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December 13, 2006

**VIA OVERNIGHT MAIL**

Bingham McCutchen LLP  
Suite 300  
3000 K Street NW  
Washington, DC  
20007-5116

Chairman Sara Kyle  
c/o Sharla Dillon, Docket Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

06-00313

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Boston  
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**Re: Application of Cinergy Communications Company to  
Participate in Certain Financing Arrangements of Q-Comm  
Corporation**

Dear Chairman Kyle:

On behalf of Cinergy Communications Company ("Applicant") enclosed for filing are an original and thirteen (13) copies of the above-referenced Application. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

Applicant requests confidential treatment of Exhibit A (Financial Statements of Q-Comm.) and Exhibit B (Term Sheet for Financing Transactions) The financial and business information submitted as Exhibits A & B constitute commercially sensitive and competitively significant information that is not otherwise released to the public. Unrestricted availability of this information would provide competitors with knowledge that would be otherwise unavailable and could place Applicant at a competitive disadvantage. Confidential and trade secret treatment is therefore required to avoid commercial and competitive injury.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

*Brett P. Ferenchak*

Catherine Wang  
Brett P. Ferenchak  
Jasbir K. Bawa

Counsel for Applicant

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**  
**Nashville, Tennessee**

	)	
Application of	)	
	)	
<b>Cinergy Communications Company</b>	)	
	)	Docket No. _____
	)	
For Approval to Participate in	)	
Certain Financing Arrangements of	)	
Q-Comm Corporation	)	
	)	

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**APPLICATION**

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Cinergy Communications Company ("CCC" or "Applicant"), through undersigned counsel and pursuant to Tenn. Code Ann § 65-4-109, requests approval, or such authority as may be necessary or required, from the Tennessee Regulatory Authority ("Authority") to participate in certain financing arrangements as described below. Applicant holds authority from the Authority to provide intrastate telecommunications services in Tennessee.

Applicant requests that the Authority act expeditiously to grant the approval requested prior to, but no later than, January 31, 2007 , so that Applicant can timely consummate the proposed transaction before February 5, 2007, and meet important business objectives.

In support of this Application, Applicant states as follows:

**I. DESCRIPTION OF THE APPLICANT**

Applicant is a Kentucky corporation that operates an executive office out of 8829 Bond St., Overland Park, Kansas 66214, and an operations office out of 3701 Communications Way, Evansville, Indiana 47715. Applicant is a wholly owned subsidiary of Q-Comm Corporation ("Q-Comm"), a privately held Nevada corporation.

CCC is a competitive local exchange carrier focused on providing residential and business customers with traditional and cutting edge voice and data services utilizing facilities-based and resold local exchange service. In Tennessee, CCC is authorized to provide local exchange and interexchange telecommunications services in Tennessee pursuant to a certificate of public convenience and necessity awarded by the Authority in Docket No. 01-00112 on April 4, 2001. CCC's assets located in Tennessee include switches, transmission equipment, computers, and office equipment and furniture. CCC's Tennessee assets comprise approximately 4% of CCC's total assets.

Additional information concerning the legal, technical, managerial and financial qualifications of the Applicant was submitted with the various applications filed with the Authority with respect to its operations in Tennessee, and is, therefore, already a matter of record with the Authority. Applicant requests that the Authority take official notice of these existing descriptions of Applicant's qualifications and incorporate them by reference.<sup>1</sup>

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<sup>1</sup> For the TRA's convenience, a copy of the financial statements for Applicant's parent, Q-Comm Corporation, is provided under seal as Exhibit A. Applicant respectfully requests confidential treatment of the financial statements provided in Exhibit A to the Application. Exhibit A contains confidential financial information that Q-Comm and Applicant do not ordinarily make available to the public. The information set forth in this Exhibit derives significant economic value from not being disclosed to the public and, more importantly, the competitors of Q-Comm and Applicant may gain significant economic benefit in the event of disclosure of such information. In order to maintain the protected status of its financial information, Applicant has clearly designated all protected information as "CONFIDENTIAL," and have enclosed the information in sealed envelopes.

## **II. CONTACT INFORMATION**

For the purposes of this Application, contacts for the Applicant are as follows:

### **For Applicant:**

Catherine Wang  
Brett P. Ferenczak  
Jasbir K. Bawa  
Bingham McCutchen LLP  
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Washington, DC 20007-5116  
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### **With copies to:**

John Chuang  
Corporate Counsel  
8829 Bond St.  
Overland Park, KS 66214  
Tel: (913) 754-3339  
Fax: (812) 759-1647  
Email: chuang@cinergycom.com

## **III. DESCRIPTION OF THE TRANSACTION**

Applicant's parent company, Q-Comm, plans to complete certain financing transactions with Bank of America including: (1) First Lien Facilities in an aggregate principal amount of up to \$220 million (the "First Lien Facilities") consisting of up to a \$200 first lien tranche B term loan facility ("Tranche B Term Loan Facility")<sup>2</sup> and up to a \$20 million first lien revolving credit facility ("Revolving Credit Facility");<sup>3</sup> and (2) a second lien term loan facility of up to \$40 million (the "Second Lien Facilities")<sup>4</sup> (the First Lien Facilities and the Second Lien Facilities, collectively, the "Financing Transactions").<sup>5</sup> Applicant will be required to provide a guaranty in

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<sup>2</sup> The Tranche B Facility will mature seven (7) years after closing of the financing arrangements.

<sup>3</sup> The Revolving Credit Facility will mature five (5) years after closing of the financing arrangements.

<sup>4</sup> The Second Lien Facility will mature 7.5 years after closing of the financing arrangements.

<sup>5</sup> A copy of the Term Sheet for the Financing Transactions is provided under seal as Exhibit B. Applicant respectfully requests confidential treatment of the Term Sheet provided in Exhibit B to the Application. Exhibit B contains confidential business information that Q-Comm and Applicant do not ordinarily make available to the public. The information set forth in this Exhibit derives significant economic value from not being disclosed to the public and, more importantly, the competitors of Q-Comm and Applicant may gain significant economic benefit in the event of disclosure of such information. In order to maintain the protected status of its financial information, Applicant have clearly designated all protected information as "CONFIDENTIAL," and have enclosed the information in sealed envelopes.

support of the Financing Transactions. Also, Applicant will pledge its assets as security for the Financing Transactions. Applicant requests authority to participate in the financing arrangements described above.

The Financing Transactions primarily will be used to finance the acquisition of Norlight Telecommunications, Inc.<sup>6</sup> The remainder of the proceeds from the Financing Transactions will be used for the ongoing working capital and other corporate purposes of Q-Comm, the Applicant, and their subsidiaries Tennessee and affiliates. Applicant emphasizes that participation in the financing arrangements will not result in a change in Applicant's management or in their day-to-day operations in ; nor will it adversely affect Applicant's current or proposed operations in Tennessee.

#### **IV. PUBLIC INTEREST STATEMENT**

Approval of the proposed financial arrangement described herein will serve the public interest in promoting competition among telecommunications carriers by providing Applicant with the opportunity to strengthen its competitive position through access to greater financial resources. Furthermore, by increasing the breadth and scope of telecommunications services made available through an increased ability to support existing operations and expand Applicant's operations, greater access to capital will also strengthen Applicant's ability to bring competitive telecommunications services to consumers in the State of Tennessee. This financing transaction will be transparent to consumers and consumers will benefit from the continued receipt of quality telecommunications services that are priced competitively.

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<sup>6</sup> Q-Comm is also in the process of acquiring Norlight Telecommunications, Inc. See Docket No. 06-00303.

V. **CONCLUSION**

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity will be furthered Authority approval of Applicant's participation in the financing arrangements described above. Applicant respectfully requests expedited treatment to permit Applicant to complete the transaction no later than February 5, 2007.

Respectfully submitted,

By:   
Catherine Wang  
Brett P. Ferencak  
Jasbir K. Bawa  
Bingham McCutchen LLP  
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brett.ferenchak@bingham.com  
jasbir.bawa@bingham.com

COUNSEL FOR APPLICANT

Dated: December 13, 2006

### **LIST OF EXHIBITS**

Exhibit A	Financial Statements of Q-Comm <b>[CONFIDENTIAL - Provided Under Seal]</b>
Exhibit B	Term Sheet for Financing Transactions <b>[CONFIDENTIAL - Provided Under Seal]</b>
Verification	

## **Verification**

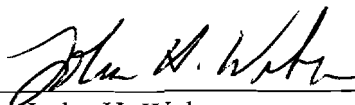


## VERIFICATION

STATE OF KANSAS  
COUNTY OF JOHNSON

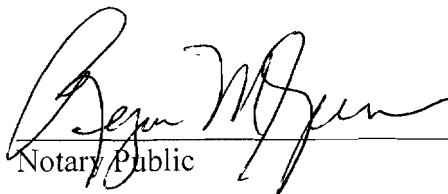
§  
§  
§

I, Lohn H. Weber, state that I am V.P., CFO and Treasurer for Q-Comm Corporation, the parent company of Cinergy Communications Company ("CCC"), the Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of Q-Comm Corporation and CCC; that the statements in the foregoing Application are true and correct to the best of my knowledge, information, and belief.



Name: Lohn H. Weber  
Title: V.P., CFO and Treasurer  
Q-Comm Corporation

SWORN TO AND SUBSCRIBED before me on the 7<sup>th</sup> day of December, 2006.

  
Notary Public

My commission expires: 11-14-09

