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October 21, 2004

RECEIVED

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PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: The Electric and Water Plant Board of the City of Frankfort, Kentucky,
Complainant v. BellSouth Telecommunications, Inc., Defendant
PSC 2004-00297

Dear Ms. O'Donnell:

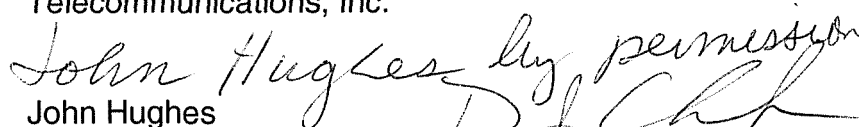
This letter is written jointly on behalf of BellSouth Telecommunications, Inc., and The Electric and Water Plant Board of the City of Frankfort, Kentucky ("Frankfort Plant Board"), to advise the Commission of the status of negotiations. The parties have been negotiating and believe settlement is imminent. The parties anticipate having this complaint resolved within the next ten days. At that time the parties will so notify the Commission and also will execute and, thereafter, file an Amendment to the Interconnection Agreement. In addition, the parties anticipate the complaint will be withdrawn upon resolution of this matter.

The original and ten (10) copies of this letter are enclosed for filing in the above-captioned case.

Sincerely,



Dorothy J. Chambers
Counsel for BellSouth
Telecommunications, Inc.



John Hughes
Counsel for The Electric and Water
Plant Board of the City of Frankfort, Kentucky

Enclosure
cc: Parties of Record