

August 15, 2002

**VIA CERTIFIED MAIL, RETURN RECEIPT**Mr. Don Mills  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615**RECEIVED****AUG 23 2002**PUBLIC SERVICE  
COMMISSION**Re: Notice of Reorganization of ITC^DeltaCom, Inc.**

Dear Mr. Mills:

ITC^DeltaCom, Inc., a Delaware corporation, is the parent holding company for Interstate FiberNet, Inc., a Delaware corporation, which in turn wholly owns ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom, an Alabama corporation and telecommunications services provider authorized by the Kentucky Public Service Commission ("Commission") to provide local exchange and telephone toll services in the State of Kentucky. Interstate FiberNet, Inc., and ITC^DeltaCom Communications, Inc., hereby notify the Commission of the proposed reorganization to ITC^DeltaCom, Inc.

On June 25, 2002, ITC^DeltaCom, Inc., filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware in order to accomplish a pre-negotiated plan of reorganization. ITC^DeltaCom, Inc., will continue to manage its properties and operate its business as a "debtor-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code.

Interstate FiberNet, Inc., (the direct parent company of ITC^DeltaCom Communications Inc.) and ITC^DeltaCom Communications, Inc., which holds the certificates of public convenience and necessity to provide long distance service and is authorized to provide competitive local exchange services have not filed for Chapter 11 bankruptcy protection. ITC^DeltaCom Communications, Inc., continues to provide long distance services to its customers in Kentucky pursuant to authority granted in Case No. 94-201 on October 4, 1994, and will continue its operations in ordinary course. ITC^DeltaCom Communications, Inc., does not currently provide competitive local services in Kentucky.

This letter serves as notice that ITC^DeltaCom, Inc., as Debtor-in-Possession ("ITC/DIP" or "Old ITC") will transfer control of Interstate FiberNet, Inc., and ITC^DeltaCom Communications, Inc. ("DeltaCom") from ITC/DIP to ITC^DeltaCom, Inc. ("New ITC") as part of a plan of reorganization ("Plan") that is currently being considered by the United States Bankruptcy Court for the District of Delaware (Case No. 02-11848 (MFW)). At this time, we expect the bankruptcy court will take action on approval of the Plan by September 30, 2002.

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ITC^DeltaCom Communications, Inc., will continue to be wholly owned by Interstate FiberNet, Inc. Interstate FiberNet, Inc., will be wholly owned by New ITC. The proposed reorganization would in no manner affect the operations, management, network, employment base, services, billing or provisioning of services in any of ITC^DeltaCom Communications, Inc.'s markets, including Kentucky. ITC^DeltaCom Communications, Inc., will continue to operate in Kentucky under the same certificate of authority and tariffs as currently approved by the Commission. Thus, the proposed transaction is purely *pro forma*.

No tariff changes will be made as a result of the reorganization nor will there be any address change for official notices.

Please contact the undersigned with any questions or comments regarding this transaction. I can be reached at (256) 382-3856 and I will update you within 30 days after the proposed reorganization of ITC^DeltaCom, Inc., is completed with a final written report.

Very truly yours,



Nanette S. Edwards  
Director - Regulatory

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cc: