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Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

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Commonwealth of Kentucky
Public Service Commission
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Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

September 14, 2006

PARTIES OF RECORD

Re: Case Nos. 2006-00215, 2006-00217, 2006-00218, 2006-00220, 2006-00252,
2006-00255, 2006-00288, 2006-00292, 2006-00294, 2006-00296, 2006-00298
and 2006-00300

Attached is a copy of the memorandum which is being filed in the records of the above-referenced cases. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five 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, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Amy E. Dougherty, Staff Attorney

DATE: September 14, 2006

SUBJECT: Case Nos. 2006-00215, 2006-00217, 2006-00218, 2006-00220,
2006-00252, 2006-00255, 2006-00288, 2006-00292, 2006-00294,
2006-00296, 2006-00298 and 2006-00300
Petitions of Rural Local Exchange Carriers for Arbitration of
Interconnection Agreements with Commercial Mobile Radio Service
Providers
September 12, 2006 Informal Conference

On September 12, 2006, at 10:00 a.m., those persons whose names appear on the attached sign-in sheet met to discuss procedural and substantive issues in these arbitration proceedings. John Selent, attorney for the Petitioners, introduced Douglas Meredith, a consultant from John Staurulakis Inc. Mr. Meredith and his firm have experience in producing TELRIC cost studies and are negotiating with at least two of the rural local exchange carriers ("RLECs") to provide services for them. Mr. Selent indicated that the TELRIC studies referenced in Commission orders could not be completed in a manner to comply with the existing procedural schedule. Three months would be needed to conduct the studies. The RLECs proposed that, during the pendency of completion of the TELRIC studies, the interim rate of 1.5 cents be continued. Paul Walters, on behalf of Cingular Wireless, argued that the interim rate is not improper for use after January 1, 2007. He proposed, instead, to use FCC proxy rates. Mr. Selent also asserted that TELRIC studies would cost approximately \$200,000.00 per RLEC.

According to Duo, it terminates approximately 5 million minutes per year for wireless carriers who do not have direct interconnection arrangements with Duo. Brandenburg indicated that it terminates approximately 6 million minutes of this traffic per year.

According to the CMRS providers, only three methodologies are appropriate for the transport and termination of traffic in question in these proceedings. These methodologies are: (1) bill-and-keep, (2) FCC proxy rates, and (3) forward-looking costing principles.

The issue of comparing BellSouth's existing switching and transport rate with the FCC proxy rates arose. According to Bill Atkinson of Sprint, the switching rates for BellSouth are .001197, whereas the switching rates for the FCC proxy are .004. Regarding transport, the rate for BellSouth is .000746, whereas the transport FCC proxy rate is .005.

Parties also discussed issues pending in addition to the rate. One of these issues is the method of interconnection. The parties are not in agreement as to whether third-party transit arrangements should be continued. We discussed the Commission's cases addressing third-party transit arrangements, including one involving Level 3, Case No. 2000-00404, and another one involving AT&T. The parties also mentioned other issues that are contested in the proceeding such as traffic factors, seven- or ten-digit calling, and if the contracts would cover intra-state-only traffic.

We also discussed all pending motions:

1. There is a motion to bifurcate the proceeding which, according to the Petitioners, is essentially a motion to amend the procedural schedule. The CMRS providers have filed a response to this motion.
2. There is a motion to approve interconnection agreements in four of these cases. The CMRS providers have responded to these motions as well.
3. There is a motion to seek a rural exemption, modification, or suspension. The Petitioners notified parties at the informal conference that this motion will be withdrawn.

Phil Schenkenberg of Verizon Wireless and T-Mobile asked that the informal conference address issues of procedures for the public hearing, such as witness order and appropriate ways to cross-examine. The attorneys agreed to discuss these matters in detail prior to the public hearing. For this purpose, an attorney conference call has been scheduled for 11:30 a.m., Eastern Daylight Time, on October 12. The conference may be joined by calling (502) 564-3940 and asking for extension 7098.

Commission Staff requested of the RLECs that they complete their issues matrix in the same format provided by the CMRS providers. It was agreed that this updated issues matrix would be due September 20, the same day that responses to the second data requests are due.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BALLARD RURAL)
TELEPHONE COOPERATIVE CORPORATION,) CASE NO.
INC. FOR ARBITRATION OF CERTAIN TERMS) 2006-00215
AND CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
AMERICAN CELLULAR F/K/A ACC KENTUCKY)
LICENSE LLC, PURSUANT TO THE)
COMMUNICATIONS ACT OF 1934, AS)
AMENDED BY THE TELECOMMUNICATIONS)
ACT OF 1996)

PETITION OF DUO COUNTY TELEPHONE)
COOPERATIVE CORPORATION, INC. FOR) CASE NO.
ARBITRATION OF CERTAIN TERMS AND) 2006-00217
CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE)
MIDWEST INCORPORATED D/B/A VERIZON)
WIRELESS, AND KENTUCKY RSA NO. 1)
PARTNERSHIP D/B/A VERIZON WIRELESS,)
PURSUANT TO THE COMMUNICATIONS ACT)
OF 1934, AS AMENDED BY THE)
TELECOMMUNICATIONS ACT OF 1996)

PETITION OF LOGAN TELEPHONE)
COOPERATIVE, INC. FOR ARBITRATION OF) CASE NO.
CERTAIN TERMS AND CONDITIONS OF) 2006-00218
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)

PETITION OF WEST KENTUCKY 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.
2006-00220

PETITION OF NORTH CENTRAL TELEPHONE)
COOPERATIVE CORPORATION, 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.
2006-00252

PETITION OF SOUTH CENTRAL RURAL)
TELEPHONE COOPERATIVE CORPORATION,)
INC. FOR ARBITRATION OF CERTAIN TERMS)
AND CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE)
MIDWEST INCORPORATED D/B/A VERIZON)
WIRELESS, AND KENTUCKY RSA NO. 1)
PARTNERSHIP D/B/A VERIZON WIRELESS,)
PURSUANT TO THE COMMUNICATIONS ACT)
OF 1934, AS AMENDED BY THE)
TELECOMMUNICATIONS ACT OF 1996)

CASE NO.
2006-00255

PETITION OF BRANDENBURG TELEPHONE)
COMPANY FOR ARBITRATION OF CERTAIN)
TERMS AND CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE MIDWEST)
INCORPORATED D/B/A VERIZON WIRELESS,)
AND KENTUCKY RSA NO. 1 PARTNERSHIP)
D/B/A VERIZON WIRELESS, PURSUANT TO)
THE COMMUNICATIONS ACT OF 1934, AS)
AMENDED BY THE TELECOMMUNICATIONS)
ACT OF 1996)

CASE NO.
2006-00288

PETITION OF FOOTHILLS RURAL)
TELEPHONE COOPERATIVE CORPORATION,)
INC., FOR ARBITRATION OF CERTAIN TERMS)
AND CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE)
MIDWEST INCORPORATED D/B/A VERIZON)
WIRELESS, AND KENTUCKY RSA NO. 1)
PARTNERSHIP D/B/A VERIZON WIRELESS,)
PURSUANT TO THE COMMUNICATIONS ACT)
OF 1934, AS AMENDED BY THE)
TELECOMMUNICATIONS ACT OF 1996)

CASE NO.
2006-00292

PETITION OF GEARHEART)
COMMUNICATIONS INC. D/B/A COALFIELDS)
TELEPHONE COMPANY, FOR ARBITRATION)
OF CERTAIN TERMS AND CONDITIONS OF)
PROPOSED INTERCONNECTION AGREEMENT)
WITH CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE MIDWEST)
INCORPORATED D/B/A VERIZON WIRELESS,)
AND KENTUCKY RSA NO. 1 PARTNERSHIP)
D/B/A VERIZON WIRELESS, PURSUANT TO)
THE COMMUNICATIONS ACT OF 1934, AS)
AMENDED BY THE TELECOMMUNICATIONS)
ACT OF 1996)

CASE NO.
2006-00294

PETITION OF MOUNTAIN RURAL)
TELEPHONE COOPERATIVE CORPORATION,)
INC., FOR ARBITRATION OF CERTAIN TERMS)
AND CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE MIDWEST)
INCORPORATED D/B/A VERIZON WIRELESS,)
AND KENTUCKY RSA NO 1 PARTNERSHIP)
D/B/A VERIZON WIRELESS, PURSUANT TO)
THE COMMUNICATIONS ACT OF 1934, AS)
AMENDED BY THE TELECOMMUNICATIONS)
ACT OF 1996)

CASE NO.
2006-00296

PETITION OF PEOPLES RURAL TELEPHONE)
COOPERATIVE CORPORATION, INC., FOR)
ARBITRATION OF CERTAIN TERMS AND)
CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE)
MIDWEST INCORPORATED D/B/A VERIZON)
WIRELESS, AND KENTUCKY RSA NO. 1)
PARTNERSHIP D/B/A VERIZON WIRELESS,)
PURSUANT TO THE COMMUNICATIONS ACT)
OF 1934, AS AMENDED BY THE)
TELECOMMUNICATIONS ACT OF 1996)

CASE NO.
2006-00298

PETITION OF THACKER-GRIGSBY)
TELEPHONE COMPANY, INC., FOR)
ARBITRATION OF CERTAIN TERMS AND)
CONDITIONS OF PROPOSED)
INTERCONNECTION AGREEMENT WITH)
CELLCO PARTNERSHIP D/B/A VERIZON)
WIRELESS, GTE WIRELESS OF THE)
MIDWEST INCORPORATED D/B/A VERIZON)
WIRELESS, AND KENTUCKY RSA NO. 1)
PARTNERSHIP D/B/A VERIZON WIRELESS,)
PURSUANT TO THE COMMUNICATIONS)
ACT OF 1934, AS AMENDED BY THE)
TELECOMMUNICATIONS ACT OF 1996)

CASE NO.
2006-00300

SIGN IN

September 12, 2006

PERSON

Amy S. Dougherty
Jim STEVENS
Tip Depp
John Selent
Paul Walters

REPRESENTING

PSC
PSC
Rural ILECS
Rural ILECS
Global Wireless

PERSON

REPRESENTING

Quinn McTyre
Mary Beth Naumann
Leah Bloomfield
Doug Brent
Phil Schenkenberg
Bill Atkinson
Elaine Critides
Bill Brown
Mark R. Oberst
Jack Byler
Doug Nelson
Bill Atkinson
James Campbell
Kevin Wallace
Mary Keyes
Chris Paul
Dannie Bennett
J.E.B. Pinney
Jesse Bennett
Greg Hale

ACC
Cingular Wireless
ACC (by phone)
VZ Wireless / T-Mobile
VZ Wireless / T-Mobile
Sprint Nextel
Verizon Wireless
Cingular Wireless
Alltel Communications
Sprint
Sprint Nextel
Sprint Nextel
Coatfields Telephone
Coatfields Telephone
BellSouth Telecommunications, Inc.
South Central Rural Telephone
South Central RTC
PSC Staff
PSC Staff
Logan Telephone

PERSON

Tom Preston
Randall Bradley
Kerry Watson
Daryl L. Hammond
Keith Gabbard
Bill Briggsby
Shayne Ison
Allen Gillman
Gerson Whittingly
Douglas Meredith
Bill Magruder
Eileen Bodamer
Steve Watkins
Harlan Parker
Steven Jones
Bill Francis
Johnny McClanahan
Mark Koval
Randy Farrar
Joe Chiarelli

REPRESENTING

Foothills
Brandenburg Telephone
West Ky Rural Telephone
Duo County Telco
Peoples Rural Telephone
Thacker-Briggsby Telephone
Mountain Telephone
Mountain Telephone
Brandenburg Tel Co
John Staupitzky, Inc.
Duo County Telephone
CLINTON COMMUNICATIONS
RLECS
Ballard Rural
Ballard Rural
RLECS
North Central
Sprint Nextel
Sprint Nextel
Sprint Nextel

Case No. 2006-00215, et al.
September 12, 2006

PERSON

Stephan B. Powell

REPRESENTING

Altel