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Protection Cabinet

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Mark David Goss
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Caroline Pitt Clark
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December 21, 2007

PARTIES OF RECORD

Re: Case Nos. 2005-00519 and 2005-00533

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within 15 days of receipt of this letter. If you have any questions, please contact Amy Dougherty at 502/564-3940, Extension 257.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and curves.


Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: The File

FROM: Amy Dougherty 

DATE: December 21, 2007

SUBJECT: Case No. 2005-00519
BellSouth Telecommunications, Inc.'s Notice of Intent To Disconnect
SouthEast Telephone, Inc. for Non-Payment
Case No. 2005-00533
SouthEast Telephone, Inc. vs. BellSouth Telecommunications, Inc.

On December 19, 2007, at 1:30 p.m. local time, those persons whose names appear on the attached sign-in sheet met to discuss these proceedings and other proceedings involving AT&T Kentucky and SouthEast Telephone, Inc. Staff opened the meeting by indicating that both parties would have an opportunity to describe what authority they believed the Commission had to establish damages pursuant to the Court's remand and, if so, whether those damages would be prospective or retrospective. Staff also indicated that one purpose of the conference was to describe those procedures and processes that were due from here forward in these proceedings.

AT&T Kentucky began and described this remand procedure as an issue of breach of contract. As such, AT&T Kentucky asserts that the Kentucky PSC does have authority to enforce the contract. According to AT&T Kentucky, the determinations are straightforward.

SouthEast Telephone began its discussion by indicating which matters the parties agreed on. Both parties agree that the Commission's Case No. 2007-00071 may be dismissed. Both parties agree that the Commission's recent Order in Case No. 2007-00427 is not relevant to the determination of damages.

According to SouthEast Telephone, the parties disagree about whether Case No. 2006-00316 is an appropriate vehicle for the Commission to consider future matters. SouthEast Telephone believes that it is an appropriate vehicle to consider the parties' interconnection relationship on a forward-looking basis.

SouthEast Telephone also noted that it is preparing to file an FCC complaint against AT&T Kentucky. SouthEast Telephone has already sent a demand letter to AT&T Kentucky on December 17, 2007. Copies of this demand letter were distributed at the informal conference.

Moreover, SouthEast Telephone indicated, when asked by the Commission Staff, that its rendition of possible damage determinations is contained in its written brief already on file with the Commission.

Moreover, SouthEast Telephone noted that the federal district court never addressed most of the PSC's determinations in the order which AT&T Kentucky appealed and which resulted in this remand proceeding.

Both parties indicated that, as of November 18, 2007, AT&T Kentucky and SouthEast Telephone have signed a commercial agreement. SouthEast Telephone says it signed the agreement under protest.

Commission Staff requested that the parties address the procedural steps from here forward. AT&T Kentucky indicated that, if the Commission was going to consider the arguments made by SouthEast Telephone, then AT&T Kentucky would like the opportunity to respond to each of SouthEast Telephone's proposed options. Everyone agreed that such a response would be filed no later than January 25, 2008. SouthEast Telephone will file its reply, if any, by February 8, 2008. The parties also agreed to advise the Commission about whether they believed an evidentiary hearing was necessary.

Finally, the parties addressed the process in Case No. 2006-00316. AT&T Kentucky has a motion pending in that proceeding. SouthEast Telephone has asked for an opportunity to respond to that motion and will do so by no later than January 25, 2008. If AT&T Kentucky would like to reply to SouthEast Telephone's response, it may do so no later than February 8, 2008.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2005-00519

BELLSOUTH TELECOMMUNICATIONS, INC.'S NOTICE OF INTENT TO
DISCONNECT SOUTHEAST TELEPHONE, INC. FOR NON-PAYMENT

and

CASE NO. 2005-00533

SOUTHEAST TELEPHONE, INC. VS. BELLSOUTH TELECOMMUNICATIONS,
INC.

SIGN IN

December 19, 2007

| PERSON | REPRESENTING |
|----------------------------|-------------------------------|
| <u>Ann E Donoherty</u> | <u>PSC - Legal</u> |
| <u>J. B. P. Miller</u> | <u>PSC - Legal</u> |
| <u>Jim Stevens</u> | <u>PSC - FA</u> |
| <u>William J. Garsdale</u> | <u>BKO / Southeast</u> |
| <u>David Sieradzki</u> | <u>H+H / South East</u> |
| <u>Beth Bowersock</u> | <u>South East</u> |
| <u>Jim Thacker</u> | <u>South East</u> |
| <u>Tony Taylor</u> | <u>AT&T - Ky</u> |
| <u>Mary Keyer</u> | <u>AT&T Ky</u> |
| <u>Robert Culpepper</u> | <u>AT&T Ky (by phone)</u> |

Case Nos. 2005-00519 & 2005-00533
December 19, 2007

PERSON

Parkey Haggman
Doreen MAGUIRE
Hilda Legg
Joseph Gillan
Kyle Willard
Tiffany Bowman
Joni Tipton

REPRESENTING

AT&T Ky (by phone)
Southeast
Southeast
PSC-Engineering
PSC-Legal
AT&T