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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

- KRISTIN K. MAYES, Chairman
- GARY PIERCE
- PAUL NEWMAN
- SANDRA D. KENNEDY
- BOB STUMP

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAR 12 2010

DOCKETED BY

DOCKET NO. T-03267A-09-0475

IN THE MATTER OF THE APPLICATION OF
MCLEODUSA TELECOMMUNICATIONS
SERVICES, INC. D/B/A PAETEC BUSINESS
SERVICES FOR A FINANCING ORDER
AUTHORIZING VARIOUS FINANCING
TRANSACTIONS.

PROCEDURAL ORDER

BY THE COMMISSION:

On October 2, 2009, McLeodUSA Telecommunications Services, Inc., d/b/a PAETEC Business Services ("PAETEC" or "Applicant"), filed with the Commission an application for approval to pledge their Arizona assets as security for certain debt financing arrangements up to \$700,000,000, pursuant to A.R.S. § 40-285 and Arizona Administrative Code ("A.A.C.") R14-2-804 ("Application").

On January 25, 2010, the Commission's Utilities Division Staff ("Staff") filed a Staff Report recommending conditional approval of the request for the pledge of the Applicant's Arizona assets.

On February 18, 2010, the Applicant filed a Notice of Transaction and Request for Retroactive Authority ("Notice"). In its Notice, PAETEC stated that, in order to take advantage of favorable market conditions, it had closed the transaction on January 7, 2010. As such, PAETEC requested that the order granting the Application be retroactive to January 1, 2010. The Notice did not provide any information about the terms and conditions underlying the transaction.

IT IS THEREFORE ORDERED that Staff shall conduct any additional discovery necessary to address the information provided in the Applicant's Notice and shall file a **Supplemental Staff Report**, including updated recommendations, if any, **no later than April 13, 2010.**

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1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 DATED this 9th day of March, 2010.

4 
5 BELINDA A. MARTIN
6 ADMINISTRATIVE LAW JUDGE

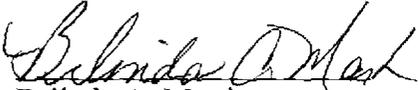
7 Copies of the foregoing mailed
8 this 9th day of March, 2010, to:

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By: 
Belinda A. Martin