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July 5, 2002

Mr. Dale Hardy Roberts  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**RE: TM-2002-1155**

Joint Application of ACSI Local Switched Services, Inc., American  
Communication Services of Kansas City, Inc., Xspedius Management Co.  
Switched Services, LLC, and Xspedius Management Co. of Kansas City,  
LLC for Authority to Transfer Assets

Dear Mr. Roberts:

Enclosed for filing on behalf of ACSI Local Switched Services, Inc.,  
American Communication Services of Kansas City, Inc., Xspedius Management  
Co. Switched Services, LLC, and Xspedius Management Co. of Kansas City,  
LLC please find an original and eight (8) copies of **"JOINT APPLICANTS'  
REPLY TO STAFF RESPONSE."**

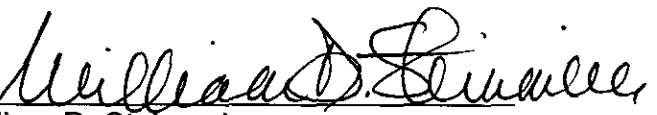
Please see that this filing is brought to the attention of the appropriate  
Commission personnel.

Copies of this filing are being hand-delivered, or sent via postage-prepaid  
U.S. mail, to the Office of Public Counsel and the Commission's General  
Counsel's office.

Thank you for your cooperation and assistance in this matter.

Sincerely,

WILLIAM D. STEINMEIER, P.C.

By:   
William D. Steinmeier

Enclosures

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of )  
)  
**ACSI Local Switched Services, Inc. d/b/a** )  
**e.spire and American Communication** )  
**Services of Kansas City, Inc., d/b/a e.spire** )  
**and Xspedius Management Co. Switched** )  
**Services LLC, and Xspedius Management** )  
**Co of Kansas City, LLC** )  
)  
for Approval of (i) the Transfer of Substantially )  
All of the Assets, Including the Customers, of )  
the e.spire Operating Entities to the Xspedius )  
Operating Entities; and (ii) the Discontinuance )  
of Telecommunications Services in Missouri )  
by the e.spire Operating Entities )

Case No. TM-2002-1155

**JOINT APPLICANTS' REPLY TO STAFF RESPONSE**

COME NOW ACSI Local Switched Services, Inc. ("ACSI Local") and American Communication Services of Kansas City, Inc. ("ACSI of Kansas City") (the "e.spire Operating Entities"); and Xspedius Management Co. Switched Services, LLC ("Xspedius Switched") and Xspedius Management Co. of Kansas City, LLC ("Xspedius Kansas City"), (the "Xspedius Operating Entities"), Joint Applicants herein, by their undersigned counsel, and offer this Reply to "Staff's Response to Commission Order and Staff's Motion to Consolidate" filed in this matter on June 28, 2002, to wit:

1. The instant Application is one of three related applications filed on June 24, 2002, and a fourth filed on July 2, 2002, involving the proposed sale of the assets of the e.spire Operating Entities to the

Xspedius Operating Entities pursuant to a sale agreement approved by the United States Bankruptcy Court for Delaware on June 5, 2002.

2. The Joint Application seeking this Commission's approval of the transfer of assets is Case No. TM-2002-1155, the instant case. The Application of Xspedius Management Co. Switched Services, LLC for a certificate of service authority to provide basic local exchange telecommunications services in Missouri is Case No. CA-2002-1153, and its Application for a certificate of service authority to provide interexchange and local exchange telecommunications services in Missouri is Case No. LA-2003-0001. The Application of Xspedius Management Co. of Kansas City, LLC for authority to provide interexchange and local exchange telecommunications in Missouri is Case No. XA-2002-1154.
3. The Applicants are deeply appreciative of the prompt and arduous efforts of the Commission, the Regulatory Law Judge and the Commission Staff in evaluating and responding to this, and the three related, applications in such an expeditious manner.
4. The Applicants herein have no objection to the Staff request that the Commission consolidate these cases pursuant to 4 CSR 240-2.110(3) for procedural purposes. However, the Applicants request that each application will continue to bear its own case number so that the procedural process, and actual authority granted, in each case may be readily tracked.
5. The Applicants concur in Staff's recommendation that the Commission, pursuant to § 392.410.6 RSMo 2000, issue Xspedius Management Co. of Kansas City, LLC and Xspedius Management Co. Switched Services, LLC temporary certificates to provide the basic local

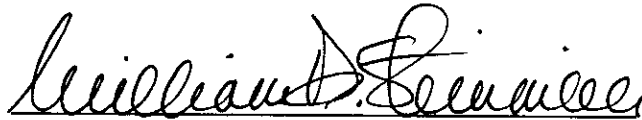
exchange, intrastate interexchange and non-switched local exchange telecommunications services sought in Case Nos. CA-2002-1153 and XA-2002-1154, and would request the same treatment in Case No. LA-2003-0001. The issuance of temporary certificates would assure that the transfer of assets authorized by the Bankruptcy Court is accomplished expeditiously while still implementing the Commission's standard procedure of providing notice to interested parties of applications for permanent certificates of service authority.

6. The Applicants further generally concur in Staff's recommended conditions, process and timing for granting the temporary certificates and issuing an order approving the transfer of assets. However, Applicants would also respectfully suggest the possibility that the Commission could issue an order in the instant case granting approval of the transfer of assets, to become effective when Xspedius meets any conditions placed upon the temporary certificates of service authority. That would allow the transfer order to become effective immediately upon Xspedius meeting the condition of filing of the required Certificates of Authority from the Missouri Secretary of State's office. Applicants have diligently applied for said certificates from the Missouri Secretary of State, and the Business Entity Database Search on the website of the Missouri Secretary of State shows both Xspedius Operating Entities as Active New corporations. As soon as the certificates of authority to do business in Missouri are physically received, Applicants will file them with the Commission.

WHEREFORE, the Joint Applicants concur in Staff's recommendation of June 28, 2002 that the Commission approve the proposed transfer of assets and

customers in this case and waive the provisions of 4 CSR 240-33.150; and suggest that such approval be conditioned upon Xspedius meeting any conditions placed upon the temporary certificates of service authority.

Respectfully submitted,



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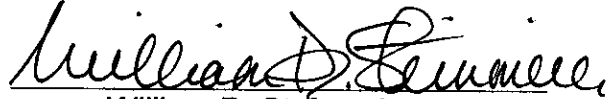


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SWITCHED SERVICES, LLC, AND  
XSPEDIUS MANAGEMENT CO. OF KANSAS  
CITY, LLC

Certificate of Service

I hereby certify that a copy of this document has been hand delivered or mailed by first class mail, postage prepaid, to the Office of the General Counsel of the Missouri Public Service Commission, and to the Office of Public Counsel, on this 5<sup>th</sup> day of July 2002.

  
William D. Steinmeier