



PAETEC

NEWS RELEASE

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PAETEC Acquires U.S. Energy Partners

Acquisition is part of a comprehensive, long-term strategy to support needs of CIOs and expand complementary product offerings for communications customers

FAIRPORT, N.Y. – March 1, 2010 – PAETEC Holding Corp. (NASDAQ GS: PAET), a leader in competitive telecommunications nationally, today announced that it has acquired the Amherst, N.Y. based competitive electric supplier, U.S. Energy Partners, LLC, for approximately \$3 million in cash. The acquisition of US Energy, a privately-held company that sells electricity to over 3,500 customers in western New York State, will allow PAETEC to provide additional complementary services to its core communications customers.

“We have over 44,000 medium and large business customers nationwide, and we’ve found that our average customer spends four times as much on energy as they do on telecommunications,” said PAETEC Chief Operating Officer, E.J. Butler, Jr. “Now that customer data centers and IT departments have become a primary user of energy, both telecom and energy are becoming increasingly complementary. We’ve seen a trend towards energy decisions being made by the office of the CIO, and this acquisition further supports that strategy.”

The energy purchase is the latest in PAETEC’s history of strategic acquisitions to add to its increasingly robust communications product set and drive stickier customer relationships that complement the company’s core strategy. All of the 14 states that currently have restructured markets for electricity are within PAETEC’s telecommunications footprint and are home to current PAETEC customers.

“We’ve set ourselves apart from our competitors over the past 12 years by offering businesses comprehensive and customized solutions supported by unmatched service,” said Butler. “The

addition of U.S. Energy Partners makes our entire communications product set stronger and more attractive for our target customers.”

For more information on PAETEC’s energy solutions, visit <http://www.paetec.com/products-services/energy>.

About PAETEC

PAETEC (NASDAQ: PAET) is personalizing business communications for medium and large businesses, enterprise organizations and institutions across the United States. We offer a comprehensive suite of IP, voice, data, and Internet services, as well as enterprise communications management software, network security solutions, CPE, and managed services. For more information, visit www.paetec.com.

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