

# TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman  
Eddie Roberson, Director  
Pat Miller, Director  
Ron Jones, Director



2006 OCT 12 4 31:56  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505  
T.R.A. DOCKET ROOM

October 11, 2006

Brett P. Ferenchak  
Bingham McCutchen, LLP  
3000 K Street N.W.  
Suite 300  
Washington, D.C. 20007

RE: Docket No. 06-00254: Petition of McLeodUSA Telecommunications Services, Inc. for Approval to Participate in Certain Financing Arrangements

Dear Mr. Ferenchak:

In order to fully analyze the above-referenced Petition, the Tennessee Regulatory Authority (TRA) requires additional information. Please provide the information requested below by October 18, 2006, and refer to this correspondence as Data Request No. 1 in your response.

1. Please provide a copy of, or completely describe the terms of, the indentures governing the 10.5% Senior Secured Notes due 2011 and the Exchange Notes.
2. Please identify the terms of Permitted Indebtedness and Permitted Liens as described in the Petition, if they are not completely described in the response to question 1. Specifically identify the amounts and associated rates for debt issuance allowed under Permitted Indebtedness. Specifically identify the amounts allowed under Permitted Liens.

If you have any questions or need further assistance, please call Jerry Kettles at 615-741-2904, ext. 153 or e-mail him at [jerry.kettles@state.tn.us](mailto:jerry.kettles@state.tn.us). Please mail the original and 13 copies of your response to:

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

Sincerely,

Jerry Kettles, Chief  
Economic Analysis & Policy Division

C: William Haas, McLeodUSA Incorporated