

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of McLeod )  
USA Telecommunications Services, Inc. ) Case No. 09-1881-TP-ACO  
and US LEC Communications Inc. for Pro )  
Forma Reorganization and Name Change. )

FINDING AND ORDER

The Commission finds:

- (1) On December 2, 2009, as amended on December 4, 2009, September 2, 2010, February 11, 2011, and February 14, 2011, McLeodUSA Telecommunications Services, Inc. (McLeod) and US LEC Communications Inc. (US LEC) (collectively, joint applicants) filed a joint application seeking approval of a change in their existing corporate status, a pro forma reorganization within their respective chain of ownership, as well as an accompanying name change for each entity. These transactions closed on March 1, 2010.
- (2) McLeod is currently authorized to provide local and interexchange telecommunications services pursuant to Certificate No. 90-9087. US LEC is currently authorized to provide local and interexchange telecommunications services pursuant to Certificate No. 90-9096. According to joint applicants, the companies are both wholly owned indirect subsidiaries of PAETEC Holding Corp.
- (3) Pursuant to the proposed change in corporate status, joint applicants will each convert from an incorporated company to a limited liability company. Following the proposed transaction, McLeod will operate under the name of McLeodUSA Telecommunications Services, LLC dba PAETEC Business Services and US LEC will operate under the name of US LEC Communications LLC dba PAETEC Business Services. Joint applicants submit that other than the resulting name change, no other changes will occur relative to their respective operations.

As a result of the proposed pro forma corporate reorganization, McLeodUSA and US LEC will become indirect wholly owned subsidiaries of PAETEC Holding under PAETEC Corp. and PAETEC Communications, Inc., rather than under their current intervening parent companies. This change will be transparent inasmuch as PAETEC Communications Inc. will continue to be the

ultimate parent company of the joint applicants and the day-to-day operations of the companies will continue to be managed by the same personnel and the transaction will not affect the joint applicants' current rates or services.

PAETEC Communications Inc. is currently authorized to operate as a reseller of intrastate interexchange and local services pursuant to Certificates No. 90-9120 and 90-5837. According to joint applicants, there will be no changes whatsoever in the corporate form, name, or manner under which PAETEC Communications Inc., currently operates.

- (4) By the attorney examiner entry issued on December 30, 2009, the automatic time frame for this matter was extended for 60 days in order for the joint applicants to provide additional information in support of their application.
- (5) Pursuant to the attorney examiner entry issued on February 23, 2010, this matter was suspended from the automatic approval process. The joint applicants were instructed to contact the Commission staff and to supplement their application or this matter would be recommended for dismissal.
- (6) Based on a review of the record, the Commission finds that joint applicants have now fulfilled all of the Commission's application requirements and, therefore, the joint application should be approved. In reaching this determination the Commission notes that the joint applicants have properly supplemented the record in this case, including the filing of the requisite certificates from the Ohio Secretary of State reflecting the proposed name changes. Additionally, the Commission notes that customers have been notified of the proposed name changes through prior billing statements.

It is, therefore,

ORDERED, That joint application be approved in accordance with Finding (6). It is, further,

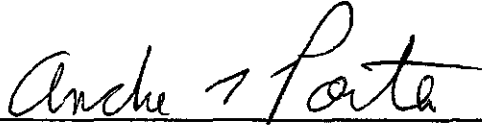
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

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Paul A. Centolella

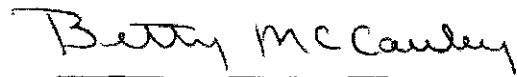
  
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Steven D. Lesser

  
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Andre T. Porter

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Cheryl L. Roberto

JSA/dah

Entered in the Journal  
MAY 19 2011

  
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Betty McCauley  
Secretary