

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of transfer of assets and ALEC Certificate No. 7500 from Yipes Transmission, Inc. to Yipes Enterprise Services, Inc., due to plan of reorganization.

DOCKET NO. 021246-TX
ORDER NO. PSC-03-0316-PAA-TX
ISSUED: March 6, 2003

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TRANSFER OF ASSETS AND
ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS CERTIFICATE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On December 16, 2002, a joint request was filed by Yipes Transmission, Inc. (Old Yipes) and Yipes Enterprise Services, Inc. (New Yipes), for approval to transfer the assets and Alternative Local Exchange (ALEC) Telecommunications Certificate No. 7500 from Old Yipes to New Yipes due to a Plan of Reorganization.

The applicants emphasize that they do not currently provide service to customers in Florida and, as a result, the transactions proposed in the Plan will not inconvenience or disrupt service to any Florida customers.

DOCUMENT NUMBER-DATE

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FILED IN THE CLERK

New Yipes is a corporation organized and existing under the laws of the State of Delaware with principal offices in San Francisco, CA. Under the Plan implementation, New Yipes will be a wholly owned subsidiary of Yipes Holdings, Inc., a corporation formed under the laws of the State of Delaware. Yipes Holdings, Inc. will, in turn, be owned by institutional investors, the largest of which includes affiliates of Norwest Investing Funds, New Enterprise Investing Funds, Sprout Investing Funds, and J.P. Morgan partners investing Funds (Investors.) None of the Investors holds a controlling interest in Yipes Holdings, Inc. or, therefore, in New Yipes, and as a result, ultimate corporate control of New Yipes will remain with Yipes Holdings, Inc.

Old Yipes is a corporation organized and existing under the laws of the State of California with principal offices in San Francisco. Old Yipes is authorized to provide facilities-based competitive local exchange services in more than ten states. In Florida, Old Yipes currently holds authority to operate as an ALEC pursuant to certification granted by us in Docket No. 000401-TX, Order No. PSC-00-1293-CO-TX, issued on July 18, 2000.

Through the proposed Plan of Reorganization, the applicants propose to complete a series of transactions whereby New Yipes will acquire the assets and regulatory authorizations of Old Yipes. The transactions contemplated by the Plan will allow the operations of Old Yipes to emerge from bankruptcy into New Yipes. New Yipes will then have the ability to implement the business plan of Old Yipes, potentially including initiation of operations in Florida. Like Old Yipes, New Yipes will be able to provide service under the "Yipes" brand name. As a result, implementation of the Plan will be virtually transparent in Florida.

There are no delinquent Regulatory Assessment Fees for Yipes Transmission, Inc. We are vested with jurisdiction over this matter pursuant to Sections 364.33, Florida Statutes.

Section 364.33, Florida Statutes, provides that a person may not acquire ownership or control of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, including the acquisition, transfer, or assignment of majority organizational

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control or controlling stock ownership, without prior approval from this Commission.

In accordance with our authority under Section 364.33, Florida Statutes, we have reviewed the Petition of Old Yipes and New Yipes, and find it appropriate to approve it. We have based our review and decision upon an analysis of the public's interest in efficient, reliable telecommunications service.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that Yipes Transmission, Inc. and Yipes Enterprise Services, Inc.'s request for approval of transfer of assets and Alternative Local Exchange Telecommunications Certificate No. 7500 from Yipes Transmission, Inc. to Yipes Enterprise Services, Inc. is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 6th Day
of March, 2003.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

LHD

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule'28-106.201, Florida Administrative

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Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 27, 2003.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.