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October 2, 2001

VIA FEDERAL EXPRESS

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

011329-TP

Re: Joint Application for Approval of the *Pro Forma* Transfer of Control of KMC Telecom V. Inc. from KMC Telecom Holdings, Inc. to KMC Data Holdco, LLC

Dear Ms. Bayo:

Enclosed for filing with the Florida Public Service Commission ("Commission"), please find an original and six (6) copies of KMC Telecom V, Inc.'s ("KMC V") application for approval of the *pro forma* transfer of control of KMC V from KMC Telecom Holdings, Inc. to KMC Data Holdco, LLC.

Also enclosed is a duplicate of this filing. Please date-stamp the duplicate and return it in the self-addressed, postage-paid envelope provided. Finally, if there are any questions regarding this filing please do not hesitate to contact the undersigned counsel. Thank you for your kind assistance with this matter.

Respectfully submitted,

M. Nicole Oden

Enclosures

APP
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12523 OCT-30

FPSC-COMMISSION CLERK

Before the
STATE OF FLORIDA
PUBLIC SERVICE COMMISSION

Joint Application for)
Approval of the *Pro Forma* Transfer)
of Control of KMC Telecom V, Inc.) Docket No. _____
from KMC Telecom Holdings, Inc.)
to KMC Data Holdco, LLC)

JOINT APPLICATION

KMC Telecom V, Inc. (“KMC”) and its parent KMC Telecom Holdings, Inc. (“KMC Holdings”), pursuant to Florida Statute Section 364.33, hereby respectfully request that the Florida Public Service Commission (“Commission”) approve the minor restructuring of KMC’s ownership to reflect the addition of a new holding company, KMC Data Holdco, LLC (“Data Holdco,” together with KMC and KMC Holdings , the “Applicants”), as the immediate parent of KMC.¹ This change of ownership is *pro forma* only, as the ultimate owner of KMC is, and will remain, KMC Holdings. Approval of this minor restructuring does not involve the transfer of operating authority and therefore will not affect the identity of the utility entity providing service, or the terms and conditions under which services are currently being provided in the State of Florida.

I. PARTIES TO THIS APPLICATION

KMC Telecom V, Inc. is a Delaware corporation headquartered at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921. KMC is authorized to provide intrastate local

¹ KMC is authorized to provide local exchange and long distance service in the State of Florida. See Docket Nos. 000641-TX and 000642-TI dated August 28, 2000 and August 18, 2000, respectively.

exchange and interexchange service in 46 states, including Florida and the District of Columbia. Currently, KMC largely serves business customers.

KMC Data Holdco, LLC is a Delaware limited liability company located at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921. A copy of Data Holdco's certificate of formation is attached hereto as *Exhibit A*. All of the membership interest in Data Holdco is owned by KMC Holdings, a privately-held company. Upon approval of the application, KMC Holdings will be authorized to hold all of the membership interest of Data Holdco, which in turn will be authorized to hold all of the stock in KMC. As is evident, the insertion of Data Holdco as an intermediate holding company does not affect the ultimate ownership and control of KMC by KMC Holdings.

KMC Telecom Holdings, Inc., is a Delaware corporation headquartered at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921.

As holding companies, Data Holdco and KMC Holdings are not expected to be actively engaged in business in the State of Florida. Accordingly, it is not anticipated that Data Holdco or KMC Holdings will need to qualify to do business within the state.

II. DESIGNATED CONTACTS

The designated contacts for questions regarding this Application are:

Genevieve Morelli
Eric Jenkins
M. Nicole Oden
KELLEY, DRYE & WARREN LLP
Suite 500
1200 19th Street, N.W.
Washington, D.C. 20036
Tel: (202) 955-9785
Fax: (202) 955-9792

Copies of correspondence also should be sent to:

Tricia Breckenridge
Executive Vice-President, Business Development
KMC TELECOM HOLDINGS, INC.
1755 North Brown Road
Lawrenceville, Georgia 30043
Telephone (678) 985-7900
Facsimile (678) 985-6213

III. DESCRIPTION OF THE TRANSACTION

The Commission's approval of this internal corporate restructuring will authorize KMC Holdings to establish a new holding company with respect to certain lines of business which are interrelated, and to streamline operations. This restructuring permits KMC Holdings to do business under a more efficient, rational structure and give the company greater access to working capital and improved marketing and administrative operations. While the *pro forma* intracorporate transfers involved in the reorganization of the companies will meet important business requirements, the transactions are transparent to prospective consumers and will have no impact on KMC entities' services.

In the restructuring, KMC Holdings will contribute its stock in KMC to Data Holdco, thus making KMC a direct subsidiary of Data Holdco. The ownership structure relevant to KMC, before and after the changes proposed herein, are reflected on the charts submitted herewith as *Exhibit B*.

IV. PUBLIC INTEREST ANALYSIS

This minor restructuring will not adversely affect the public interest; it involves no change in the entity providing service to customers, nor does it propose any change to the terms and conditions of such service. All existing tariffs will remain in place. The restructuring does not affect the technical or financial qualifications of KMC, as all technical and financial

resources previously available to KMC will continue to be available. The scope of those resources can be seen in the publicly available Securities and Exchange Commission filings of KMC Holdings.² The change in identity of the entity owning the stock of KMC will not involve any change in the management of KMC. The existing officers and directors will remain the same, as will the customer and regulatory contacts for KMC; although, of course, changes may occur with the passage of time as they might even if there were no change in ownership. Thus, this transaction will be completely transparent to customers.

KMC competes with numerous other competitive local exchange carriers and enhanced network providers, as well as the incumbent local exchange carriers and other interexchange carriers. Because the public interest is best served by assuring the presence of numerous telecommunications competitors, it is important to provide such competitors with the flexibility to arrange their ownership in the manner they deem most appropriate to carry on their business, so long as there is no adverse impact on the public. To deny such flexibility would discourage new competitors from entering the state and would encourage existing competitors to seek a more favorable regulatory environment elsewhere, neither of which would enhance the public interest. The Applicants respectfully submit that this consideration supports grant of this Application.

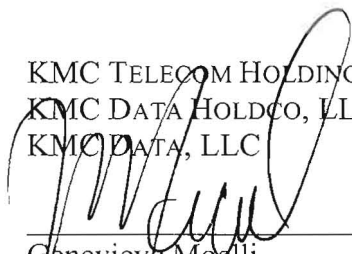
² A hard copy of KMC Holdings' most recent SEC Form 10Q will be provided upon request.

Wherefore, the Applicants hereto respectfully request that the Commission approve the transfer of all the outstanding stock of KMC Telecom V, Inc. from KMC Telecom Holdings, Inc. to KMC Data Holdco, LLC as set forth above, and for such other and further relief as the Commission may deem appropriate.

Respectfully submitted,

KMC TELECOM HOLDINGS, INC.
KMC DATA HOLDCO, LLC
KMC DATA, LLC

By: _____


Genevieve Moelli
Eric D. Jenkins
M. Nicole Oden
KELLEY, DRYE & WARREN LLP
Suite 500
1200 19th Street, N.W.
Washington, D.C. 20036
(202) 955-9600

Their Attorneys

Date: October 2, 2001

EXHIBIT A

**Certificate of Formation of KMC Data
Holdco, LLC**

CERTIFICATE OF FORMATION

OF

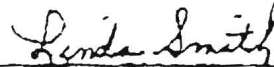
KMC DATA HOLDCO LLC

The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions of and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company is KMC DATA HOLDCO LLC (the "Company").

SECOND: The address of the registered office and the name and address of the registered agent of the Company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on the 15th of May, 2001.



Linda Smith, Authorized Person

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 05:30 PM 05/15/2001
010233624 - 3392372

State of Delaware
Office of the Secretary of State

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "KMC DATA HOLDCO LLC", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF MAY, A.D. 2001, AT 5:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3352372 8100

AUTHENTICATION: 1135421

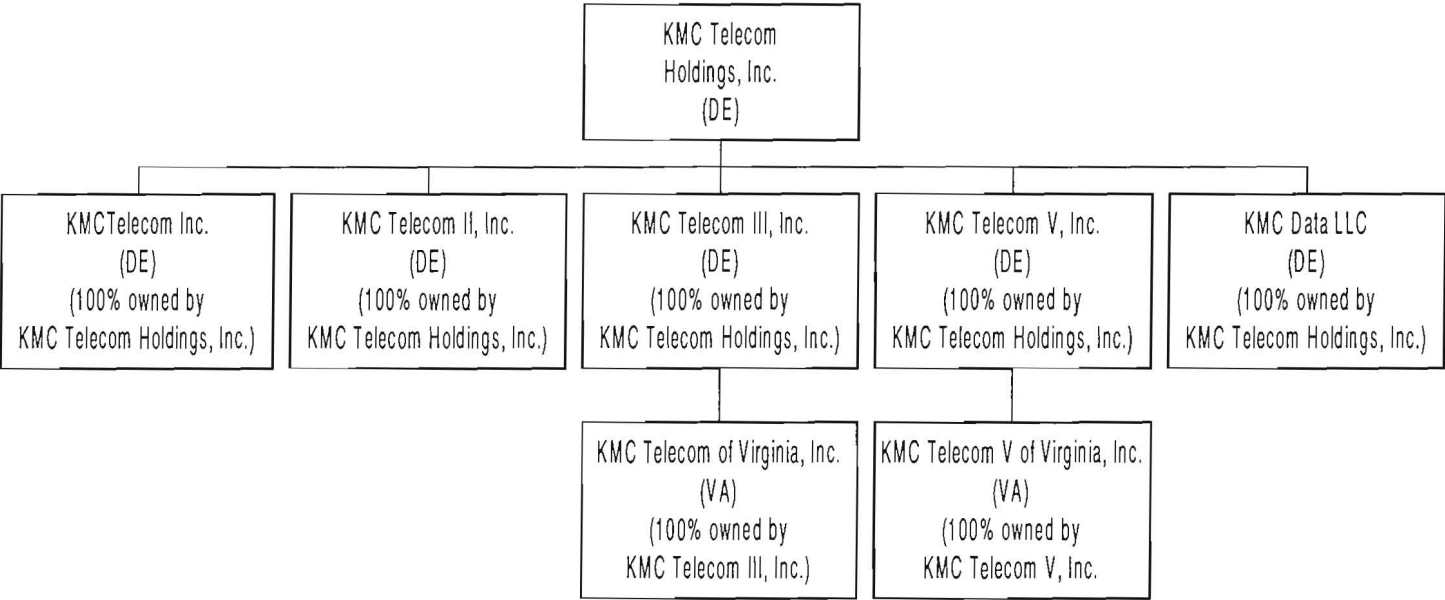
010233824

DATE: 05-16-01

EXHIBIT B

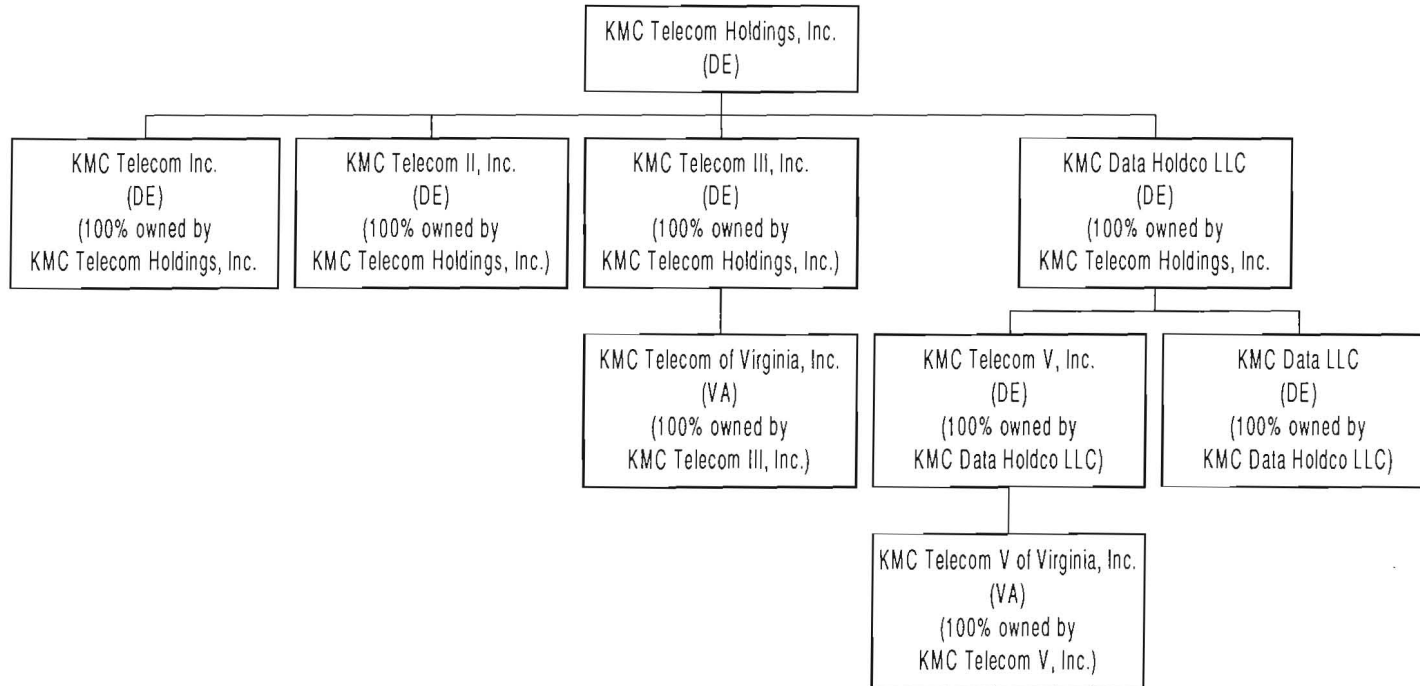
Pre- and Post- Restructuring Organizational Charts

KMC'S PRE-REORGANIZATION CORPORATE STRUCTURE:*



* This chart depicts only those KMC entities relevant to the regulated telecommunications companies involved in this restructuring.

KMC'S POST-REORGANIZATION CORPORATE STRUCTURE:*



* This chart depicts only those KMC entities relevant to the regulated telecommunications companies involved in this restructuring.