

ORIGINAL



April 23, 2002

XO Communications

105 Molloy Street
Nashville, TN 37201
USA

Ms. Blanca Bayo
Director
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Proposed Settlement for Docket No. 011014-TI
XO Florida, Inc.

On August 13, 2001, XO submitted the 2001 Inter-Exchange Company Regulatory Assessment Fee Return for XO Florida, Inc. (TJ112). As explained in the accompanying letter thereto, XO Florida, Inc. had reported all intrastate revenues in its ALEC Regulatory Assessment Fee, and thus, no separate IXC filing had been made. XO apologized for the mix up and resulting tardiness of the filing of the Inter-Exchange Company Regulatory Assessment Fee Return (TJ112). XO filed, with that return, a \$50.00 minimum fee, as well as \$12.50 penalty fee, and \$3.50 interest, totaling \$66.00, pending the completion of the audit of XO Florida, Inc.'s ALEC Regulatory Assessment Fee filing, which had included all intrastate revenue for XO Florida, Inc.

Pursuant to the findings of the auditor, XO Florida, Inc. recently submitted additional payments for the 2000 Regulatory Assessment Fee (RAF) of XO Florida, Inc. (XO) for both its IXC and ALEC certificates. We had received a letter from Paula Isler of your office dated April 1, 2002, indicating that payment had not been received. We promptly contacted Ms. Isler and, with her help, researched the matter, and have provided to her copies of four checks totaling \$22,533.92, which had been cashed and deposited to the Bank of American account for the State Treasurer of Florida, Public Service Commission, Finance and Accounting. Should you require additional copies or information, please let me know.

XO wishes to keep its Certificates active and in compliance with Commission rules. We appreciate the assistance of the auditor and staff in addressing the appropriate jurisdiction of both revenue and expense types in relation to the RAF, and will work with staff's guidance to see that future RAF payments are both timely and accurate, and that separate payment is made for each entity.

XO respectfully proposes to pay the amount resulting from the audit, as well as the above-listed minimum fee and penalty and interest amounts as monetary settlement for the violation.

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK



Thank you for your consideration of this settlement offer, and please do not hesitate to contact me at (615) 777-7700 should you have any questions on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Shaffer', written over the printed name.

Dana Shaffer
Vice President, Regulatory Counsel

Cc: Paula Isler