$\underline{\mathbf{EXHIBIT}\;\mathbf{B}}$

Copy of West Virginia PSC Filing

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August 12, 2011

Ms. Sandra Squire **Executive Secretary** Public Service Commission of West Virginia 201 Brooks Street Charleston, West Virginia 25301

04:06 PM AUG 12 2011 PSC EXEC SEC 15 LV

RE:

CASE NO. 11-

PAETEC Holding Corp., PaeTec Communications, Inc., McLeodUSA Telecommunications Services, LLC. US LEC Communications LLC, Intellifiber Networks, LLC and Windstream Corporation

Dear Ms. Squire:

Enclosed please find the original and twelve (12) copies of a Joint Petition of PAETEC Holding Corp., PaeTec Communications, Inc., McLeodUSA Telecommunications Services, LLC, US LEC Communications LLC, and Intellifiber Networks, LLC ("PAETEC Regulated Entities") and Windstream Corporation seeking the Commission's approval of the Transfer of Indirect Control of the Paetec Regulated Entities to Windstream.

As stated in the Joint Petition, the parties are requesting that the Commission grant this Petition no later than November 1, 2011, so that the transaction may close as soon as practicable in 2011 to enable the parties to meet critical business objectives.

The Petitioners will file a separate Motion For Expedited Treatment.

Should you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely,

MV State Bar No. 6617

enclosures

BEFORE THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

	_	
Joint Petition of))	
PAETEC Holding Corp.,) Case No. 11-	-T-PC
PaeTec Communications, Inc.,)	
McLeodUSA Telecommunications Services, LLC)	
US LEC Communications LLC, and)	
Intellifiber Networks, LLC)	
))	
and)	
)	
Windstream Corporation	04:05 PH AUG	12 2011 PSC EXEC SEC DI
)	
for Approval for the Transfer of Indirect)	
Control of the PAETEC Regulated Entities to)	
Windstream Corporation)	
)	

JOINT PETITION

PAETEC Holding Corp. ("PAETEC"), PaeTec Communications, Inc. ("PCI"), McLeodUSA Telecommunications Services, LLC ("McLeodUSA"), US LEC Communications LLC ("US LEC"), and Intellifiber Networks, LLC ("Intellifiber") (PCI, McLeodUSA, US LEC, and Intellifiber, collectively the "PAETEC Regulated Entities") and Windstream Corporation in its sole capacity as the acquiring entity ("Windstream") (PAETEC, the PAETEC Regulated Entities, and Windstream collectively, the "Petitioners"), by their undersigned counsel and pursuant to Section 24-2-12 of the *West Virginia Code* and the rules of the Public Service Commission of West Virginia ("Commission"), hereby request Commission approval for the transfer of indirect control of the PAETEC Regulated Entities to Windstream (the "Transaction"), as described more fully herein.

In order to consummate the Transaction later this year, Petitioners request that the Commission grant all relief sought herein as expeditiously as possible, and no later than November 1, 2011, so that Petitioners can close the Transaction as soon as practicable in 2011 and in order for them to meet critical business objectives.

In support of this Joint Petition, Petitioners provide the following information:

I. DESCRIPTION OF THE PETITIONERS

A. Windstream Corporation

Windstream Corporation, a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, (501) 748-7000, is a publicly traded (Nasdaq: WIN) S&P 500 diversified communications and entertainment company. Windstream's subsidiaries provide local and long distance telephone services, data hosting services, broadband and high-speed data services and video services to customers throughout the United States. Windstream's operations currently have approximately 3.3 million access lines and approximately \$4 billion in annual revenues. More information about Windstream and its operations can be found at www.windstream.com.

Windstream does not itself provide telecommunications services or hold any telecommunications licenses in its own right, but by virtue of its ownership of its regulated subsidiaries, Windstream has demonstrated that it is qualified to own and that its subsidiaries are qualified to operate telecommunications carriers in West Virginia. Additional information concerning Windstream's legal, technical, managerial and financial qualifications to acquire control of the PAETEC Regulated Entities was submitted to the Commission with various prior

The operations of Windstream's existing subsidiaries in these states, including West Virginia, will not be affected by the instant Transaction.

filings with respect to the operations of its subsidiaries in West Virginia and is therefore already a matter of public record. Petitioners request that the Commission take administrative notice of these existing descriptions of Windstream's qualifications and incorporate them by reference.

B. PAETEC Holding Corp

PAETEC is a publicly traded Delaware corporation (NASDAQ GS: PAET) with principal offices located at One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450. PAETEC, through its regulated operating subsidiaries including the PAETEC Regulated Entities that operate in West Virginia, has a presence in 86 of the nation's top 100 MSAs, delivering communications solutions primarily to business customers in 49 states and the District of Columbia. Additional information regarding PAETEC, including its most recent Securities and Exchange Commission Form 10-Q, is available at www.paetec.com/investors.

The PAETEC Regulated Entities hold the following authorizations in West Virginia:

- PCI is authorized to provide resold intrastate interexchange telecommunications services pursuant to certification granted by the Commission in Case No. 98-1205-T-CN.
- McLeodUSA is authorized to provide resold interexchange telecommunications services pursuant to certification granted by the Commission in Case No. 97-0167-T-CN, and resold and facilities-based local exchange and facilities-based interexchange telecommunications services pursuant to certification granted in Case No. 01-0431-T-CN.
- US LEC is authorized to provide resold and facilities-based local exchange and switched access and resold interexchange telecommunications services pursuant to certification granted by the Commission in Case Nos.04-0861-T-CN and 02-1342-T-CN, respectively.
- 4. Intellifiber is authorized to provide facilities based and resold local exchange and interexchange telecommunications services pursuant to authority granted in Docket No. 09-1656-T-CN on February 25, 2010.

Organization charts illustrating the corporate structure of the PAETEC Regulated Entities pre- and post-Transaction are appended hereto as **Exhibit A**.

II. <u>DESIGNATED CONTACTS</u>

Questions, correspondence or other communications concerning this Petition should be directed to the following persons:

For Petitioners

Robert R. Rodecker, Esq.
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with copies to:

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Corporate Vice President of Regulatory &
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For Windstream

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with copies to:

Jayne Eve VP-State Government Affairs 236 W Center Ave Mooresville, NC 28115-3119 704-660-6680 (Tel) jayne.t.eve@windstream.com

III. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of an Agreement and Plan of Merger ("Agreement") dated July 31, 2011 among Windstream, Peach Merger Sub, Inc. ("MergerCo") (a direct, wholly-owned subsidiary of Windstream created for purposes of the merger), and PAETEC, MergerCo will merge with and into PAETEC, and PAETEC will continue to exist as the surviving corporation (the "Transaction"). As a result of the Transaction, PAETEC will become the direct, wholly-owned subsidiary of Windstream. Thus, Windstream will be the new ultimate parent company of PAETEC Regulated Entities, although these entities will all continue to be wholly owned by their existing intermediate parent companies. See the pre- and post-transaction organizational charts attached as Exhibit A. A copy of the PAETEC's 8-K filing with the SEC containing the Agreement is publicly available online, and is incorporated by reference herein.²

Accordingly, this change in ultimate control will not involve a transfer of the operating authority, assets or customers of the PAETEC Regulated Entities. Immediately following consummation of the Transaction, PAETEC Regulated Entities will continue to offer the same services, rates, terms and conditions pursuant to their existing respective authorizations. Since these certificated entities will be ultimately owned by Windstream as a result of the Transaction, they may in the future change their names to reflect the "Windstream" brand. The Petitioners emphasize that any modifications to the names of the PAETEC Regulated Entities, or any other changes to their rates, terms or conditions of those service that may occur in the future following the consummation of the Transaction will be undertaken pursuant to the requirements of applicable law and Commission rules.

See Agreement and Plan of Merger among Windstream Corporation, Peach Merger Sub, Inc., and PAETEC Holding Corp., at Exhibit 2.1 (July 31, 2011), available at: http://sec.gov/Archives/edgar/data/1372041/000119312511204606/0001193125-11-204606-index.htm. Applicants will provide staff a paper copy of this voluminous filing upon request.

Windstream has the technical, managerial, and financial qualifications to acquire control of the PAETEC Regulated Entities. Windstream, through its operating subsidiaries, provides local and long distance telephone services, data hosting services, broadband and high-speed data services and video services to customers throughout the United States. Windstream's operations currently have approximately 3.3 million access lines and approximately \$4 billion in annual revenues. More information about Windstream and its operations can be found at www.windstream.com. A copy of Windstream's most recent financial statements from its Form 10-K for the year ended December 31, 2010 is available online, and are incorporated by reference herein.³

The Transaction does <u>not</u> entail the issuance of any new pledges of any of the assets used by Petitioners to provide service in West Virginia as security for debt.

IV. PUBLIC INTEREST CONSIDERATIONS

Petitioners submit that the Transaction described herein will serve the public interest. Petitioners expect that the merger will enable the combined entities to better meet the local, national and global needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. Operation as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

See Annual Report of Windstream for Fiscal Year Ended December 31, 2010 (SEC Form 10-K), (Feb. 22, 2011), available at:

http://sec.gov/Archives/edgar/data/1282266/000119312511042169/0001193125-11-042169-index.htm ("Windstream's Form 10-K"). Applicants will provide staff a paper copy of this voluminous filing upon request.

Moreover, the transaction will be conducted in a manner that will be virtually transparent to customers of the PAETEC Regulated Entities. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the transaction, the PAETEC Regulated Entities will continue to provide high-quality competitive communications services to their customers without interruption and without immediate change in rates, terms or conditions.

The public interest will also be served by expeditious consideration and approval of the transaction no later than November 1, 2011. For various important business, tax and financial reasons, Petitioners require that the transaction be closed as quickly as possible in 2011. Delay in the regulatory approval process – and thus in the ability of the Petitioners to move forward promptly with the integration process – risks creating uncertainty and competitive harm, especially in the public equity markets for the companies' respective stock. The competitive telecommunications marketplace continues to be a very challenging business environment. The proposed transaction is aimed at strengthening the competitive position of the combined entities and, therefore, delay in the regulatory approval process prevents the parties from realizing the economic benefits of integration of the carriers' networks or offering the expanded combined network footprint to customers as quickly as the parties otherwise could.

It is respectfully represented that the terms and conditions of the transactions set forth herein are reasonable, neither party is given an undue advantage over the other, and said transactions will not adversely affect the public in West Virginia.

VI. **CONCLUSION**

For the foregoing reasons, Petitioners submit that the public interest would be furthered by grant of this Petition, authorizing Petitioners to complete the Transaction described herein.

Respectfully submitted,

Robert R. Rodecker, Esq. [WV Bar No. 3145] James V. Kelsh, Esq, [WV Bar No. 6617] BB&T Square

300 Summers Street, Suite 1230

Charleston, West Virginia 25301 304-343-1654 (Tel) 304-343-1657 (Fax) rodecker@wvdsl.net

kelshlaw@wvdsl.net

Counsel for the Petitioners

Dated: August 12, 2011

LIST OF EXHIBITS

Exhibit A Charts of the Merger and the Pre- and Post-Transaction Corporate Organizational Structure

Verifications

EXHIBIT A

Charts of the Merger and the Pre- and Post-Transaction Corporate Organizational Structure

Pre-Transaction Corporate Structure of the PAETEC Regulated Entities and Windstream

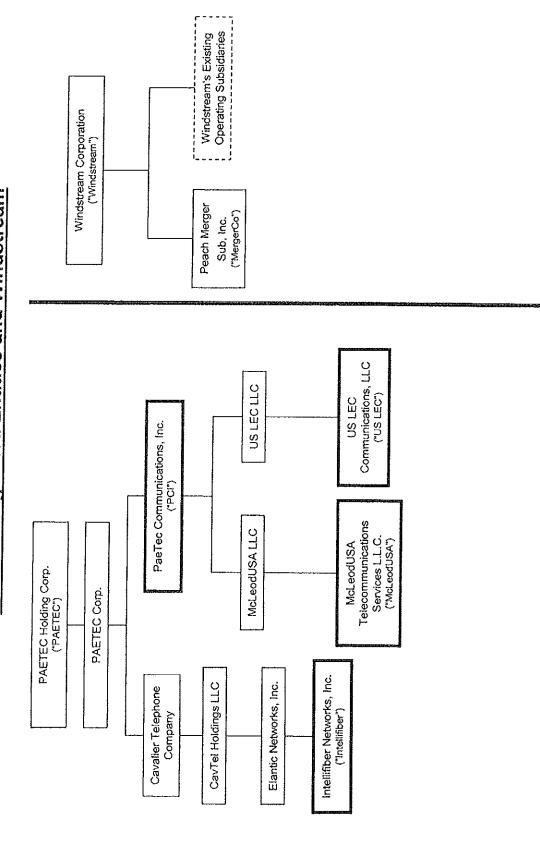
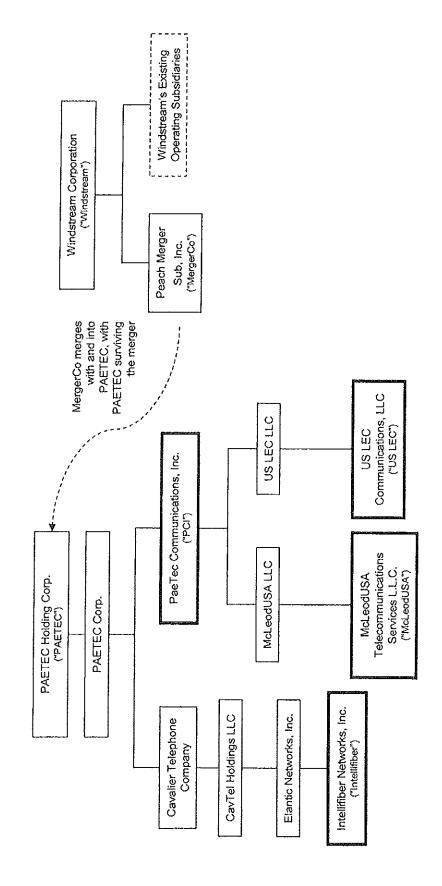


Illustration of Transaction



Post-Transaction Corporate Structure of PAETEC Regulated Entities and Windstream

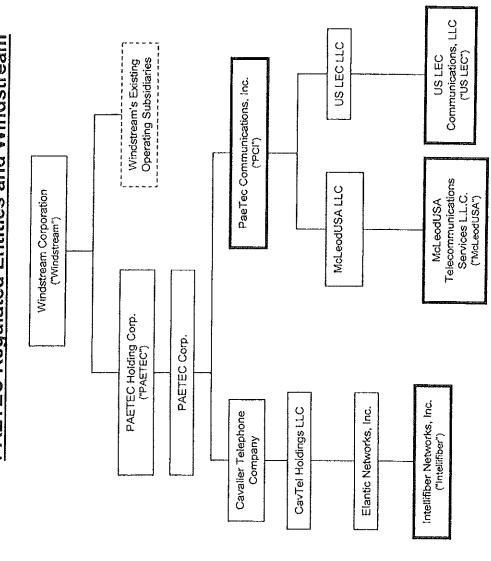


EXHIBIT B VERIFICATIONS

VERIFICATION

STATE OF IOWA §
COUNTY OF LINN §

I, William A. Haas, state that I am Corporate Vice President Regulatory and Public Policy of PAETEC Holding Corp.; that I am authorized to make this Verification on behalf of PAETEC Holding Corp. and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the statements with respect to PAETEC Holding Corp and its subsidiaries in the foregoing document are true and correct to the best of my knowledge, information, and belief.

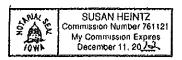
Name: Williams A. Haas

Title: Corporate Vice President Regulatory and

Public Policy

PAETEC Holding Corp.

SWORN TO AND SUBSCRIBED before me on the _____/_ day of August, 2011.



Notary Public

My commission expires: 12-11-13

VERIFICATION

STATE OF ARKANSAS §
COUNTY OF PULASKI §

I, Michael D. Rhoda, state that I am Senior Vice President Government Affairs for Windstream Corporation ("Windstream"); that I am authorized to make this Verification on behalf of Windstream and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the statements with respect to Windstream and its subsidiaries in the foregoing document are true and correct to the best of my knowledge, information, and belief.

Name: Michael D. Rhoda

Title: Senior Vice President Government Affairs

Windstream Corporation

SWORN TO AND SUBSCRIBED before me on the 11th day of August, 2011.

Sandra Glan Duffin

My commission expires: September 1, 2011

