

filed electronically in docket office on 09/13/10

September 13, 2010

Jerry Kettles, Chief Economic Analysis & Policy Division  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Docket No. 10-00137; Application for Approval of the Transfer of DukeNet Communications, LLC's Certificate to Provide Local Exchange and Interexchange Telecommunications Services as a Competitive Local Exchange Carrier to DukeNet OpCo

Dear Mr. Kettles:

The applicants submit the following supplemental response to Staff Data Request No. 1. This completes the responses to each of those Requests.

3. Provide a copy of the definitive agreement the Applicants entered into defining joint venture description in the *Application*.

**RESPONSE:** The agreement and attachments are over 1,000 pages long and confidential. A verified description of the agreement which describes the transaction is attached as Exhibit A.

7. Provide signed verifications from the Applicants verifying that the information contained in the *Application* is true to their best knowledge, information, and belief.

**RESPONSE:** Attached is an Affidavit of Dorothy K. Corbett of Duke Energy Corporation attesting to the accuracy of all information in the *Application* relating to DukeNet Communications, LLC. Exhibit B. Note that the information in the Application demonstrating the technical, managerial, and financial capabilities of the DukeNet OpCo, LLC (see Section III of the *Application*) is provided by DukeNet Communications, LLC.

11. To demonstrate the financial qualifications of the company resulting from the merger of OpCo and DukeNet, provide the following information:

(a) The estimated cost of network facilities including switches and unbundled network elements.

**RESPONSE:** The aggregate estimated cost of network facilities in Tennessee for 2010 and 2011 is \$7.8 million.

(b) The most recent audited financial statements (balance sheet, income statement and statement of cash flow).

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**RESPONSE:** To date, DukeNet OpCo has not had operations and therefore, has no audited financial statements.

(c) Projected financial statements (balance sheet, income statement and statement of cash flow) for the next three years.

**RESPONSE:** Certain confidential financial projections that were recently used by DukeNet Communications, LLC in presentations to potential investors and lenders are attached as Exhibit C.

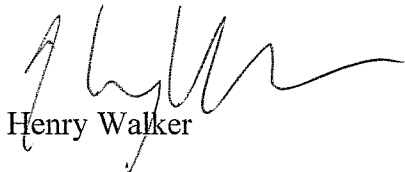
(d) A capital expenditures budget for the next three years detailing equipment to be deployed, the cost of equipment and the source of funding.

**RESPONSE:** A capital expenditure budget for DukeNet is included in the financial projections filed in response to (c) above.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:

  
Henry Walker

HW/dnr

**EXHIBIT A**  
**CONFIDENTIAL**

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
DUKETNET COMMUNICATIONS, LLC  
APPLICATION FOR TRANSFER OF CERTIFICATE  
SUPPLEMENTAL TRANSACTION SUMMARY**

## **EXHIBIT B**

**EXHIBIT C**  
**CONFIDENTIAL**