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Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
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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

REPRESENTING

Amy S. Dougherty  
Jim STEVENS

PSC  
PSC

Tip Depp

Rural ILECS

John Selent

Rural ILECS

Paul Walters

Gingular 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  
Dawnie Bennett  
J.E.B. Finney  
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

Alltel