



TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 18, 2006

Ms. Joan M. Griffin, Counsel
Ms. Melissa S. Conway, Counsel
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036

TRA DOCKET ROOM

2006 APR 19 AM 3:23

RECEIVED

RE: Docket 06-00088: Application of DIECA Communications, Inc. d/b/a Covad Communications Company for Authority to Provide Security in Connection with Financing

Dear Ms. Griffin and Ms. Conway:

In order to fully analyze the above-referenced application, the Tennessee Regulatory Authority (TRA) requires additional information. Please provide the information requested below by April 25, 2006, and refer to this correspondence as Data Request No. 2 in the response.

1. Per the Description of The Transaction heading of the Application filed with the Authority on March 29, 2006, current proposed Financing included a \$50 million revolving line of credit from a commercial bank, as well as a \$50 million investment from Earthlink in return for \$10 million of Covad Group common stock and a \$40 million senior secured convertible note. Provide documentation showing the specific credit facilities, including the name of the above-referenced commercial bank that will be used for the proposed financing arrangements, including Terms and Conditions.
2. Under the Description of the Financing Transaction heading of the Petition, the Applicant or Covad certifies the debt of the proposed financing transaction would be secured by a first ranking security interest in specified assets of Covad. Provide documentation of the specified assets that would be used as security for the proposed financing transaction and/or arrangements.
3. Will any Tennessee assets be pledged as collateral for any debt issued? If so, name the particular asset(s), and the percentage of each particular asset(s) pledged.

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015

www.state.tn.us/tra

If you have any questions, or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or email him at carlos.black@state.tn.us. Please respond by sending the original and 13 copies either by U.S. Mail or express mail. Alternatively, you may send the original and four (4) copies along with an electronic file of the original to:

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Sincerely,

A handwritten signature in cursive script, appearing to read "Colleen Edwards".

Colleen Edwards, Interim Chief
Competitive Markets & Policy Division .

c: Mr. Anthony Hansel, Senior Counsel
Covad Communications Group, Inc.
600 14th Street, NW, Ste. 750
Washington, D.C. 20005

Mr. Ron Jones, Chairman
Ms. Sharla Dillon, Docket Room Manager