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Florida Public Service Commission
Division of Regulatory Oversight

September 7, 2001

VIA FEDERAL EXPRESS

Mr. Daniel Hoppe
Director of Division of Regulatory Oversight
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: CEI Networks, Inc. (IXC Certificate No. 7283) – Notice of Merger of Parent Corporation, Conestoga Enterprises, Inc., with NTELOS Inc.

Dear Mr. Hoppe:

CEI Networks, Inc. ("CEIN"), an affiliate of Conestoga Enterprises, Inc. ("CEI"), is a toll reseller in Florida under the jurisdiction of the Florida Public Service Commission ("FLPSC" or "Commission"). CEI, CEIN, and NTELOS Inc. ("NTELOS") (collectively, the "Companies") hereby submit this letter in order to notify the Commission of the above-referenced proposed transaction, which is described in more detail below.

CEI is a Pennsylvania corporation with its principal place of business in Birdsboro, Pennsylvania. CEI has several wholly-owned subsidiaries that provide various types of telecommunications and other services in Pennsylvania, including two Incumbent Local Exchange Carriers serving approximately 84,000 access lines. In addition, CEIN is a wholly-owned subsidiary of CEI. CEIN, an Interexchange Carrier ("IXC") and Competitive Local Exchange Carrier ("CLEC"), serves customers in Delaware, Florida, Maryland, New Jersey, New York, Pennsylvania, and Virginia. CEIN does not operate as a CLEC in Florida.

NTELOS is a Virginia corporation with its principal place of business in Waynesboro, Virginia. NTELOS provides wireless digital PCS, dial-up internet access, high-speed DSL (i.e., high-speed internet access), and local and long distance telephone services to customers in Kentucky, North Carolina, Pennsylvania, Virginia, and West Virginia.

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The Companies contemplate the acquisition, by merger, of CEI by NTELOS. Accordingly, NTELOS will acquire all of CEI's stock. As consideration, NTELOS will issue NTELOS stock, cash, or a combination of stock and cash to the CEI shareholders, and will also assume approximately \$73 million of CEI's debt. The total acquisition price of CEI will be \$408,000,000 (including the assumption of CEI's debt). As a result of this stock transfer, CEI will merge with and into NTELOS Acquisition Corp., a wholly-owned subsidiary of NTELOS, which will survive the merger. The target date for closing the transaction is on or before December 31, 2001.

NTELOS' financial resources and managerial and technical expertise will enhance CEI's ability to service customers. NTELOS has over \$1 billion in assets, including an extensive fiber optic network and a PCS license area covering more than 11 million people. Following consummation of the merger, the Companies together will have more than \$1.6 billion in assets. In addition, NTELOS has an over 100 year history of providing quality communications services and exceptional, personalized customer care. These financial, managerial, and technical resources, in conjunction with CEI's familiarity with its own networks and customers, will result in better customer service and service offerings.

The proposed transaction will cause no interruption in service and will not affect the terms and conditions of services provided by CEI's affiliates.¹ CEI's affiliates, including CEIN, will continue to operate under their current names and tariffs. In addition, the majority of CEI's management and employees will remain with the merged company, enabling CEI to offer its customers seamless service.

If you require further information regarding the proposed transaction, correspondence or communications should be directed to:

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Pamela C. Polacek
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¹ NTELOS, CEI, and CEIN reserve the right to modify their services and the terms and conditions thereof, in accordance with the Commission's rules.

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Any inquiries regarding this letter should initially be directed to Mr. Williamson or to Ms. Orner.

Based on our conversation with Tom Williams of the FLPSC, it is the Companies' understanding that the proposed transaction does not require prior Commission approval because neither the name nor service offerings of CEIN will change. If this understanding is incorrect, please notify us as soon as possible. Absent written notice to the contrary within 30 days of the date of this letter, the Companies will assume that their understanding is correct and will proceed with their plans as contemplated.

Please date stamp the extra copy of this letter and kindly return it in the enclosed self-addressed, stamped envelope for our filing purposes. Please contact us if you have any questions with respect to this letter. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Derrick P. Williamson
Pamela C. Polacek
Karen S. Miller Orner

Counsel to Conestoga Enterprises, Inc.,
CEI Networks, Inc., and NTELOS Inc.

KSMO
Enclosures