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January 7, 2004

VIA HAND DELIVERY

Mr. Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, S.W.
Atlanta, Georgia 30334

Re: Consolidated Petition of Adelpia Business Solutions, Inc. d/b/a TelCove
("ABIZ") and Adelpia Business Solutions Operations, Inc. d/b/a TelCove
("ABS-Operations") for Transfer of Control Approval and Financing
Authority

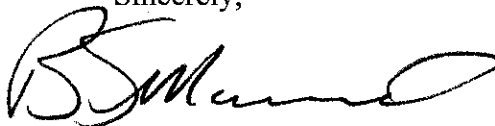
Dear Mr. McAlister:

Enclosed are an original and three (3) copies of the Consolidated Petition for Transfer of Control Approval and Financing Authority of ABIZ and ABS-Operations.

Please file the document in your usual fashion and return one (1) file-stamped to us in the enclosed envelope. Also, enclosed is an Electronic Filing Transmittal Sheet and diskette containing the document in PDF format.

If you have any questions or comments, please call.

Sincerely,



Brad S. Macdonald

BSM/jh

Enc.

cc: Adelpia Business Solutions Operations, Inc. d/b/a TelCove
(with enclosure)
Charles A. Hudak, Esq.
(with enclosure)

**BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION**

IN RE:)
)
CONSOLIDATED PETITION OF)
ADELPHIA BUSINESS SOLUTIONS,)
INC. D/B/A TELCOVE AND ADELPHIA) DOCKET NO. _____
BUSINESS SOLUTIONS OPERATIONS,)
INC. D/B/A TELCOVE FOR TRANSFER)
OF CONTROL APPROVAL AND)
FINANCING AUTHORITY)

**CONSOLIDATED PETITION FOR TRANSFER OF CONTROL APPROVAL
AND FINANCING AUTHORITY**

COME NOW Adelphia Business Solutions, Inc. d/b/a TelCove (“ABIZ”) and Adelphia Business Solutions Operations, Inc. d/b/a TelCove (“ABS-Operations”) (collectively, “Petitioners”), through their undersigned counsel, pursuant to Sections 46-2-28 and 46-5-41 of the Georgia Code, and hereby respectfully request approval from the Georgia Public Service Commission (the “Commission”) to engage in a reorganization transaction that will result in a direct and indirect transfer of control of Petitioners pursuant to a Plan of Reorganization¹ under Chapter 11 of the United States Bankruptcy Code, and to enter into certain financing transactions related thereto. In support of their requests, Petitioners hereby supply the following information.

I. PETITIONERS

ABIZ is a corporation duly organized and existing under the laws of Delaware. ABIZ’s principal office is located at 712 North Main Street, Coudersport, Pennsylvania. ABIZ is the parent corporation of ABS-Operations. ABS-Operations is a direct, wholly-owned subsidiary of

¹ Copies of the Plan of Reorganization filed with the Bankruptcy Court on or about August 22, 2003, along with the Plan as confirmed by the Bankruptcy Court, are attached hereto as Exhibit “A”.

ABIZ. ABS-Operations is certificated by the Commission and operates in Georgia as a facilities-based competitive local exchange and interexchange carrier.²

II. DESIGNATED CONTACTS

The designated contacts for questions concerning this Petition are as follows:

Charles A. Hudak, Esq.
Brad S. Macdonald, Esq.
FRIEND, HUDAK & HARRIS, LLP
Three Ravinia Drive, Suite 1450
Atlanta, Georgia 30346
Tel: (770) 399-9500
Fax: (770) 395-0000

Copies of any correspondence should also be sent to the following designated representatives of Petitioners:

Brian T. FitzGerald
Noelle M. Kinsch
LeBOEUF, LAMB, GREENE & MacRAE, L.L.P.
99 Washington Avenue, Suite 2020
Albany, New York 12210-2820
Tel: (518) 626-9000
Fax: (518) 626-9010

III. STATEMENT OF JURISDICTION

The Commission has jurisdiction over the matters described in this Petition pursuant to Sections 46-2-28 and 46-5-41 of the Georgia Code.

IV. DESCRIPTION OF THE TRANSACTIONS

On March 27, 2002, ABIZ and ABS Operations, among other ABIZ subsidiaries, each filed a petition to reorganize under Chapter 11 of the United States Bankruptcy Code. The petitions were filed in the United States Bankruptcy Court for the Southern District of New York and assigned a jointly administered Case No. 02-11389.

² Adelpia Business Solutions Operations, Inc. d/b/a TelCove's Application for a Certificate of Authority to Provide Local Exchange Service, Certificate No. L-0130, Docket No. 10049-U (approved May 18, 1999); Adelpia Business Solutions Operations, Inc. d/b/a TelCove's Application for a Certificate of Authority to Construct or Operate Telephone Line, Plant or System, Certificate No. X-0991, Docket 10085-U (approved August 17, 1999).

On or about August 22, 2003, ABIZ and ABS-Operations, among other ABIZ subsidiaries, submitted a Plan of Reorganization in the pending bankruptcy case. The Plan of Reorganization contemplated, *inter alia*, the following: (1) the reorganization of ABIZ's capital structure and the provision of new financing for the company; (2) the provision of certain distributions to holders of pre-petition claims against, and interests in, the debtor entities; and (3) the allowance of the debtor entities to emerge from Chapter 11 bankruptcy.

The Bankruptcy Court confirmed the Plan of Reorganization on December 19, 2003. Petitioners expect to complete the foregoing transactions and emerge from bankruptcy during the first quarter of 2004.

A. The Reorganization Transaction

Under the Plan of Reorganization, ABIZ will authorize up to ten million shares of New Common Stock (\$.01 par value) to be issued pursuant to the Plan of Reorganization. ABIZ will also issue New Warrants, consisting of detachable warrants to purchase up to 1.5 million shares of New Common Stock (representing 15% of the New Common Stock, excluding any option shares reserved for management and shares issued upon exercise of such warrants) at an aggregate exercise price of \$22.35, and New Management Warrants to provide 1.1 million shares of New Common Stock. The existing equity interests in ABIZ, which are the interests of any holder of an equity security of ABIZ and all issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in ABIZ, will be extinguished on the effective date³ of the Plan of Reorganization and no holder of any equity interest will receive any distribution of property on account of such equity interest.

³ The effective date of the reorganization plan is a business day selected by the Debtors on or after the confirmation date on which (i) no stay of the confirmation order is in effect and (ii) the conditions to the effectiveness of the plan has been satisfied or waived. The effective date shall be no earlier than (a) eleven days after the later of the confirmation date, the date any stay of the confirmation order is dissolved or (b) the date on which the conditions to the effectiveness of the plan have been satisfied or waived.

Notwithstanding the foregoing, ABIZ will continue to hold the stock of ABS-Operations as it does today.

Under the Plan, certain holders of notes, along with holders of trade claims and convenience class claims, are permitted to elect between receiving (a) specified stock and/or warrant recoveries, or (b) specified cash recoveries. ABIZ anticipates that under the proposed structure, it is possible that one of the Secured Note Claims holders may hold no less than approximately a 40% interest in the Reorganized ABIZ (and, depending on the elections of other claims holders, could hold more than a 50% interest in the Reorganized ABIZ), and there may be other Secured Note Claims holders that will each hold over 10% of the New Common Stock.

In addition, pursuant to the Plan, ABIZ's Board of Directors will change as a result of the reorganization transaction. Specifically, ABIZ's new Board of Directors will consist of seven (7) members (currently there are three (3) members). The Secured Noteholder Committee shall appoint four (4) of the members and the Creditor's Committee shall appoint three (3) members, of which one of those will be Bob Guth, ABIZ's current Chief Executive Officer, if he is employed by the reorganized ABIZ. Otherwise, the members of the Board of Directors will designate another member. Initial appointments will be for a term of two (2) years, and the Chairman of the Board of Directors will not be an executive of the debtors.

There are several steps necessary for the approval and eventual effectiveness of the Plan of Reorganization and subsequent emergence by ABIZ and its subsidiaries from bankruptcy. The timing of this Petition thus has been dictated by the schedule of the Bankruptcy Court proceedings. Consequently, Petitioners are filing this Petition requesting the Commission's approval of the issuance of stock and, thus, the transfer of control of ABIZ, and ultimately ABS-Operations, at the earliest possible date.

B. The Financing Transaction

Petitioners also seek Commission approval of up to one hundred million dollars (\$100,000,000) in exit financing. Exit financing is frequently utilized as a method to ensure adequate access to capital, allowing for a smooth transition by a debtor in possession when emerging from bankruptcy. The exit financing sought would be in the form of Senior Secured Notes.⁴ To secure the exit financing, ABIZ necessarily must pledge assets and/or stock of, and obtain guarantees from, its operating entities, including ABS-Operations.

Negotiations relating to the details surrounding the exit financing could not be implemented and the final terms known until the companies' emergence from bankruptcy was imminent. Therefore, it was impossible for Petitioners to seek Commission approval of the exit financing prior to the date of this Petition. The exit financing does not result in any change in control of ABIZ or otherwise modify the corporate structure or stock issuances previously addressed in this Petition.

V. DISCLOSURES PURSUANT TO CHAPTER 515-4 OF THE COMMISSION'S RULES

The disclosures required by the Commission's rules relating to issuances of "evidences of debt" associated with the stock issuances and the exit financing are attached hereto at Exhibit "B".

VI. APPROVAL IS IN THE PUBLIC INTEREST

The Commission's approval of the Petition is in the public interest as the resulting reorganized, financially stronger company will be more capable of meeting the challenges of today's telecommunications market.

⁴ A Commitment Letter fully describing the terms of the financing is being filed with the Commission contemporaneously with this Petition pursuant to the Commission's rules regarding trade secrets and confidential information. Although the Commitment Letter states that the parties contemplate sixty million dollars (\$60,000,000) in exit financing, this amount has not been finalized. As such, the Petitioners seek

Commission approval of this Petition will also bolster the Commission's long-standing goal of fostering competition in the telecommunications market. As the Commission is well aware, the national economic downturn over the past two years has been extremely inhospitable to telecommunications carriers. Petitioners have weathered the storm of bankruptcy and are ready to meet the needs of Georgia's telecommunications market. The ability of ABIZ to obtain adequate financing and working capital is critical to the ability of the company to emerge from bankruptcy and for ABS-Operations to continue offering competitive services in Georgia. The benefits of such services include broader consumer choice, more efficient utilization of existing telecommunications resources and facilities, and product and service innovation. The financing proposed in the Plan of Reorganization will allow Petitioners to continue serving existing Georgia customers, to construct and operate its networks and facilities, for general corporate purposes, and to improve and enhance Petitioner's service capabilities to benefit existing and prospective customers.

The transactions for which approval is sought herein will not result in a change in the ultimate ownership or management of day-to-day operations of ABS-Operations. In fact, ABS-Operations' original management teams will retain control of the company following the reorganization. The management team has proven to be capable during extremely challenging times in the industry and is committed to the survival and growth of the company.

Any change in ownership at the parent company level will be transparent to consumers. To the extent the Plan of Reorganization has an impact on customers, it will be positive. ABS-Operations will continue to offer existing customers the same services under the same rates, terms and conditions. There will be no service interruptions or changes to the tariffed conditions of ABS-Operations' services as a result of the transactions contemplated in the Plan of

approval of up to one hundred million dollars (\$100,000,000) in exit financing in the event the figure increases.

Reorganization. Approval of this Petition will also allow customers to continue to receive service without the threat of having to involuntarily change carriers.

VII. WAIVER OF HEARING

Petitioners respectfully request that the Commission waive the hearing requirement associated with the subject matter of this Petition.

VIII. PRAYER FOR RELIEF

Petitioners hereby respectfully request that the Commission issue an order:

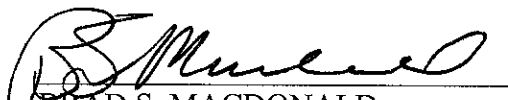
- (i) Approving this Petition in all respects;
- (ii) Approving the reorganization transaction described herein and in the exhibits hereto;
- (iii) Approving the financing transaction described herein and in the exhibits hereto;
- (iv) Waiving the hearing for this Petition; and
- (v) Granting any other and additional relief that the Commission may deem just and proper.

Dated this 7th day of January, 2004,

Respectfully submitted,

FRIEND, HUDAK & HARRIS, LLP


CHARLES A. HUDAK
Georgia Bar No. 373980


BRAD S. MACDONALD
Georgia Bar No. 462948

Three Ravinia Drive, Suite 1450
Atlanta, Georgia 30346
(770) 399-9500

VERIFICATION

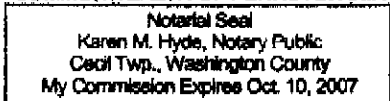
STATE OF PENNSYLVANIA)

COUNTY OF POTTER)

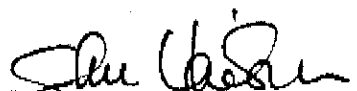
John B. Glicksman, being duly sworn, deposes and states as follows:

1. I am Vice President and General Counsel of Adelpia Business Solutions, Inc. d/b/a TelCove.
2. I have reviewed the foregoing Petition, and the statements of fact contained therein are true and correct to the best of my knowledge, information and belief.

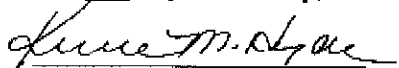
COMMONWEALTH OF PENNSYLVANIA



Member, Pennsylvania Association Of Notaries


John B. Glicksman

Sworn to and subscribed before me
this 6th day of January, 2004.



Notary Public



CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document, by depositing the same in the United States mail in a properly addressed envelope with adequate postage thereon to insure delivery to the following parties:

Kristy R. Holley, Director
Consumers' Utility Counsel Division
47 Trinity Avenue, 4th Floor
Atlanta, GA 30334

This the 7th day of January, 2004.


BRAD S. MACDONALD
Georgia Bar No. 462948

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