

McGuireWoods LLP
77 West Wacker Drive
Suite 4100
Chicago, IL 60601-1815
Phone: 312.849.8100
Fax: 312.849.3690
www.mcguirewoods.com

McGUIREWOODS

RECEIVED

FEB 14 2006

PUBLIC SERVICE
COMMISSION

February 13, 2006

(Via Federal Express)

Ms. Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

**Re: Notification of PAETEC Communications, Inc.
CLEC Utility ID 22251445 and LD Carrier Utility ID 5144500
Regarding Intent to Refinance Debt Obligations**

Dear Ms. O'Donnell:

PAETEC Communications, Inc. ("PAETEC"), by its undersigned counsel, hereby notifies the Public Service Commission of Kentucky (the "Commission") of its intent to refinance existing debt obligations, as further described herein. PAETEC's participation in the financing arrangements described herein will not adversely affect the rates, terms, service or operation of PAETEC, nor will it have an impact on its customers. Furthermore, the transaction will not involve an assignment of PAETEC's telecommunications authorizations nor a change in the day-to-day operations of PAETEC. The proposed transaction will, therefore, be completely transparent to PAETEC's customers.

It is our understanding that prior Commission approval is not required for PAETEC's participation in the transaction described herein. This letter is filed for informational purposes, and is to be associated with the appropriate Commission file.

A. Description of PAETEC

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 whose principal business is telecommunications. PAETEC is authorized to provide local exchange and long distance carrier services in Kentucky pursuant to Utility ID Nos. 22251445 and 5144500, respectively. PAETEC is also authorized to provide interexchange and/or competitive local exchange services 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. Description of Financing Arrangements

PAETEC intends to enter into a Fourth Amended and Restated Loan and Security Agreement (the "Fourth Amendment") with certain financial institutions, which will replace PAETEC's existing credit facility with its current lenders. Pursuant to the Fourth Amendment, PAETEC will modify the terms governing repayment of its existing credit facility for the purpose of refinancing all outstanding amounts owing under the previously existing facility, and will provide financing to the company of up to \$125 million. The Fourth Amendment is scheduled to close on or about February 28, 2006.

C. Public Interest Considerations

PAETEC's participation in the Fourth Amendment will serve the public interest in promoting competition among telecommunications carriers by providing PAETEC with the opportunity to strengthen its competitive position with greater financial resources. The funds to be obtained through the Fourth Amendment are necessary and appropriate, are consistent with PAETEC's performance of services to the public, will not impair the ability of PAETEC to perform such services, and will promote a lawful objective within the corporate purposes of PAETEC. Furthermore, by increasing the breadth and scope of telecommunications services made available through the planned expansion of PAETEC's operations, the financing transactions will benefit Kentucky consumers. In sum, the transaction will strengthen PAETEC's ability to bring competitive telecommunications services to Kentucky consumers and is, therefore, in the public interest.

D. Conclusion

For the reasons stated above, PAETEC respectfully submits that the public interest, convenience and necessity would be furthered by its participation in the financing arrangements

Ms. Beth O'Donnell
Public Service Commission of Kentucky
February 13, 2006
Page 3

described herein. Accordingly, PAETEC respectfully advises the Commission of its intent to consummate this transaction on or about February 28, 2006.

An original and two (2) copies of this notification letter are enclosed. Please date-stamp an enclosed extra copy of this filing and return it in the self-addressed, postage paid envelope provided. Please feel free to contact Scott Schlautman at (312) 641-2088 or by e-mail at sschlautman@mcguirewoods.com if there are any questions with respect to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Schlautman", with a long horizontal flourish extending to the right.

Tony S. Lee
Scott A. Schlautman

Counsel for PAETEC Communications, Inc.

cc: Mary O'Connell (PAETEC)