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A Professional Limited Liability Company

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October 10, 2006

VIA OVERNIGHT DELIVERY

Executive Secretary
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 645
Frankfort, KY 40602-0615

RECEIVED

OCT 11 2006

PUBLIC SERVICE
COMMISSION

Re: Notice of Indebtedness and Guarantee

Dear Sir or Madam:

This letter is filed on behalf of Interstate FiberNet, Inc. ("IFN"), DeltaCom, Inc. ("DeltaCom") and Business Telecom, Inc. d/b/a BTI ("BTI") (collectively, the "Companies"). The ultimate parent company of the Companies is ITC^ΔDeltaCom, Inc. ("ITCD"). The purpose of the letter is to inform the Commission of a proposed transaction whereby ITCD will obtain an additional \$21 million of debt financing (the "Debt") pursuant to an amendment to the existing Note Purchase Agreement dated July 26, 2005 with Tennenbaum Capital Partners, LLC. ("TCP") as agent. IFN will serve as the primary obligor of the Debt while DeltaCom, BTI and ITCD will serve as guarantors.

IFN is wholly-owned subsidiary of ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. IFN is a provider of wholesale fiber optic transmission or commonly known as a carrier's carrier. IFN obtained is not certified in this state, but has a tariff on file as 9/10/97.

DeltaCom is a wholly-owned subsidiary of IFN which, in turn, is wholly owned by ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. DeltaCom is incorporated under the laws of the state of Alabama and is qualified to transact business in this state as a foreign corporation. DeltaCom received its authority to provide long distance telecommunications services in this state pursuant Docket No. 94-201 dated 10/4/94.

BTI is wholly owned subsidiary of ITCD and is headquartered at 7037 Old Madison Pike, Huntsville, Alabama 35806. BTI is incorporated under the laws of the state of North Carolina and is qualified to transact business in this state as a foreign corporation received

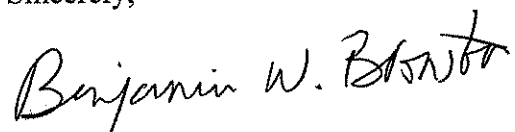
its authority to provide long distance telecommunications services in this state pursuant Docket No. 92-367 dated 12/8/92 and competitive local telecommunications services in this state on 7/8/98.

The subject transaction will not result in a change of control of any entity. The transaction will enable the Companies to achieve better liquidity and capitalization, which in turn, will enhance their ability to provide quality services to customers of this State at competitive prices, thereby serving the public interest.

This letter is filed for informational purposes to keep the Commission abreast of the financial activities of these certificated Companies. It is our understanding that no action by the Commission is necessary.

Enclosed are an original and ten (10) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Benjamin W. Bronston". The signature is written in a cursive style with a large, stylized initial 'B'.

Benjamin W. Bronston