

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTHEAST TELEPHONE, INC.)	
)	
COMPLAINANT)	
)	
V.)	CASE NO.
)	2008-00279
BELLSOUTH TELECOMMUNICATIONS, INC.)	
D/B/A AT&T KENTUCKY)	
)	
DEFENDANT)	

O R D E R

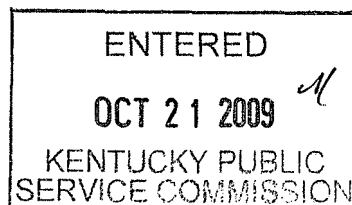
On October 12, 2009, SouthEast Telephone, Inc. ("SouthEast") and BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky ("AT&T Kentucky") submitted an Agreed Order to stay this complaint proceeding. The parties state that they have agreed to the stay in light of the Chapter 11 bankruptcy petition filed by SouthEast with the United States Bankruptcy Court for the Eastern District of Kentucky. The bankruptcy petition was filed on September 28, 2009 and is identified by case number 09-70731. A bankruptcy petitioner's right to an automatic stay of certain proceedings to which it is a party is outlined in 11 U.S.C. § 362. The parties have agreed to stay this proceeding and all deadlines related to this proceeding for 60 days, until December 8, 2009. The parties state that they have agreed that, after that date, either of them shall have the right to seek a decision from the Bankruptcy Court as to the application and the scope of the automatic stay and the impact on the Commission's proceeding. The

parties' Agreed Order is provided in the Appendix to this Order. The Commission notes that a formal hearing was held in this matter on July 14, 2009 and the parties submitted post-hearing briefs to the Commission on August 28, 2009.

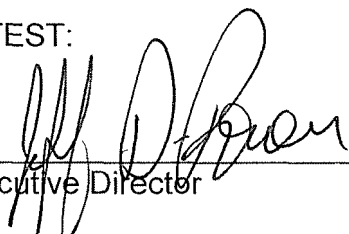
The Commission has carefully reviewed the provisions of the bankruptcy code's automatic stay statute, 11 U.S.C. § 362, as well as the statements of the parties in the Agreed Order.¹ Having reviewed this information and having given serious consideration to the effect of SouthEast's Chapter 11 petition on this proceeding, the Commission finds that the Agreed Order should be adopted and followed.

Having reviewed the filing and the law applicable to the issues outlined therein, the Commission HEREBY ORDERS that the parties' Agreed Order is adopted and this proceeding is stayed until December 8, 2009.

By the Commission



ATTEST:



Executive Director

¹ The Commission notes that, although SouthEast and AT&T Kentucky are each signatories to the Agreed Order, Competitive Carriers of the South, Inc. ("CompSouth"), which is an intervenor to this proceeding, did not sign the Order agreeing to the stay. To date, the Commission has not received any comment from CompSouth indicating that it would disagree with a stay in this proceeding.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00279 DATED **OCT 21 2009**

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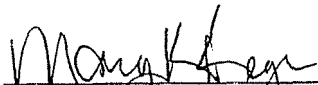
**AGREED ORDER TO STAY PROCEEDING IN LIGHT OF
BANKRUPTCY FILING**

On September 28, 2009, SouthEast Telephone, Inc. ("SouthEast") filed a voluntary chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Eastern District of Kentucky (Case No. 09-70731). In light of this development, SouthEast and BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky have agreed to stay the above-captioned case and all deadlines herein for 60 days, until December 8, 2009. If the parties are unable to reach agreement by that date, either of them may seek further orders of the Bankruptcy Court as to the application of, scope of, and/or relief from the automatic stay of 11 U.S.C. § 362 and its impact on this action, and the parties expressly reserve all rights in this regard pending further orders of the Bankruptcy Court.

The Commission being so advised, IT IS HEREBY ORDERED that this proceeding is stayed until December 8, 2009.

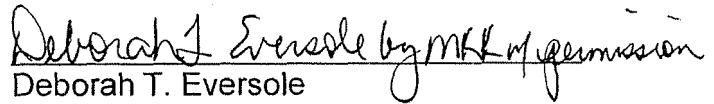
By the Commission

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