

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14A-0268T

IN THE MATTER OF THE JOINT APPLICATION OF XO COMMUNICATIONS SERVICES,
LLC AND UBS AG TO EXECUTE AN ENCUMBRANCE.

DECISION GRANTING APPLICATION

Mailed Date: May 14, 2014
Adopted Date: May 14, 2014

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a joint application filed by XO Communications Services, LLC (XOCS) and UBS AG, Stamford Branch (UBS AG), as the Administrative Agent and Collateral Agent representative for the Lenders, on March 27, 2014. The joint applicants request Commission authorization to enter into a financing transaction in which substantially all of the assets of XOCS, including its Commission issued telecommunications authorities will be encumbered. We will construe this filing as an application for approval of the encumbrance of the Certificate of Public Convenience and Necessity (CPCN) of XOCS pursuant to § 40-15-204, C.R.S.

2. If the Commission grants the authority to execute the encumbrance of XOCS's assets, including its Commission issued telecommunications authority, the joint application represents that there will be no transfer of XOCS's assets. Services provided by XOCS will continue to its customers with no change in terms and conditions.

3. XOCS holds a CPCN and a Letter of Registration to provide regulated telecommunications services. These authorities were granted in Decision No. C97-1338, Proceeding No. 97A-502T issued December 16, 1997.

4. UBS AG is serving as the lender in the financial transaction.

5. On April 3, 2014, notification of the application was made to entities that have indicated their desire to be notified through the Commission's e-filing system of telecommunications proceedings. Interventions were due on May 5, 2014. No interventions were filed.

6. We find that the Commission has jurisdiction in this matter.

B. Discussion

7. The application contains all information required by the applicable Commission Rules and is therefore deemed complete.

8. The application is unopposed and therefore may be considered without a formal hearing pursuant to § 40-6-109(5), C.R.S.

9. We find that the proposed encumbrance is not contrary to the public interest and therefore grant the joint application.

10. The applicants are reminded that approval of the Commission is necessary before a Commission issued telecommunications authority can be transferred to another party in the event of default or foreclosure of the financial instrument.

II. ORDER

A. The Commission Orders That:

1. The joint application to encumber telecommunications authorities filed by XO Communications Services, LLC (XOCS), and UBS AG, Stanford Branch (UBS AG) is deemed complete and is granted with certain conditions as noted below.

2. XOCS and UBS AG shall jointly notify the Commission when the encumbrance has been terminated or is not completed within 60 days of the proposed effective date stated in the application or if the proposed encumbrance terms are changed prior to the consummation date. This notice shall include the proceeding and decision numbers which granted the authority to execute the encumbrance.

3. In the event the encumbrance held by UBS AG is exercised or transferred to another entity, UBS AG or the new entity and XOCS shall jointly file a transfer application to transfer the encumbered telecommunications authorities and obtain specific approval for this subsequent transfer from the Commission.

4. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

5. This Decision is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 14, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

PAMELA J. PATTON

GLENN A. VAAD

Commissioners

CHAIRMAN JOSHUA B. EPEL
ABSENT.¹

¹ Signature block was corrected by Errata Notice C14-0507-E to show Chairman Epel absent instead of Commissioner Vaad.