



passionate about qualitySM

October 13, 2005

VIA FEDERAL EXPRESS

Kentucky Public Service Commission
Attn: Beth A. O'Donnell, Executive Director
PO Box 615; 211 Sower Blvd
Frankfort, KY 40602-0615

RECEIVED

OCT 18 2005

KENTUCKY PUBLIC SERVICE COMMISSION

Re: InterCompany Reorganization

Dear Ms. O'Donnell:

PAETEC Communications, Inc. ("PAETEC") and American Long Lines, Inc. ("AMLL") (together the "Parties"), hereby notify the Commission of a proposed transaction whereby AMLL will merge into PAETEC (the "Transaction"). The anticipated date of the Transaction is December 31, 2005.

In support of this Advice Letter, the Parties state as follows:

I. The Parties

A. PAETEC Communications, Inc.

PAETEC is a privately held Delaware corporation with principal offices located at One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450. PAETEC is a wholly owned subsidiary of PAETEC Corp., a privately held Delaware holding company. PAETEC Corp. is the holding company of several subsidiaries, including the parties to this proceeding. PAETEC is authorized to provide intrastate interexchange services and local exchange services pursuant to certification granted by the Commission Utility ID No. 5144500 and 22251445, respectively. PAETEC is also authorized to provide interexchange and/or competitive local exchange service in numerous other states pursuant to certification, registration, or tariff requirements, or on a deregulated basis. In addition, PAETEC is authorized by the Federal Communications Commission to provide international services as a non-dominant carrier.

B. American Long Lines, Inc.

AMLL is a Pennsylvania corporation with headquarters also located at One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450. AMLL is also a wholly owned subsidiary of PAETEC Corp. AMLL offers resold local and long distance telecommunications services in markets throughout the United States, primarily in the Northeast United States. AMLL is authorized to provide intrastate interexchange services pursuant to certification granted by the Commission Utility ID No. 5127500.

II. Background Information on the Transaction

Earlier this year, PAETEC Corp. acquired AMLL in order to expand PAETEC Corp.'s telecommunications operations in a cost-efficient manner, thereby enhancing its competitive position and ability to provide integrated telecommunications services to customers in Kentucky as well as other states. While both PAETEC and AMLL are now wholly owned subsidiaries of PAETEC Corp, the companies continue to maintain separate billing systems, customer service operations, and other internal processes that are largely duplicative. In order to eliminate redundancies and inefficiencies, and to further streamline company operations, the parties have determined that they should consolidate their administrative and business operations into a unified system. To that end, the Parties propose to merge AMLL into PAETEC, transfer all of AMLL's customers to PAETEC, and discontinue AMLL's operations in Kentucky. A diagram depicting the proposed Transaction is attached hereto as Exhibit B.

AMLL will send a notice to its customers that it intends to discontinue service at least thirty (30) days prior to the transition of service to PAETEC. A proposed discontinuance notice is attached hereto as Exhibit A. Following the Transaction, PAETEC will provide telecommunications services to AMLL's current customers pursuant to the authority granted to PAETEC by the Commission. AMLL's customers will not experience any disruptions in service and the rates, terms, and conditions of service will be provided pursuant to existing contracts assumed by PAETEC, or pursuant to PAETEC's tariffs. There will be no immediate changes to the rates and services provided to AMLL's existing customers, and upon expiration of any service contracts with those customers, they will have the option to continue service with PAETEC pursuant to its then-current rates, terms, and conditions or other negotiated agreements, or to select service from another telecommunications service provider.

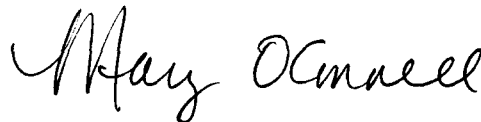
Because the parties are managed by the same team of well-qualified officers and directors, key personnel in charge of the companies' operations will not change as a result of the proposed merger and discontinuance. PAETEC's management, which oversees AMLL's current operations, will ensure that AMLL's customers continue to receive high quality and innovate services before and after the transition. Affected customers will receive the same services from PAETEC that they currently receive from AMLL, and PAETEC will continue to provide services pursuant to its own certificate of authority, as referenced above.

III. Public Interest Consideration

The primary objective of the Transaction is to achieve greater corporate efficiencies by eliminating duplicative billing systems, customer service operations, and other internal processes maintained by the parties. The proposed Transaction will serve the public interest by combining the financial resources and complementary operating, technical, and managerial strengths of PAETEC and AMLL to better serve the companies' constituent subscribers. The Parties anticipate that the proposed Transaction will result in a more efficient company better equipped to accelerate its growth as a competitive telecommunications provider. The Transaction will enable PAETEC to strengthen its competitive position in Kentucky, which will inure to the benefit of consumers through improved service.

Please direct all inquires and correspondence regarding this Advice Letter to Lori Blakely at (585) 340-8232 or via e-mail at lori.blakely@paetec.com

Sincerely,



Mary K. O'Connell
Senior Corporate Counsel
PAETEC Communications, Inc.

EXHIBITS

Exhibit A	Proposed Discontinuance Notice
Exhibit B	Pre/Post-Merger Corporate Structure

EXHIBIT A

Proposed Discontinuance Notice

DRAFT 9/27/05

**AMERICAN LONG LINES, INC. and PAETEC COMMUNICATIONS, INC.
"Passionate About Quality"**

[November __, 2005]

Dear Valued American Long Lines Customer:

American Long Lines, Inc. ("AMLL") and PAETEC Communications, Inc. ("PAETEC") are passionate about bringing you, our valued customer, quality services. AMLL became an affiliate of PAETEC in February 2005. PAETEC, a privately held company, has been providing an enhanced suite of communication services to customers since 1998. With an unwavering commitment to quality, PAETEC now serves more than 11,000 medium and large-sized business customers throughout the United States.

AMLL and PAETEC are now combining their operations in order to maximize the benefits that we may bring to you. The result will be a single company, PAETEC. PAETEC will continue providing the services you currently receive from AMLL. PAETEC will begin invoicing for your current services on or about January 1, 2006, pending all necessary regulatory approvals.

AMLL and PAETEC will work to ensure that the transfer of your services to PAETEC is seamless. Your current services will continue to be provided under the same rates, terms and conditions that you currently enjoy with AMLL. Any future changes in rates, terms and conditions of service will be provided to you as required by law; however, no changes are anticipated. PAETEC will be responsible for handling any questions or issues prior to and during the transfer. PAETEC will also be responsible for any carrier change charges that may be associated with the transfer. If you have placed a "freeze" on the current services, the freeze will be lifted (if needed) and your services will be transferred to PAETEC.

As always, you have the right to choose a different carrier for your services. If you do take steps to transfer your service to a different carrier you will need to make sure that the new service is ordered and provisioned no later than December 31, 2005. Please note, that choosing to terminate services may result in early termination charges being assessed per your AMLL contract. If you are a customer of AMLL on the date of the transfer and you have not informed AMLL that you have made arrangements to switch to a carrier other than PAETEC, your services will automatically be transferred to PAETEC.

AMLL and PAETEC are passionate about quality and committed to providing you with outstanding customer service, as well as an enhanced suite of products aimed to meet all of your communications needs. We look forward to continuing the mutually beneficial relationship that you have built with AMLL. If you have any questions, please do not hesitate to contact your AMLL account team or PAETEC to learn more about the company and the service offerings. Please call PAETEC toll free at (877) 340-2600 or visit the PAETEC website at www.paetec.com.

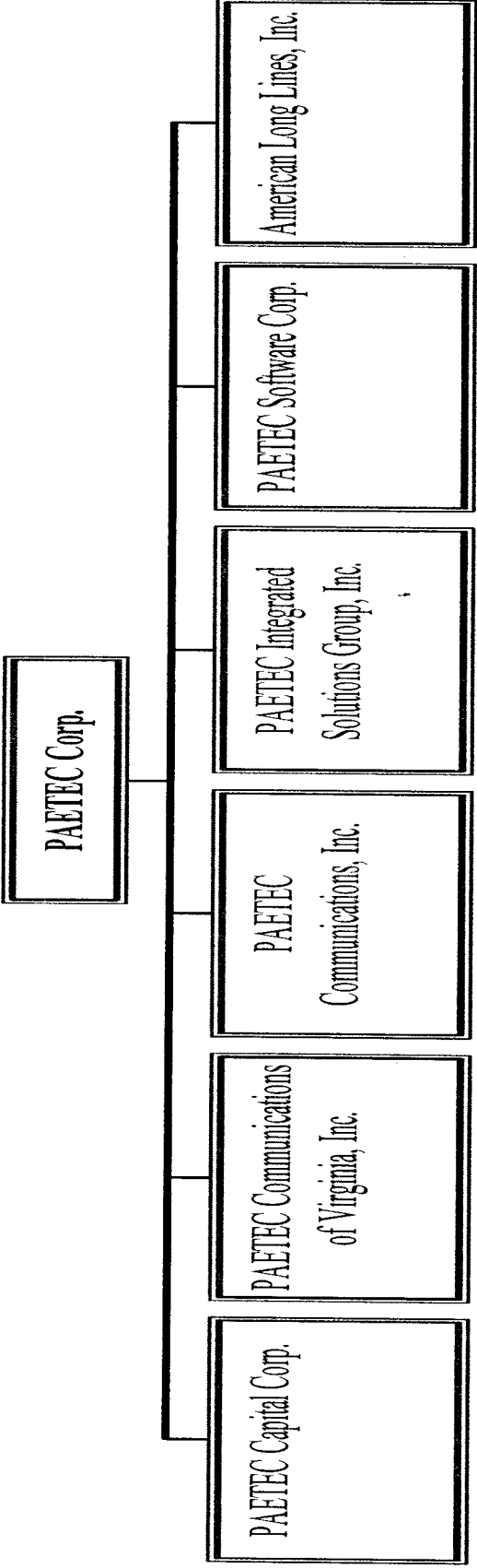
Cordially,

**Doug Derstine
Vice President
PAETEC Communications, Inc.**

EXHIBIT B

Pre/Post-Merger Corporate Structure

Corporate Structure – PRE Merger



Corporate Structure – POST Merger

