

TENNESSEE REGULATORY AUTHORITY

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2007 OCT 10 AM 9:05

T.R.A. DOCKET ROOM

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 9, 2007

Grace R. Chiu, Counsel
Tony S. Lee, Counsel
Venable LLP
575 7th Street, N.W.
Washington, D.C. 20036

Jean L. Kiddoo, Counsel
Brett P. Ferenczak, Counsel
Bingham McCutchen LLP
2020 K Street, N.W.
Washington, DC 20006

RE: Docket No. 07-00229: Joint Application for Approval to Transfer Control of McLeodUSA Telecommunications Services, Inc. to PAETEC Holding Corp. and for McLeodUSA to Participate in Certain Debt Financing Arrangements

Dear Mses. Chiu and Kiddoo and Messrs. Lee and Ferenczak:

In order to fully analyze the above-referenced *Application*, the Tennessee Regulatory Authority ("TRA" or "Authority") requires additional information. Please provide the information requested below by October 16, 2007, and refer to this correspondence as Data Request No. 1 in the response.

1. Have the applicants filed similar applications or notices in other states? If so, provide a listing of states and action taken.
2. Have the applicants filed a similar application with the FCC? If so, list any action taken and the associated docket number. If a schedule to complete the review of your petition has been established by the FCC, provide such with your response.
3. Provide the number of customers that McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") currently have in Tennessee.
4. Have the Applicants applied for approval for the financing transaction from any federal agency? If so, what is the status of any such application or notification?

5. Page 8 of the *Joint Application* states that McLeodUSA will grant a security interest in all of its assets to secure amounts owed under the Credit Facilities. Will any Tennessee assets, including those from PAETEC Holding Corp's. operating subsidiaries in Tennessee, be pledged as collateral for any debt issued under the financing arrangements.

If you have any questions or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or e-mail 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 copies along with an electronic file to:

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

Sincerely,



Jerry Kettles, Chief
Economic Analysis & Policy Division

c: Mr. William A. Haas, VP and Deputy General Counsel
McLeodUSA Incorporated