provide more than sufficient protection to the Utility Companies. Further, the relief requested herein ensures that the Debtors’ business operations will not be disrupted, while providing the Utility Companies with a fair and orderly procedure for determining requests for additional adequate assurance.

45. The Debtors’ proposed method of furnishing adequate assurance is in keeping with the spirit and intent of section 366 of the Bankruptcy Code, is not prejudicial to the rights of any Utility Company, and is in the best interest of the Debtors’ estates and creditors. In addition, this Court has the authority to grant the relief requested herein under section 105(a) of the Bankruptcy Code, which provides that “[t]he court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” The relief sought herein will ensure that the Debtors’ business operations will not be disrupted, while at the same time providing the Utility Companies with a fair and orderly procedure for request of additional adequate assurance of payment.

46. The Debtors also propose that the order granting this Motion provide that the Debtors and the Utility Companies that are both creditors to, and debtors of, each other, shall negotiate in good faith to establish procedures for the mutual setoff of payments for prepetition services (the “Prepetition Procedures”) and for the mutual setoff of payments for postpetition services (the “Postpetition Procedures”); provided, however, the relief requested in the order shall not be deemed to grant any Utility Company the right to setoff postpetition amounts owing to the Debtors against prepetition amounts such Utility Company is owed by the Debtors or to eliminate the requirement of mutuality in order to assert a right of setoff; provided, further, however, that, to the extent the Debtors and a Utility Company are unable to agree upon either the Prepetition Procedures or the Postpetition Procedures, the Debtors or such Utility Company may seek further relief from this Court to resolve such dispute.

47. Relief similar to that requested herein has been granted in other cases in this District, including the chapter 11 cases of other large telecommunications debtors. See In re Viasystems Group, Inc., et al., Ch. 11 Case No. 02-14867 (Bankr. S.D.N.Y. Oct. 25, 2002); In re Worldcom, Inc., Ch. 11 Case No. 02-13533 (AJG) (Bankr. S.D.N.Y. Aug. 14, 2002); In re Adelphia Business Solutions, Inc., et al., Ch. 11 Case No. 02-41729 (REG) (Bankr. S.D.N.Y. July 17, 2002); In re Global Crossing Ltd., et al., Ch. 11 Case Nos. 02-40187 (REG) through 02-40241 (REG) (Bankr. S.D.N.Y. Jan. 28, 2002); In re Enron Corp., Inc., Ch. 11 Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 20, 2001); In re Bethlehem Steel Corp., et al., Ch. 11 Case Nos. 01-15288 (BRL) through 01-15302 (BRL), 01-15308 (BRL) through 01-15315 (BRL) (Bankr. S.D.N.Y. Oct. 15, 2001); In re Rhythms Netconnections, Inc., et al., Ch. 11 Case Nos. 01-14283 (BRL) through 01-14287 (BRL) (Bankr. S.D.N.Y. Aug. 2, 2001).

48. Nothing in this Motion should be construed as an assumption of any executory contract or unexpired lease between the Debtors and any of the Utility Companies, nor should it be construed as a rejection of any executory contract or unexpired lease with any Utility Company. The Debtors are in the process of reviewing these matters and reserve all their rights with respect to the assumption or rejection of any executory contracts.

Waiver of Memorandum of Law

49. Because there are no novel issues of law presented herein, the Debtors respectfully request that the Court waive the requirement that the Debtors file a memorandum of law in support of this Motion pursuant to rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York.

Notice

50. Notice of this Motion has been provided to: (a) the Office of the United States Trustee for the Southern District of New York; (b) attorneys for the Prepetition Lenders; and (c) attorneys for the Ad Hoc Committee. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

No Prior Request

51. No prior motion for the relief requested herein has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court enter an Order, substantially in the form annexed hereto (i) prohibiting the Utility Companies from altering, refusing or discontinuing any Utility Services, or discriminating against the Debtors, (ii) until further order of this Court or an agreement between any Utility Company and the Debtors, deeming the Utility Companies adequately assured of future payment within the meaning of section 366 of the Bankruptcy Code by their entitlement to an administrative expense claim, (iii) establishing a procedure for determining requests by Utility Companies for additional assurances of future payment beyond those set forth in this Motion and (iv) granting such other and further relief as the Court deems appropriate.

Dated: New York, New York
May 14, 2003

Respectfully submitted,

/s/ Matthew A. Cantor
Matthew A. Cantor (MC-7727)
Jonathan S. Henes (JH-1979)
KIRKLAND & ELLIS
Citigroup Center
153 East 53rd Street
New York, New York 10022-4675
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Attorneys for Debtors and Debtors in Possession

EXHIBIT A

List of Utility Companies

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Allendale Telephone Company	P.O. Box 509	Allendale	MI	49401
American Agencies	P.O. Box 2829	Torrance	CA	90509
American Recovery Service Inc.	555 St. Charles Dr., Suite 100	Thousand Oaks	CA	91360
Ameritech	P.O. Box 75825	Chicago	IL	60675-5825
Ameritech - LEC Services Billing - CABS	P.O. Box 1838	Saginaw	MI	48605-1838
Ameritech - Line Cost	Bills Payment Center	Chicago	IL	60663-0001
Ameritech (Customer Growth)	220 W Wisconsin Ave 2nd Fl	Waukesha	WI	53186
Ameritech CABS	POB 1838	Saginaw	MI	48605-1838
Ameritech-Network Implementation Use	804 N Milwaukee St. 2nd Floor	Milwaukee	WI	53202
Aquila, Inc	1100 Walnut St Mail Drop 31-4002	Kansas City	MO	64199
Arch Wireless	P.O. Box 660770	Dallas	TX	75266-0770
AT&T	P.O. Box 2971	Omaha	NE	68103-2971
AT&T	P.O. Box 2969	Omaha	NE	68103-2969
AT&T	P.O. Box 78425	Phoenix	AZ	85062-8425
AT&T	P.O. Box 78145	Phoenix	AZ	85062-8145
AT&T Broadband	P.O. Box 173885	Denver	CO	80217-3885
AT&T Carrier Billing	P.O. Box 402257	Atlanta	GA	30384-2257
AT&T Wireless	National Business Services P.O. Box 78405	Phoenix	AZ	85062
AT&T Wireless Services	P.O. Box 8220	Aurora	IL	60572-8220
ATL Telecom Services	56835 Venture Lane, Suite 208	Sunriver	OR	97707
Avaya - CABS	P.O. Box 970992	Dallas	TX	75397-0992
Baltimore Gas and Electric Company	P.O. Box 1431	Baltimore	MD	21201
Bell Canada	Kristina McPhail 305 Milner Ave Suite 800	Toronto, Ontario	CN	M1B354

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Bell South	85 Annex	Atlanta	GA	30385-0001
Bell South - CABS	P.O. Box 740144	Atlanta	GA	30374-0144
BellSouth	POB 33009	Charlotte	NC	28243-0001
BellSouth	P.O. Box 70807	Charlotte	NC	28272-0807
BellSouth PRO-CABS	P.O. Box 105373	Atlanta	GA	30348
Broadwing Communication Services	P.O. Box 952061	St. Louis	MO	63195-2061
Broadwing Communication Svcs Inc. - CABS	Attn: Ernest Williams 1122 Capital of Texas Hwy South	Austin	TX	78746
Broadwing Telecommunications	P.O. Box 78022	Phoenix	AZ	85062-8022
Broadwing Telecommunications Inc.	P.O. Box 9001334	Louisville	KY	40290-1334
Brooks Fiber C/O MCI Worldcom	P.O. Box 844121	Dallas	TX	75284-4121
BTI - CABS	P.O. Box 96026	Charlotte	NC	28296-0026
Burbank Water & Power	P.O. Box 631	Burbank	CA	91503-0631
C3 Communications	P.O. BOX 74389	Cleveland	OH	44194-4389
Cambrian Communications LLC	12011 Lee Jackson Memorial Hwy. Ste 320	Fairfax	VA	22033
Chillicothe Telephone Company	68 East Main Street P.O. Box 480	Chillicothe	OH	45601
Choice One Communications	44 Grandville Ave SW, Suite 400	Grand Rapids	MI	49503
Chubb Security Systems Inc.	Dept. 0780 P.O. Box 120780	Dallas	TX	75312-0780
Cincinnati Bell	Dept 1811	Cincinnati	OH	45274-1811
Cincinnati Wireless	P.O. Box 741832	Cincinnati	OH	45274-1832
Cingular Interactive	P.O. Box 828435	Philadelphia	PA	19182
City of Austin	P.O. Box 2267	Austin	TX	78768-2267
City of Dallas - Utilities	City Hall 1 AN	Dallas	TX	75277
City of Sunnyvale - Utilities	P.O. Box 4000	Sunnyvale	CA	94088-4000
City of Tampa - Utilities	P.O. Box 30191	Tampa	FL	33630-3191
Claircom Networks Inc.	P.O. Box 515009	Los Angeles	CA	90051-5009
Cleveland Technology Center LLC	Hatfield Philips Inc behalf of LBHI P.O. Box 945-761	Atlanta	GA	30394-5761

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Climax Telephone Company	13470 E Michigan	Galesburg	MI	49053
COLO.COM	2000 SIERRA POINT PARKWAY	Brisbane	CA	94005
ComEd	Bill Payment Center	Chicago	IL	60668-0001
Common Wealth Tel. Co.	100 CTE Drive P.O. Box 1000	Dallas	TX	18612-9774
Con Edison	P.O. Box 1702	New York	NY	10116-1702
Consumers Energy	P.O. Box 30090	Lansing	MI	48909-7590
Covad Communications	P.O. Box 39000	San Francisco	CA	94139-3029
Cox Communications	P.O. Box 6059	Cypress	CA	90630-0059
Cox Virginia Telcom Inc.	225 Clearfield Ave	Virginia Beach	VA	23462-1815
CTSI	100 CTE Drive Attn: Karen Sheply	Dallas	PA	18612
Cypress Communications, Inc.	Dept. CH17003	Palatine	IL	60055-7003
Detroit Edison	P.O. Box 2859	Detroit	MI	48260-0001
Dominion VA Power	P.O. Box 26543	Richmond	VA	23290-0001
Duke Power	P.O. Box 70516	Charlotte	NC	28272-0515
Duquesne Light Company	P.O. Box 10	Pittsburgh	PA	15230-0010
El Paso Global Networks	P.O. Box 200576	Houston	TX	77216-0576
eMeritus Communications	P.O. BOX 198623	Atlanta	GA	30384
Equinix Inc.	Attn: Accounts Receivable 301 Velocity Way 5th Floor	Foster City	CA	94404-4803
Exelon Thermal Technologies Inc.	P.O. Box 805379	Chicago	IL	60680-5379
Exodus Communications, Inc	Dept 33371, P.O. Box 39000	San Francisco	CA	94139-3371
Fibertech Networks LLC	140 Allens Creek Road	Rochester	NY	14618
First Choice Power Inc.	Box 901088	Ft. Worth	TX	76101-2088
Focal Comm. Corp. of PA (CABS)	135 S. LaSalle Street Dept. 3602	Chicago	IL	60674-3602
Focal Comm. Corp. of IL	135 S. LaSalle St. Dept. 3546	Chicago	IL	60674-3546
FPL	GENERAL MAIL FACILITY	Miami	FL	33188-0001
FPL Fibernet LLC--Line Cost	Attn: Gina Cox 9250 W. Flager St. 5th Floor	Miami	FL	33174

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Frontier Communications of Michigan, Inc.	14450 Bunhaven Drive Box 1108	Burnsville	MN	55337
Garratt-Callahan Company	111 Rollins Road	Millbrae	CA	94030-3114
Genuity Solutions Inc.	P.O. Box 101765	Atlanta	GA	30392-1765
Genuity Telecom Inc.	P.O. Box 101183	Atlanta	GA	30392-1183
Genuity Telecom, Inc.	P.O. Box 120001, Dept 0590	Dallas	TX	75312-0590
Georgia Power	96 Annex	Atlanta	GA	30396-0001
Global Crossing Telecommunications	P.O. Box 641420	Cincinnati	OH	45625-1420
Global Internetworking	8605 Westwood Center Dr. #300	Vienna	VA	22182
Global Naps Inc.	P.O. Box 690315	Quincy	MA	02269-0315
Grande Communications	Attn: Revenue Accounting 401 Carlson Circle	San Marcos	TX	78666
ICG Telecom Group Inc.	Dept LA 21400	Pasadena	CA	91185-1400
ICG Telecom Group Inc. - CABS	A/R Dept. 283	Denver	CO	80291-0283
ICG Telecom Group Inc. CABS	Dept LA21400	Pasadena	CA	91185-1400
ICG Telecom Group, Inc.	9505 E Maroon Cir, Ste 100	Englewood	CO	80112
InterCall	P.O. Box 281866	Atlanta	GA	30384-1866
Intermedia	3625 Queen Palm Dr CABS Payment	Tampa	FL	33619
Intermedia Communications Inc.	Attn: Accounts Receivable P.O. Box 915121	Orlando	FL	32891-5121
Interstate FiberNet - CABS	P.O. Box 510	West Point	GA	31833
Ionex Telecommunications Inc.	P.O. Box 5143	Sioux Falls	SD	78154
IOS Capital	P.O. Box 41564	Phil.	PA	19101-1564
IOS Capital	P.O. Box 13708	Macon	GA	31208-3708
Island Telephone Company	NW 8702 P.O. BOX 1450	Minneapolis	MN	55485-8702
J2 Global Communications	6922 Hollywood Blvd. 8th Floor	Hollywood	CA	90028
KeySpan	P.O. Box 4300	Woburn	MA	1888
KMC Telecom	P.O. Box 932037	Atlanta	GA	31193-2037

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
KMC Telecom	P.O. BOX 930181	Atlanta	GA	31193-0181
KMC Telecom XI LLC	P.O. Box 13327	Philadelphia	PA	19101
Larry D. Green dba A Clear Communication	115 El Bosque Dr.	San Jose	CA	95134
Level 3 Communications LLC - CABS	Dept. #182	Denver	CO	80291-0182
Level 3 Communications, LLC	c/o Norwest Bank	Denver	CO	80291-0182
Lightwave Communications Inc.	14504 Greenview Drive #302	Laurel	MD	20708
Looking Glass Networks Inc.	P.O. Box 910776	Dallas	TX	75391-0776
Marietta Power	675 N. Marietta Parkway	Marietta	GA	30060-1528
MCI	P.O. Box 856053	Louisville	KY	40285-6053
MCI Metro C/O MCI Worldcom	P.O. Box 844121	Dallas	TX	75284-4121
MCI Residential Service	P.O. Box 52252	Phoenix	AZ	85072-2252
MCI Telecommunications Network Services	P.O. Box 371355	Pittsburgh	PA	15250
MCI World Com	P.O. Box 600670	Jacksonville	FL	32260-0670
MCI WorldCom	6310 LBJ Frwy, #208	Dallas	TX	75240
MCI WorldCom	P.O. Box 856059	Louisville	KY	40285-5059
MCI WorldCom	P.O. Box 96023	Charlotte	NC	28296-0023
MCI WorldCom	P.O. Box 382008	Pittsburgh	PA	15250-8008
MCI WorldCom	P.O. Box 371322	Pittsburgh	PA	15250-7322
MCI WorldCom	P.O. Box 844121	Dallas	TX	75284-4121
MCI Worldcom	P.O. Box 856053	Louisville	KY	40285-6053
MCI Worldcom	P.O. Box 13771	Newark	NJ	07188-0771
MCI Worldcom Comm. Inc. - CABS	P.O. Box 905236	Charlotte	NC	28290-5236
MCI Worldcom Communications Inc.	P.O. Box 96022	Charlotte	NC	28296-0022
MCI WorldCom Inc. - CABS	POB 730296	Dallas	TX	75373-0296
McLeod USA	P.O. Box 3243	Milwaukee	WI	53201-3243
Metromedia Fiber Network Inc.	P.O. Box 894507	Los Angeles	CA	90189-4507
Metromedia Fiber Network Services Inc.	P.O. Box 7247-6887	Philadelphia	PA	19170-6887
MFS Telecom Inc - CABS	P.O. Box 790351	St Louis	MO	63179-0351
Mpower Communcations Corp MI	P.O. BOX 36430	Las Vegas	NV	89133-6430

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
National Railroad Passenger Corporation	P.O. BOX 18266	St Louis	MO	63150-8266
Neon Optica Inc.	2200 West Park Dr., Ste. 200	West Borough	MA	1581
NeuStar	P. O Box 403034	Atlanta	GA	30384-3034
Nevada Power Company	P.O. Box 30086	Reno	NV	89520-3086
New York Access Billing LLC	100 State Street, Suite 650	Albany	NY	12207
Nextel	P.O. Box 4181	Carol Stream	IL	60197
Nextel Communications	P.O. Box 7417	Pasadena	CA	91109-7417
Nextel Communications	P.O. Box 7418	Pasadena	CA	91109-7418
Nextel Communications	P.O. Box 7412	Pasadena	CA	91109-7412
Nextel Communications	P.O. Box 7409	Pasadena	CA	91109-7409
Nextel Communications	P.O. Box 821001	Philadelphia	PA	19182
Nextel Communications	P.O. Box 820832	Philadelphia	PA	19182
Nextel Communications	P.O. Box 17621	Baltimore	MD	21297-1621
Nextel Communications	75 Remittance Drive, Suite 93117	Chicago	IL	60675
Nicor Gas	P.O. Box 2020	Aurora	IL	60507-2020
NSTAR Electric	P.O. Box 4508	Woburn	MA	01888-4508
NSTAR Gas	P.O. Box 4508	Woburn	MA	01888-4508
NW Natural	P.O. Box 8905	Portland	OR	97255-0001
Pacific Bell	Payment Center	Van Nuys	CA	91388-0001
Pacific Bell	Payment Center	Sacramento	CA	95887-0001
Pacific Bell / CABS	P.O. Box 60347	Sacramento	CA	95860-0347
Pacific Bell Colocation Services	2600 N. Central Expy. FLR. 6	Richardson	TX	75080
Pacific Gas & Electric Co.	POB 997300	Sacramento	CA	95899-7300
Pae Tec Communications Inc.	Attn: Cash Applications 600 Willowbrook Office Park	Fairport	NY	14450
PAIX.net Inc.	P.O. Box 894515	Los Angeles	CA	90189-4515
PECO Energy	P.O. Box 13437	Philadelphia	PA	19101
PG&E	BOX 997300	Sacramento	CA	95899-7300
Popp Communications Incorporated	P.O. Box 27110	Golden valley	MN	55427-0110

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Portland General Electric Co.	P.O. Box 4438	Portland	OR	97204
Potomac Electric Power Company	P.O. Box 97275	Washington	DC	20090-7275
PSE & G	P.O. Box 14444	New Brunswick	NJ	08906-4444
Public Service Electric and Gas Co.	POB 490	Cranford	NJ	07016-0490
Puget Sound Energy	PYMNT PROCESS GEN-02W P.O. Box 91269	Bellevue	WA	98009
Qwest	120 Lenora St RPS 7th Floor Box 2348	Seattle	WA	98121
Qwest	P.O. Box 12480	Seattle	WA	98111-4480
Qwest	P.O. Box 1301	Minneapolis	MN	55483-0001
Qwest	P.O. Box 29060	Phoenix	AZ	85038-9060
Qwest		Denver	CO	80244-0001
Qwest	P.O. BOX 11035	Seattle	WA	98111-9035
Qwest - CABS	POB 3400	Omaha	NE	68103
Qwest business Services	P.O. Box 856169	Louisville	KY	40285-6169
Qwest Communications	900 Keo 4th Floor	Des Moines	IA	50309
RCN Telecom Services Inc.	105 Carnegie Center	Princeton	NJ	
Rochester Telemessaging Center	1130 Tienken Court Suite #110	Rochester Hills	MI	48306-4369
Salt River Project	P.O. Box 2950	Phoenix	AZ	85062-2950
San Diego Gas and Electric	P.O. Box 25111	Santa Ana	CA	92799-5111
SBC	Bill Payment Center	Saginaw	MI	48663-0003
SBC	Bills Payment Center	Chicago	IL	60663-0001
SBC	P.O. Box 1838	Saginaw	MI	48605-1838
Seattle City Light	Dept. of Finance P.O. Box 34017	Seattle	WA	98104-1017
Sesco	P.O. Box 659583	San Antonio	TX	78265
Shiawassee Telephone Company	NW 8702 P.O. BOX 1450	Minneapolis	MN	55485-8702
SMUD	P.O. Box 15555	Sacramento	CA	95852
SNET	P.O. Box 1861	New Haven	CT	06508-0901

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
SNET Carrier Services	P.O. Box 9608	New Haven	CT	6535
Snip Link	100-A Twinbridge Drive	Pennsauken	NJ	8110
Snohomish County PUD	P.O. Box 1100	Everett	WA	98206-1100
Southern New England - Telephone	P.O. Box 1861	New Haven	CT	06508
Southern California Edison	P.O. Box 600	Rosemead	CA	91771-0001
Southern California Edison	Attn: Carrier Solutions Fin & Admin 2244 Walnut Grove GO1 Quad 2B	Rosemead	CA	91770
Southern Connecticut	Gas Co. P.O. Box 9231	Chelsea	MA	02150
Southwest Gas Corporation	P.O. Box 98890	Las Vegas	NV	89150-0101
Southwestern Bell	P. O. Box 3025	Houston	TX	77097
Southwestern Bell	P.O. Box 1550	Houston	TX	77097-0047
Southwestern Bell	P.O. Box 4699	Houston	TX	77097-0075
Southwestern Bell	P.O. Box 940012	Dallas	TX	75394-0012
Southwestern Bell	P.O. Box 630047	Dallas	TX	75263-0047
Southwestern Bell	P.O. Box 630059	Dallas	TX	75262-0059
Southwestern Bell	P.O. Box 650495	Dallas	TX	75265-0495
Southwestern Bell	P.O. Box 4706	Houston	TX	77210-4706
Southwestern Bell	P.O. Box 930170	Dallas	TX	75393-0170
Southwestern Bell	P.O. Box 4844	Houston	TX	77097-0079
Southwestern Bell	P.O. Box 650661	Dallas	TX	75265-066
Southwestern Bell - CABS	P.O. Box 4845	Houston	TX	77097-0080
Southwestern Bell - Line Cost	P.O. Box 930170	Dallas	TX	75393-0170
Southwestern Bell Cabs	P.O. Box 650502	Dallas	TX	75265-0502
Southwestern Bell Collocation Svc Center	2600 North Central Expressway	Richardson	TX	75080
Southwestern Bell Telephone - CABS	P.O. Box 650661	Dallas	TX	75265-0661
Southwestern Bell Telephone - CABS	P.O. Box 50516	Dallas	TX	75265-0516
Southwestern Bell-Network Implement. Use	2180 Glenville SWBT ICSC 2nd Fl.	Richardson	TX	75082
Sprint	P.O. Box 101465	Atlanta	GA	30392-0000

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Sprint	P.O. Box 650270	Dallas	TX	75265-0270
Sprint	P.O. Box 30784	Tampa	FL	33630-3784
Sprint	P.O. Box 96028	Charlotte	NC	28296-0028
Sprint	P.O. Box 530503	Atlanta	GA	30353-0503
Sprint	P.O. Box 79255	City of Industry	CA	91716-9255
Sprint	P.O. Box 219061	Kansas City	MO	64121-9061
Sprint	P.O. Box 79133	Phoenix	AZ	85062-9133
Sprint	P.O. Box 96031	Charlotte	NC	28296
Sprint	P.O. Box 740463	Cincinnati	OH	45274-0463
Sprint - CABS	P.O. Box 930331	Atlanta	GA	31193-0331
Sprint Corporation-PO ONLY	P.O. Box 410261	Kansas City	MO	64141-0261
Sunrise Telecom Incorporated	22 Great Oaks Boulevard	San Jose	CA	95119
Switch and Data	1715 N. Westshore Blvd., Ste 605	Tampa	FL	33607
Tachyon Inc	5808 Pacific Center Blvd	San Diego	CA	92121-4204
Talk America	P.O. Box 96062	Charlotte	NC	28296-0062
Teco Tampa Electric	P.O. Box 31318	Tampa	FL	33631-3318
Telecom USA	P.O. Box 600607	Jacksonville	FL	32260-0670
Tennessee Telephone Company	NW 8702 P.O. Box 1450	Minneapolis	MN	55485-8702
Time Warner	P.O. Box 24663	Seattle	WA	98124-0663
Time Warner	P.O. BOX 34790	Seattle	WA	98124-1790
Time Warner Telecom Inc.	P.O. Box 172567	Denver	CO	80217-2567
Town of Norwood	Light Company P.O. Box 9101	Norwood	MA	02062
TSI Telecommunications Services Inc.	12094 Collections Center Drive	Chicago	IL	60693
TXU Electric	P.O. Box 100001	Dallas	TX	75310-0001
TXU Energy	P.O. Box 660354	Dallas	TX	75266-0354
TXU Gas	P.O. Box 650654	Dallas	TX	75265-0654
United Illuminating	P.O. Box 9230	Chelsea	MA	02150-9230
Universal Access Inc. - CABS	135 S. LaSalle Dept. 4771	Chicago	IL	60674-4771

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Verio Inc.	P.O. Box 650091	Dallas	TX	75265-0091
Verio Inc.-OEM Group-LINE COST	P.O. Box 97244	Dallas	TX	75397-2445
Verizon	125 High Street Room 1134	Boston	MA	2110
Verizon	P.O. Box 8585	Philadelphia	PA	19173-0001
Verizon	P.O. Box 4833	Trenton	NJ	08650-4833
Verizon	P.O. Box 646	Baltimore	MD	21265-0646
Verizon	P.O. Box 15124	Albany	NY	12212-5124
Verizon	P.O. Box 17577	Baltimore	MD	21297-0513
Verizon	P.O. Box 15026	Albany	NY	12212-5026
Verizon	P.O. Box 30001	Inglewood	CA	90313-0001
Verizon	P.O. Box 101226	Atlanta	GA	30392-1226
Verizon	P.O. Box 920041	Dallas	TX	75392-0041
Verizon	P.O. Box 37205	Baltimore	MD	21297-3205
Verizon	P.O. Box 28000	Lehigh Vly	PA	18002-8000
Verizon CABS	P.O. Box 37205	Baltimore	MD	21297-3205
Verizon (BA) - Line Cost	P.O. Box 4430 CABS Processing Unit	Albany	NY	12204-0430
Verizon (BA) - Line Cost	P.O. Box 1100	Albany	NY	12250-0001
Verizon (BA) - Line Cost	P.O. Box 28000	Lehigh Valley	PA	18002-8000
Verizon (BA)- Line Cost	P.O. Box 14084A	Newark	NJ	07198-0084
Verizon (BA-PA) - Line Cost	P. O. Box 28001	Lehigh Valley	PA	18002
Verizon (BA-PA) - Line Cost	P.O. Box 28007	Lehigh Valley	PA	18002-8007
Verizon (BA-South) - Line Cost	P.O. Box 408	Cockeysville	MD	21030
Verizon (GTE-SW) - Line Cost	P.O. Box 101687	Atlanta	GA	30392-1687
Verizon (GTE-SW) - Line Cost	P.O. Box 920041	Dallas	TX	75392-0041
Verizon California	P.O. Box 101226	Atlanta	GA	30392-1226
Verizon Logistics Inc.	P.O. Box 101734	Atlanta	GA	30392-1734
Verizon Select Service	P.O. Box 101956	Atlanta	GA	30392
Verizon Southwest	P.O. Box 920041	Dallas	TX	75392-0041

Utility Vendor Name	Street Address or P.O. Box	City	State	Zip Code
Verizon Wireless	P.O. Box 489	Newark	NJ	07101-0489
Verizon Wireless Messaging Services	P.O. Box 15110	Albany	NY	12212
Winstar Telecom	2350 Corporate Park Dr 2nd Floor	Herndon	VA	20171
Wolverine Telephone Company	NW 8702 P.O. BOX 1450	Minneapolis	MN	55485-8702
WorldCom	P.O. Box 600607	Jacksonville	FL	32260
Worldcom - Payment Ctr. - CABS	P.O. Box 85080 - Payment Process Ctr.	Richmond	VA	23285-4100
WorldCom Inc.	P.O. Box 73871	Chicago	IL	60673-3871
WorldCom OnNet DSL	Department CH 10330	Palatine	IL	60055-0330
X O Communications	P.O. Box 530471	Atlanta	GA	30353-0471
Xcel Energy	P.O. Box 92002	Amarillo	TX	79120-6002
XCEL Energy	P.O. Box 9477	Mols	MN	55484-9477
XO Communications	810 Jorie Blvd Ste 200	Oakbrook	IL	60523
XO Communications	21589 Network Place	Chicago	IN	60673-1215
XO Communications	P.O. Box 8726	Reston	VA	20195-0000
XO Communications	P.O. Box 828618	Philadelphia	PA	19282-8618
XO Communications - CABS	P.O. Box 847678	Dallas	TX	75284-7678
XO Communications - CABS	P.O. Box 31001-0429	Pasadena	CA	91110-0429
XO One net ex	P.O. Box 970205	Dallas	TX	75397-0205
Z-Tel Communications Inc.	601 S. Harbour Island Blvd., STE 220	Tampa	FL	33602