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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

A CERTIFICATION OF THE CARRIERS)	ADMINISTRATIVE
RECEIVING UNIVERSAL SERVICE)	CASE NO. 381
HIGH COST SUPPORT)	

PETITION FOR CONFIDENTIAL TREATMENT

ALLTEL Kentucky, Inc. ("ALLTEL Kentucky") moves the Public Service Commission of Kentucky (the "Commission") pursuant to K.R.S. §61.878(1)(c)(1) and 807 KAR 5:001, Section 7 to accord confidential treatment to the attached Filing through which ALLTEL Kentucky is seeking certification for Federal Universal Service Funds usage ("Filing"), and in support of this Petition for Confidential Treatment, ALLTEL Kentucky states the following:

1. On September 25, 2001, the Commission issued an order in Administrative Case No. 381 requiring all carriers to file their plans for the use of any high-cost federal support by September 1 of each calendar year. Included in this filing is to be a listing of specific projects and their costs to which the Federal High Cost support will be applied.

2. The attached Filing contains a detailed listing of the proposed Capital Budget projects for ALLTEL Kentucky for the year 2005, including project description and associated project costs.

3. K.R.S. §61.878(1)(c)(1) provides in pertinent part:

The following public records are excluded from the application of ...[the Open Records Act] and shall be subject to inspection only upon order of a court of competent jurisdiction ...

(c)1. ...records confidentially disclosed to an agency or required by an agency to disclosed to it, generally recognized as

confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

4. The telecommunications market in which ALLTEL Kentucky participates as a provider of local exchange services is highly competitive.

5. Public disclosure of the contents of the attached Filing could provide other entities an unfair competitive advantage by revealing proposed network upgrade and modernization plans, certain aspects of competitive pricing, and certain aspects of operational planning.

6. Because the attached Filing is confidential and proprietary and because its public disclosure would provide ALLTEL Kentucky's competitors an unfair competitive advantage, the Filing is exempted by K.R.S. §61.878(1)(c)(1) from disclosure under the Open Records Act. As a result, ALLTEL Kentucky is entitled under 807 KAR 5:001, Section 7 to confidential treatment by the Commission for the Filing.

7. The Filing also is protected from disclosure pursuant to K.R.S. §61.878(1)(c)(2)(c) as a confidential and proprietary record disclosed to the Commission in conjunction with the regulation of commercial enterprises.

8. Included with this Petition in Attachment A is one copy of the Filing that identifies by highlighting those portions of the Filing that are confidential. Also filed are ten copies of the Filing with the confidential information redacted.

WHEREFORE, ALLTEL Kentucky respectfully requests that the highlighted information in the Filing, as found in Attachment A, be accorded confidential treatment and be placed in the confidential files of the Commission and that ALLTEL Kentucky be accorded all other relief to which it may be entitled.

Dated: September 2, 2004.

Respectfully submitted,

KENTUCKY ALLTEL, INC.

By: Noelle M. Holladay

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Attachment A

ALLTEL Kentucky, Inc.

Filing in the matter of:

**A CERTIFICATION OF THE CARRIERS RECEIVING
UNIVERSAL SERVICE HIGH COST SUPPORT**

In Administrative Case 381

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

A CERTIFICATION OF THE CARRIERS)	ADMINISTRATIVE
RECEIVING UNIVERSAL SERVICE)	CASE NO. 381
HIGH COST SUPPORT)	

On September 25, 2001, the Public Service Commission of Kentucky (the "Commission") issued an order in Administrative Case No. 381 requiring all carriers to file with the Commission their plans for the use of any high-cost federal support by September 1 of each calendar year.

Accordingly, ALLTEL Kentucky, Inc. ("ALLTEL Kentucky") submits the following and respectfully requests that the Commission file, with the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC"), a certification that Kentucky ALLTEL's proposed capital expenditures for 2005 comply with the FCC's criteria and, accordingly, is eligible to receive federal Universal Service Fund support.

Estimate of USF Support Amount

ALLTEL Kentucky estimates its Federal Universal Service support for 2005 will be approximately [REDACTED]

Intended Use of Support

All Federal USF support received, for ALLTEL Kentucky properties in the Commonwealth of Kentucky, will only be used for the provision, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Telecommunications Act of 1996 (the Act).

Achieving Comparability of Rates and Services

In Section 254 of the Act, Congress articulated a national goal that consumers in all regions of the nation, including rural, insular and high cost areas, should have access to telecommunications and information services at rates that are reasonably comparable to rates charged for similar services in urban areas¹.

The actual cost to provide service in rural high cost areas is determined by many factors including the cost of the local loop and the costs associated with operating, maintaining, and upgrading facilities. Local loop costs and the costs of operating, maintaining, and upgrading facilities vary widely due to many factors, including subscriber density, terrain, local exchange size, accessibility, and labor costs². To this end, the Federal Universal Service support received by ALLTEL Kentucky will offset some of the financial burden of owning, operating, maintaining, and upgrading facilities in rural areas and allows these services to be offered at rates that are comparable to rates for similar services in non-rural areas.

Listing of Specific Projects

Attachment "A" contains a listing of ALLTEL Kentucky's specific Capital Budget projects and the estimated cost of each project currently budgeted for completion in 2005. ALLTEL Kentucky anticipates that these projects will be completed and associated dollars expended in 2005, but this is subject to change as conditions warrant. Additionally, ALLTEL Kentucky will use the Federal High Cost support funds and other funds generated from various sources to support not only the projects listed in Attachment "A", but also to maintain embedded plant and for various other purposes allowed by the Federal Communications Commission rules.

¹ See FCC's FOURTEENTH REPORT AND ORDER, TWENTY-SECOND ORDER ON RECONSIDERATION, AND FURTHER NOTICE OF PROPOSED RULEMAKING IN CC DOCKET NO. 96-45, AND REPORT AND ORDER IN CC DOCKET NO. 00-256, released May 23, 2001, paragraph 2.

² See Footnote #525, Page 116 of the FCC's Report and Order CC Docket No. 96-45.

As can be seen, the capital projects scheduled for 2005 contained in Attachment "A" far exceed ALLTEL Kentucky's estimated Federal Universal Service support.

Contacts

All questions pertaining to the information contained in this filing should be directed to:

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Dated: September 2, 2004.

Respectfully submitted,

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ATTACHMENT A

ALLTEL Kentucky, Inc.

2005 Capital Budget Projects

