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March 15, 2007

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

MAR 15 2007

PUBLIC SERVICE
COMMISSION

Re: The Electric and Water Plant Board of the City of Frankfort,
Kentucky, v. AT&T, Inc.
KPSC 2007-00088

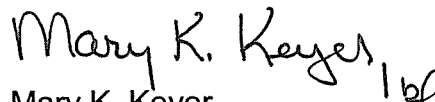
Dear Ms. O'Donnell:

The Commission's March 6, 2007, Order in the above-captioned case requires AT&T, Inc. ("AT&T"), to satisfy the matter about which The Electric and Water Plant Board of the City of Frankfort, Kentucky ("Frankfort Plant Board"), complained or to file a written answer to the complaint within 10 days from the date of service of the Order.

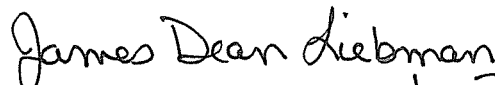
Counsel for the Frankfort Plant Board has authorized me to sign this letter on his behalf indicating that AT&T and the Frankfort Plant Board are in the process of negotiating a settlement of the issues that are the subject of the complaint and believe there is a high possibility of reaching a resolution. The Parties would, therefore, like to hold the case in abeyance during these negotiations and advise the Commission of their progress by filing a status report in the proceeding 30 days from today.

The original and ten (10) copies of this letter are enclosed for filing.

Sincerely,



Mary K. Keyer
COUNSEL FOR AT&T, INC.



James Dean Liebman
Hance Price
COUNSEL FOR FRANKFORT
PLANT BOARD

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