

BellSouth Telecommunications, Inc.
601 W. Chestnut Street
Room 407
Louisville, KY 40203

Mary.Keyer@BellSouth.com

Mary K. Keyer
General Counsel/Kentucky

502 582 8219
Fax 502 582 1573

April 26, 2007

RECEIVED

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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: BellSouth Telecommunications, Inc., Complainant v. Brandenburg
Telephone Company, Defendant
PSC 2006-00546

Dear Ms. O'Donnell:

This letter serves two purposes: one, to ask that the Commission strike and delete from the record and from the file in this case the settlement letter from Brandenburg's counsel, John Selent, to the undersigned counsel dated April 23, 2007, and two, to inform the Commission of the status of negotiations between the Parties pursuant to the Intra-Agency Memorandum from J.E.B. Pinney, Staff Attorney, dated March 27, 2006 [sic], following the Informal Conference held on March 15, 2007.

First, AT&T Kentucky made clear to Mr. Selent before, and to Mr. Selent and Commission Staff during, the Informal Conference held on March 17, 2007, that AT&T Kentucky considered settlement negotiations and discussions to be confidential and we did not think it appropriate to discuss such information during the Informal Conference. Mr. Selent's copying the Commission on his purported settlement proposal to AT&T Kentucky is a blatant disregard of the confidentiality of such settlement discussions. Mr. Selent's letter contains confidential information that should not be placed in the Commission file or in the public record. In light of these previous discussions, and the fact that the letter contained a purportedly proposed settlement, it was inappropriate for Mr. Selent to send a copy of this letter to the Commission.

Following the Informal Conference, the Parties were to negotiate between themselves and notify the Commission today regarding the *status* of the negotiations, not the *content* of the negotiations. Mr. Selent's letter contains confidential information and should not be included as a part of the file in this case nor should it be subject to


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public disclosure. AT&T Kentucky requests the Commission remove and destroy this letter and all copies of it from the Commission's files.

Second, in response to the Intra-Agency Memorandum requesting a status of negotiations between the Parties, without addressing any specifics, which AT&T Kentucky considers confidential, AT&T Kentucky must unfortunately report that the Parties are no closer to settlement than we were prior to the Informal Conference. AT&T Kentucky does not consider the settlement proposal noted above to be a good faith effort on the part of Brandenburg to resolve the dispute. AT&T Kentucky requests, therefore, that the Commission grant it permission to serve upon Brandenburg the additional data request attached to AT&T Kentucky's letter to the Commission dated April 2, 2007, and set this case for oral argument as requested in that same letter.

The original and four (4) copies of this letter are enclosed for filing.

Sincerely,


Mary K. Keyer

cc: Parties of Record

675708

CERTIFICATE OF SERVICE -- KPSC 2006-00546

It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by U.S. mail, this 26th day of April, 2007.

John E. Selent
Holly C. Wallace
Dinsmore & Shohl, LLP
1400 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202
John.Selent@dinslaw.com
Holly.Wallace@dinslaw.com


Mary K. Keyer