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August 31, 2006

Via Hand Delivery
Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

Re: ***In the Matter of: Petition of Ballard Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed interconnection Agreement with American Cellular f/k/a ACC Kentucky License LLC, Partnership Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996, Case No. 2006-00215***

Dear Ms. O'Donnell:

I have enclosed for filing in the above-styled case the original and ten (10) copies of Ballard Rural Telephone Cooperative Corporation, Inc.'s Motion to Bifurcate.

Thank you, and if you have any questions, please call me.

Very truly yours,

DINSMORE & SHOHL LLP

John E. Selent

JES/bmt
Enclosures
cc: All Parties of Record (w/enclosure)
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35369-2

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Petition of Ballard Rural Telephone Cooperative Corporation, Inc. for Arbitration of Certain Terms and Conditions of Proposed Interconnection Agreement with American Cellular Corporation f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996	)	Case No. 2006-00215

MOTION TO BIFURCATE

Petitioner, Ballard Rural Telephone Cooperative Corporation, Inc. ("Petitioner"), by counsel, hereby respectfully moves the Public Service Commission of the Commonwealth of Kentucky (the "Commission") to bifurcate this proceeding into two separate procedural tracks. One track would address the non-cost/non-price issues pursuant to the procedural schedule previously established by the Commission. The second track would address the cost/price issues pursuant to a new procedural schedule, which will give the RLECs sufficient time to conduct the TELRIC cost studies ordered by the Commission. As grounds for this motion, Petitioner states as follows.

INTRODUCTION

On July 25, 2006, the Commission issued an Order, which, among other things, set forth a procedural schedule for conducting discovery and filing briefs in this proceeding. Additionally, the Commission ordered the RLECs to complete and file TELRIC-based cost studies and related testimony by August 16, 2006. Subsequently, Petitioner moved for a rehearing regarding several aspects of the Commission's July 25, 2006 Order, which included a request that the Commission set aside the requirement that the RLECs perform TELRIC studies. Petitioner argued that the RLECs are not required by law to conduct TELRIC studies and that, in any event, it was impossible to complete and file a TELRIC study by the deadline set forth in the Commission's Order. On August

16, 2006, Petitioner prefiled the testimony of telecommunications management consultant Steven E. Watkins, which detailed that TELRIC studies could require several months for RLECs to complete at a cost of up to $100,000.00. *Id.* at pp. 11-12.

On August 18, 2006, the Commission entered a second Order, which denied the motion for rehearing "with the sole exception of permitting the RLECs additional time, if needed, to file their TELRIC-based cost studies and written testimony." (August 18, 2006 Order at p. 8.) The Commission did not set forth a specific schedule by which Petitioner should proceed in conducting and filing the TELRIC study and related testimony. For the reasons set forth fully below, the Commission should bifurcate this proceeding into two tracks and establish a procedural schedule so as to move this proceeding forward in the most fair and efficient manner.

ARGUMENT

This proceeding presents two distinctly different types of issues: non-cost/non-price issues and cost/price issues. In order to effectively address the latter, additional time must be integrated into the current procedural schedule set forth by the Commission. The most effective way to integrate this additional time, while still establishing clearly defined deadlines to move the proceeding forward in a timely manner, is to bifurcate the proceeding into two tracks.

The first track should address the non-cost/non-price issues. These issues can be fully addressed independent of the completion of the TELRIC studies and in accordance with the Commission's Order. Therefore, no modification of the present procedural schedule would be required for these issues.

The second track should address the cost/price issues. Petitioner intends to comply with the Commission's order requiring the completion and filing of a TELRIC study. However, as Mr. Watkins' testimony establishes, additional time will likely be necessary to complete this study, which the Commission further recognized in its August 18, 2006 Order.

For example, because RLECs historically have not been required to conduct TELRIC studies, Petitioner has never undertaken such a study and does not employ personnel with the required expertise and experience to do so. Therefore, Petitioner will be required to hire outside assistance with experience regarding the methodology for conducting TELRIC studies. Adoption of a separate procedural track with respect to the cost/price issues will, therefore, afford RLECs sufficient time to put the mechanism into place to complete these studies effectively and in a manner that is consistent with the Commission's Order.

Petitioner believes that bifurcation into two tracks will promote the just and efficient management of this proceeding for the parties as well as for the Commission. Petitioner further requests that the parties be given an opportunity to discuss the specific scheduling issues at an informal conference, for which Petitioner has moved by separate motion.

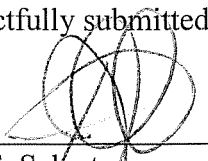
Finally, Petitioner suggests, in the almost certain event that the second procedural track addressing the cost/price issues requires extension of these proceedings, as they relate to cost/price issues, beyond January 1, 2007, the Commission should order that the 1.5 cent per minute access charge agreed to by the RLECs and the CMRS carriers in the Settlement Agreement in Case No. 03-00045 remain in effect, subject to true-up at the conclusion of this matter. This rate has been agreed upon by the parties in the Settlement Agreement, and, with a true-up requirement, would result in no unjust loss or gain to any party.

CONCLUSION

For the foregoing reasons, Petitioner respectfully requests that the Commission order bifurcation of this proceeding and establish a dual track procedural schedule, with one track addressing the non-cost/non-price issues in accordance with the present procedural schedule, and the second track addressing cost/price issues, which encompasses appropriate deadlines for completion and filing of the TELRIC studies and related testimony, pursuant to a procedural schedule to be

established by the Commission following an informal conference in the matter, for which petitioner has moved by separate motion.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first class United States mail, postage prepaid, and electronic mail on this 31st day of August, 2006, to the following individual(s):

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