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November 22, 2006

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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: Case No. 2006-00099 -- Dialog Telecommunications Petition for Arbitration of
Certain Terms and Conditions of Proposed Agreement with BellSouth**

Dear Ms. O'Donnell:

The Commission's Order of November 13, 2006, requires the parties to provide today to the Commission a status report of their negotiations, including a date certain for filing their negotiated agreement. The parties hereby advise that two of the seven issues identified in the arbitration petition have been resolved this week. Those are Issues 3 and 4, relating to line conditioning and the Transit Intermediary Charge.

Dialog and BellSouth are continuing negotiations regarding five unresolved issues. However, if by December 15, 2006, such issues are not resolved, the parties will so advise the Commission so that a hearing date may be established.

BellSouth's counsel has authorized the undersigned to sign this letter on her behalf.

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

Very truly yours,

STOLL KEENON OGDEN PLLC

Douglas F. Brent

cc: service list