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October 6, 2006

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COMMISSION

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Ms. Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RE: *Touhctone d/b/a Alec, Inc. v. Windstream Communications, P.S.C. Case No. 2005-00482*

Dear Ms. O'Donnell:

As a follow up to the parties' conference call in this matter on September 26, 2006, Windstream Kentucky East, Inc. ("Windstream") is providing the following information with respect to payment of ISP compensation to other carriers in Kentucky and payment of intraLATA toll to ALEC. As to the first issue, the interconnection agreement adopted by ALEC and at issue in this proceeding is an arbitrated agreement between Verizon and AT&T. Windstream is not paying AT&T for ISP compensation. Additionally, North Star adopted the same AT&T agreement that ALEC adopted, and Windstream is not paying North Star for ISP compensation. Further, the identical "final, binding and nonappealable" language that is in the AT&T/North Star/ALEC agreement is also found in Windstream's interconnection agreements with Big River, Aura, Bluestar, First Choice, Ganoco American Dial Tone, LecStar, MCIMetro, PNG, Sprint, and TCG. Windstream is not paying nor is it being invoiced for ISP compensation under those agreements. In fact, the only carrier with which Windstream has an agreement to pay ISP compensation is Cinergy. Although Cinergy had adopted the AT&T agreement in May 2001 and another agreement in May 2002, both of which provided for no ISP compensation, Cinergy negotiated a new agreement with Windstream in May 2006 to provide for prospective compensation of ISP traffic at a rate of \$0.0009.

With respect to the second issue pertaining to payment of intraLATA toll to ALEC, the Commission asked Windstream to explain why it had not remitted payment previously to ALEC for amounts that Windstream calculated were due. Windstream did compensate the proper ALEC party in interest for periods through November 2002. Thereafter, the ALEC entity involved in the instant proceeding continued to attempt to collect intraLATA toll for the same period of time that Windstream already had paid. Additionally, Windstream had difficulty determining conclusively the amount that was owed for intraLATA toll after November 2002. ALEC disputed the formula set forth in the parties' interconnection agreement as applied by Windstream and also provided invoices that included rates other than those that appeared to be ALEC's actual tariffed rate.

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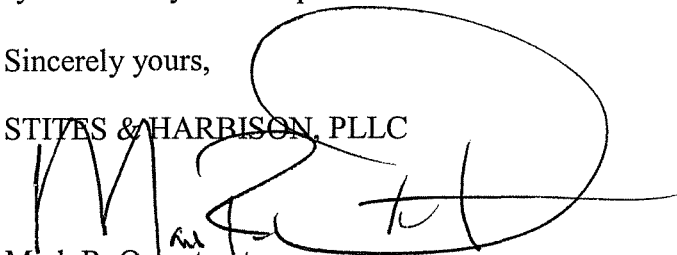
Pursuant to the formula in the parties' interconnection agreement and subject to verification of ALEC's tariffed rate, Windstream is willing to stipulate that the total charges due to ALEC for December 2002 through August 2005 are \$87,731.32.

Additionally, Stephen Weeks at Windstream contacted Mark Hayes at Wispnet/ALEC on October 4, 2006 and provided a nondisclosure agreement. Mr. Hayes returned the executed agreement to Windstream on October 5, 2006 and advised that the necessary ALEC representatives would be returning their certifications under the agreement within a couple of days. ALEC also requested that the parties arrange a time to discuss the issues during the week of October 16 - 19, and Windstream responded with the specific times its representative is available.

Please do not hesitate to contact me if you have any further questions.

Sincerely yours,

STITES & HARBISON, PLLC


Mark R. Overstreet

cc: Jonathon Amlung
Amy E. Dougherty