



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
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May 31, 2007

RECEIVED

MAY 31 2007

PUBLIC SERVICE
COMMISSION

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

Case No. 07-00215

Re: Notice of AT&T Communications of the South Central States, LLC
and BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky,
of Partial Discontinuance of Local Residential Service
and Request for Waiver

Dear Ms. O'Donnell:

Enclosed for filing is the Notice of AT&T Communications of the South Central States, LLC and BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky, of Partial Discontinuance of Local Residential Service and Request for Waiver.

The original and ten (10) copies of the Notice and Waiver Request are enclosed.

Sincerely,



Mary K. Keyer

cc: Dennis Howard, Assistant Attorney General (w/enclosure)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Notice of AT&T Communications)
of the South Central States, LLC and)
BellSouth Telecommunications, Inc.,) Case No. 2007-00215
d/b/a AT&T Kentucky, of Partial Discontinuation)
of Local Residential Service and Waiver Request)

**NOTICE OF PARTIAL DISCONTINUATION OF
LOCAL RESIDENTIAL SERVICE AND REQUEST FOR WAIVER**

Come now, AT&T Communications of the South Central States, LLC ("AT&T South Central") and BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky ("AT&T Kentucky") (collectively, "AT&T"), and jointly notify the Kentucky Public Service Commission ("Commission") of AT&T South Central's partial discontinuation of service. AT&T South Central plans to discontinue offering residential local service in the former BellSouth states, including Kentucky. Residential customers currently receiving local service from AT&T South Central will have three choices: (1) elect a new local service provider; (2) voluntarily change to an AT&T Kentucky service plan by contacting AT&T Kentucky; or (3) migrate automatically to AT&T Kentucky. Automatic migration from AT&T South Central to AT&T Kentucky of customers who do not elect options (1) or (2) will ensure that customers maintain local service and access to emergency services without interruption. The migration will impact only a customer's local service provider and will not change a customer's long distance carrier.

These three options are explained in a customer notification letter that AT&T plans to send to each existing AT&T South Central customer. A copy of the notification letter is attached hereto as **Exhibit A**.

The migration of customers from AT&T South Central to AT&T Kentucky is permissible. Because the discontinuation of local service and the migration of local residential customers do not involve any transaction for the sale or acquisition of any assets, the requirements set forth in the Commission's Order in Administrative Case No. 370¹ dated January 8, 1998, regarding such transfers do not apply to this situation. In addition, AT&T South Central's Local Exchange Services Tariff 2.7 provides that AT&T South Central may assign its rights and duties without prior notice or consent to any subsidiary, parent company, or affiliate of the Company.²

To ensure the migration of customers is fully compliant with applicable law, however, AT&T South Central and AT&T Kentucky respectfully request that the Commission, pursuant to KRS 278.512(2), waive any applicable anti-slamming and anti-cramming regulations, including those set forth in KRS 278.535(2).

In addition, to meet the proposed target date for the migration of customers, AT&T respectfully requests that the Commission grant the relief requested herein on an expedited basis and issue an Order on or before Monday, July 23, 2007, to ensure sufficient time for customer notification and action.

¹ *In the Matter of:* Exemptions for Providers of Local Exchange Service other than Incumbent Local Exchange Carriers, Kentucky Public Service Commission Administrative Case No. 370 ("AC 370 Order").

² AT&T South Central's Local Exchange Services Tariff 2.7, Assignment or Transfer of Service, effective December 15, 2001.

I. DESCRIPTION OF THE PARTIES

A. AT&T of the South Central States, LLC

AT&T South Central is a Delaware limited liability company headquartered at One AT&T Way, Bedminster, New Jersey 07921. AT&T South Central, as a competitive local exchange carrier ("CLEC"), is authorized to provide facilities-based and resold local exchange services pursuant to the approval order granted by this Commission on March 22, 1996, in Docket No. 96-075. AT&T South Central also is authorized to provide interexchange telecommunications services in Kentucky.

B. BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky

BellSouth Telecommunications, Inc. ("BST") was incorporated in the State of Georgia on August 12, 1983. By Order dated July 25, 2006, the Commission approved the merger between AT&T Inc. and BellSouth Corporation ("*Merger Order*"). The Commission found that BST (d/b/a AT&T Kentucky) has the financial, technical and managerial ability to provide reasonable service. *Merger Order* at 5.

C. Designated Contacts

The designated contacts for information regarding this Notice and Waiver Request are:

AT&T South Central Contact

David M. Eppsteiner
AT&T Southeast
675 West Peachtree Street, NE
Suite 4300, AT&T Center
Atlanta, GA 30375
Telephone No.: (404) 335-0724
Facsimile No.: (404) 614-4054
eppsteiner@att.com

AT&T Kentucky Contact

Mary K. Keyer
AT&T Kentucky
601 W. Chestnut Street
Room 407
Louisville, KY 40203
Telephone No.: (502) 582-8219
Facsimile No.: (502) 582-1573
mary.keyer@att.com

II. DESCRIPTION OF THE PARTIAL SERVICE DISCONTINUATION AND CUSTOMER MIGRATION BETWEEN AFFILIATED COMPANIES

At present, AT&T South Central provides local exchange service, local bundled calling plans, and ancillary services and calling features to approximately 8,000 local residential customers within the Commonwealth of Kentucky through a commercial agreement with AT&T Kentucky. AT&T South Central provides no facilities-based residential local exchange service in Kentucky.

In December 2006, AT&T Inc., the parent company of AT&T South Central, acquired BellSouth Corporation, together with all of its affiliates, including AT&T Kentucky. AT&T Inc. now seeks to integrate and streamline the local residential services provided by its affiliated local telephone exchange companies, *i.e.*, AT&T Kentucky and AT&T South Central, by discontinuing the provision of residential local service by AT&T South Central. Although AT&T South Central plans to cease providing local service to its residential customers in Kentucky, it will continue to provide interexchange service to residential customers and local and interexchange services to its business customers.

III. PUBLIC INTEREST CONSIDERATIONS

AT&T will protect the public interest during this process. First, and most importantly, customers who do not select another provider or voluntarily choose an AT&T Kentucky service plan will not lose service. Those customers who (1) do not contact AT&T Kentucky to select a new service plan or (2) who do not choose a new local service provider will be automatically migrated to a comparable AT&T Kentucky service plan during an integration period currently scheduled from October 29 to December 28, 2007. Such customers will be given an AT&T Kentucky service plan that

is most comparable in *both services and price* to the customer's current local service plan. Importantly, after the migration, no customer who has been migrated will see an increase in his or her monthly bill as a result of the change in services plan. In fact, many customers will pay less than what they currently pay today for their existing AT&T South Central service. In those cases where the customer's charges would be higher, credits will be provided to offset the price difference. Moreover, there will be no fees or charges to the customer associated with the migration.

Second, service integration will benefit Kentucky consumers. The integration of local services provided by the affiliated companies, which is taking place in all of the former BellSouth states, will allow AT&T Kentucky to better provision and serve Kentucky residential customers on a single, operational platform while providing new products and services available from the new, combined company. It will also benefit customers directly by streamlining the local residential portfolio in Kentucky, simplifying customer offers, and reducing potential customer confusion.

Third, AT&T will provide every customer with adequate notice to allow those customers to make an informed decision in this process. AT&T South Central and AT&T Kentucky will specifically advise all affected customers through an appropriate customer notification letter of their right to select another local service provider. See **Exhibit A**.

AT&T South Central customers have the ability to choose an alternative service provider in each AT&T South Central market. Such alternative service providers may include cable companies that provide telephony via their cable infrastructure, wireless carriers, or CLECs that use their own network or leased network elements. According

to the Federal Communication Commission's (FCC) January 2007 *Local Competition Report Status as of June 30, 2006*, there are over 335,000 access lines in Kentucky served by the 56 competitive carriers that reported data to the FCC. Additionally, the same FCC report indicates there are nearly 2.8 million wireless subscribers in Kentucky. AT&T South Central customers will have ample time to select a new service provider from these alternative providers if they so choose.

Fourth, this transition will be virtually seamless to Kentucky consumers. The migration will be transparent to the affected customers and will not alter the manner or quality of service that AT&T South Central's current residential customers enjoy. AT&T South Central has established an internal team of seasoned telecommunications professionals to coordinate, manage, monitor, troubleshoot, and track the progress of the customer transfer throughout its stages. The transaction will also have no effect on AT&T Kentucky's operations in Kentucky, and AT&T Kentucky will continue to provide services in Kentucky in accordance with its existing Kentucky authority.

AT&T has filed or will file in the former BellSouth states a joint application or notice similar in substance to that filed herein. AT&T has already filed similar joint applications or notices in Alabama, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee, and will file similar applications or notices in Florida and Georgia in early June 2007.

IV. PARTIAL DISCONTINUANCE OF LOCAL EXCHANGE SERVICE BY CLASS (LOCAL RESIDENTIAL SERVICE)

As noted earlier herein, AT&T South Central is notifying the Commission of the partial discontinuance of local exchange telecommunications service by class (local residential service). AT&T South Central has identified the anticipated number of

affected customers and the types of services offered, provided a full explanation of the reasons for the partial discontinuance of service, including the migration of its residential customers to its affiliate AT&T Kentucky if necessary to avoid disruption of customer service, and included a copy of the proposed customer notification with this filing. See **Exhibit A**.

V. REQUEST FOR WAIVER OF APPLICABLE REGULATIONS

AT&T South Central and AT&T Kentucky pursuant to KRS 278.512(2), respectfully request a waiver from KRS 278.535(2), the “slamming” statute that requires that telecommunications carriers submitting or executing a change to a subscriber’s provider must adhere to certain procedures. Additionally, AT&T South Central and AT&T Kentucky respectfully request a waiver of any applicable anti-cramming requirements that prohibit carriers from including products, services and charges on a customer’s account without the customer’s authorization. See KRS 278.542(h).

Because AT&T South Central and AT&T Kentucky offer similar, but not identical, calling features, services, or rate plans, it will be necessary to migrate customers, who do not select another provider or service plan from AT&T Kentucky, to the AT&T Kentucky service plan that is most comparable to the customer’s existing telephone service plan with AT&T South Central in order to avoid disruption of the customer’s service. In all cases, a customer’s monthly charges after the migration to AT&T Kentucky will be equal to or less than what the customer currently pays for telephone service with AT&T South Central.

Prior to the migration of its residential local exchange customers, AT&T South Central will provide the affected customers with written notice of the change.

Customers will be notified in writing that they have the right to switch to the local exchange carrier of their choice and if they wish to transfer to a carrier other than AT&T Kentucky, they should do so within thirty (30) days of the date in the notification to customers in order to avoid automatic migration of their local exchange services to AT&T Kentucky. See **Exhibit A**. The written notice will also clearly state that if the customer consents to the change of carrier to AT&T Kentucky, the customer may contact AT&T Kentucky to select a new plan; however, if the customer does not contact AT&T Kentucky, or if the customer does not choose a new provider, the customer will automatically be transferred to an AT&T Kentucky service plan that is most comparable to his/her current plan, and the customer will not incur any charges for the transfer of service to AT&T Kentucky. The written customer notification will also list a toll-free customer service number in the event that customers have any questions regarding the transfer.

AT&T intends to send to the affected customers the customer notification attached as **Exhibit A** beginning on or about September 24, 2007. Depending on the number of residential customers currently served by AT&T South Central who may be ultimately migrated, it may be impossible to migrate them all to AT&T Kentucky's network simultaneously. As such, affected customers will be migrated in phases over several weeks beginning on October 29, 2007.

Although AT&T has attempted to include in the written notice all relevant state and federal customer notification and consent requirements, AT&T South Central and AT&T Kentucky respectfully request, to the extent necessary, that the Commission grant a waiver of any applicable anti-slamming or anti-cramming requirements that may

possibly be implicated by the migration being made without specific authorization from each affected customer.

VI. CONCLUSION

For the reasons stated above, AT&T South Central and AT&T Kentucky respectfully request that the Commission grant them the relief requested and any other relief deemed necessary and appropriate to transfer to AT&T Kentucky, customers who do not select another provider or respond to AT&T South Central's notification letter.

Respectfully submitted, this the 31st day of May, 2007.

AT&T COMMUNICATIONS OF
THE SOUTH CENTRAL STATES, LLC

BELLSOUTH TELECOMMUNICATIONS,
INC. D/B/A AT&T KENTUCKY



David M. Eppsteiner
AT&T Southeast
675 West Peachtree Street, NE
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Louisville, KY 40203
Telephone No.: (502) 582-8219
Facsimile No.: (502) 582-1573
mary.keyer@att.com

name]

Important changes to your AT&T Services

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ner Name],

update you on some important and positive changes to your AT&T services that may require you to take action. As you may know, in December 2006, AT&T and BellSouth joined together to form the new AT&T, which is now doing business as AT&T Kentucky. In an effort to provide you with even better and more exciting services, and offers, we are integrating the best of our combined services.

Changing?

If this integration, your residential local service, which is currently provided by AT&T Communications of Kentucky, LLC, will now be provided by AT&T Kentucky--one of the AT&T family of companies.

If you choose a different local service provider, your residential AT&T Local Service will be automatically transferred to AT&T Kentucky during a transition period from October 29 through October 28, 2007. Your current service plan will be switched to an AT&T Kentucky service plan that is similar to your current telephone service plan (as shown on the enclosed list). Your new AT&T Kentucky service plan may include features or services not included in your current plan. Regardless, the monthly service charges for your new plan will be equal to or less than what you pay now. Where your monthly service charges would be higher, you will receive a special credit so that you do not see an increase in what you pay now for your total combination or bundle of voice services. If a local service credit is provided, you will continue to receive the local credit until you transfer or change your local service plan. Once you receive the credit, if you have any questions about what's included in your service plan, just contact us at the number listed on the bill. There are no costs associated with this transfer to AT&T Kentucky. *We also want to assure you that there will be no interruption in your service.*

If you also choose a different local service plan, you would like to select a different plan, simply call us at 1-866-412-4977 within 30 days of the date of this letter, and our Customer Care representatives will be happy to review your current services and help you choose a new plan for your needs. For your reference, we have enclosed a summary of current plans and a list of options available with the new AT&T, along with applicable rates and terms. We also invite you to visit our website at att.com to view available products and services in your area.

If you are a current local service customer and we sincerely hope you will remain with the AT&T family, but if you do not wish to have your local service changed to AT&T Kentucky, you may choose another local telephone service provider. If you choose to go to another provider, you should contact that carrier for information on their services and charges, including any charges associated with moving to their service. A listing of available local service providers may be found in the AT&T White Pages Directory. **If you want to select another service provider, you should make your selection within 30 days of the date of this letter** to avoid automatic transfer of your account to AT&T Kentucky.

If you select a new local service provider, you should contact your current long distance provider to ensure that you change to your long distance calling plan, unless you requested it. Not doing so may result in a change in charges applied to your long distance calls.

Distance Customers

If you are a Kentucky local customer who retains AT&T Long Distance service, you will automatically be enrolled in the AT&T Unlimited Plus Plan, which has a \$32.99 monthly recurring charge and provides unlimited domestic long distance service for up to 7 days a week. Importantly, you also will **receive a \$7.00 monthly credit** on your bill once you have been established with AT&T Kentucky. You will continue to receive the \$7.00 monthly credit as long as you are on the AT&T Unlimited Plus calling plan and have AT&T Kentucky as your local provider.

Comment: Variable paragraph appearing for LD customers only. See letter with alternate paragraph next - pp 3-4 and other variable LD language-pp 5.

your Voice Mail

If you are a customer with AT&T Voice Mail service, your Voice Mail service will be discontinued and you will be provided a new Voice Mail service at no additional charge. You and your family members are automatically transferred to AT&T Kentucky. If you wish, you may call AT&T Kentucky prior to the transition to discuss other Voice Mail products available to you. Please note that with the new service, you will have to create a new password and greetings. You will receive detailed instructions on how to use your new mailbox in a separate letter. You can also find instructions on setting up and using your new mailbox at att.com/info or you can access your mailbox by dialing *98 from your home phone for further information. Also, **any saved messages currently stored on your AT&T Voice Mail platform cannot be transferred to the new platform.** We recommend that you make audio recordings of any messages you might have and wish to keep for future reference. You can also access your saved messages via att.com and save them to your computer hard drive. **Please take appropriate action before the transition.**

Comment: Variable paragraph that appears only in letters to customers with existing AT&T voice mail service.

JS

period of your local service to AT&T Kentucky is scheduled from **October 29 through December 28,**

Transition

If you wish to choose another AT&T local service plan, please call us at **1-866-412-4977 within 30 days of the date of this letter.**

If you wish to switch to another local service provider, contact that provider **within 30 days of the date of this letter.**

Take the appropriate action to save any desired messages stored on your current Voice Mail platform.

Transition

If your service has been established with AT&T Kentucky, you will receive a **welcome letter** confirming your new service features, as well as any other products or services you may have ordered. Your welcome kit will also include contact or service instructions for applicable AT&T Kentucky services.

If your service has been established with AT&T Kentucky or another local service provider, you will receive:

A **final bill** from AT&T Communications of the South Central States, LLC. Please return your final payment via the remittance document provided in your bill. Failure to pay your telephone bill may result in your account being referred to a collection agency.

Refund of any deposit (if applicable) If you have a deposit for your local or long distance service, you will receive a refund of the deposit, including applicable interest, minus any amount due on your account when the service is transferred. If a refund is due to you, you should receive it within 45 calendar days after receipt of your final bill.

Some actions of your local service to AT&T Kentucky will happen automatically. However, there are some actions you may need to take after the transition:

What you have:	You should:
Other features	➤ Re-program your Call Forwarding, Speed Dial and other features.
Freeze or blocked accounts	➤ Contact AT&T Kentucky toll-free at 1-866-412-4977 if you would like to re-establish a freeze/block for your account after the transfer of your service. (If you currently have a freeze or block on your account to prevent changes to your local or long distance service providers, those freezes or blocks will be removed if your service is transferred to AT&T Kentucky.)
Automatic Bill Payment, Bill Pay, or Credit Card Payment	➤ Update your banking/bill payment information to reflect your new AT&T Kentucky account information to ensure proper payment credit. (Your new billing account information will be your ten-digit billing telephone number plus a three-digit customer code that will appear on your new AT&T Kentucky bill.) ➤ Re-apply for automatic bill payment through AT&T Kentucky if you signed up for automatic payments with AT&T Communications of the South Central States, LLC.
Services that use your telephone line (for example, an alarm service)	➤ Contact the provider(s) of those services to inform them of the change in your local telephone service provider and determine if any actions are necessary.
Mail	➤ Go to att.com/info or access your new mailbox by dialing *98 from your home phone to get detailed instructions on how to use your new mailbox. ➤ Reset your password and greetings.

Comment: Variable row appearing only in letters to customers who have existing AT&T voice mail service.

Still?

If you have any questions regarding this transition or any other outstanding complaints, or you want to know how you can take advantage of AT&T's new products and services, we invite you to contact AT&T Kentucky at 1-866-412-4977 (7:00am-6:00pm CT, Monday-Friday; 7:00am-4:00pm CT Saturday or 8:00am-7:00pm ET Sunday; 8:00am-5:00pm ET Saturday). If you have questions regarding your final bill or your existing service, please contact the AT&T Customer Care Center at 1-800-288-2747.

We will continue to be a part of our new AT&T family, and we look forward to serving you well into the future.

AT&T Communications of the South Central States, LLC
AT&T Kentucky

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Important changes to your AT&T Services

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ner Name],

update you on some important and positive changes to your AT&T services that may require you to take action. As you may know, in December 2006, AT&T and BellSouth joined together to form the new AT&T, now doing business as AT&T Kentucky. In an effort to provide you with even better and more exciting services, and offers, we are integrating the best of our combined services.

Changing?

If this integration, your residential local service, which is currently provided by AT&T Communications of Central States, LLC, will now be provided by AT&T Kentucky--one of the AT&T family of companies.

If you choose a different local service provider, your residential AT&T Local Service will be automatically transferred to AT&T Kentucky during a transition period from October 29 through October 28, 2007. Your current service plan will be switched to an AT&T Kentucky service plan that is similar to your current telephone service plan (as shown on the enclosed list). Your new AT&T Kentucky service plan may include features or services not included in your current plan. Regardless, the monthly service charges for your new plan will be equal to or less than what you pay now. Where your monthly service charges would be higher, you will receive a special credit so that you do not see an increase in what you pay now for your total combination or bundle of voice services. If a local service credit is provided, you will continue to receive the local credit until you transfer or change your local service plan. Once you receive the credit, if you have any questions about what's included in your service plan, just contact us at the number listed on the bill. There are no costs associated with this transfer to AT&T Kentucky. *We also want to assure you that there will be no interruption in your service.....*

If you also choose a different local service plan.

If you would like to select a different plan, simply call us at 1-866-412-4977 within 30 days of the date of this letter, and our Customer Care representatives will be happy to review your current services and help you select a new plan for your needs. For your reference, we have enclosed a summary of current plans and a list of options available with the new AT&T, along with applicable rates and terms. We also invite you to visit our website at att.com to view available products and services in your area.

If you are a valued customer and we sincerely hope you will remain with the AT&T family, but if you do not wish to have your local service changed to AT&T Kentucky, you may choose another local telephone service provider. If you choose to select another provider, you should contact that carrier for information on their services and charges, and the service charges associated with moving to their service. A listing of available local service providers may be found in the AT&T White Pages Directory. **If you want to select another service provider, you should make your selection on within 30 days of the date of this letter** to avoid automatic transfer of your account to AT&T Kentucky.

If you select a new local service provider, you should contact your current long distance provider to ensure that your long distance calling plan, unless you requested it. Not doing so may result in a change in the rates applied to your long distance calls.

Distance Customers

If you are a Kentucky local customer who retains AT&T long distance, you will automatically be enrolled in the AT&T Kentucky Cents Plus Plan, which has a \$7.95 monthly recurring charge and provides long distance calling for 5 cents per minute per day 7 days a week. Importantly, you also will **receive a \$2.00 monthly credit** on your bill once your long distance service has been established with AT&T Kentucky. You will continue to receive the \$2.00 monthly credit as long as you are on the AT&T One Rate 5 Cents Plus calling plan and have AT&T Kentucky as your local provider.

Your Voice Mail

If you are a Kentucky local customer, your current Voice Mail service will be discontinued and you will be provided a new Voice Mail service at no additional charge. Your current service will be automatically transferred to AT&T Kentucky. If you wish, you may call AT&T Kentucky prior to the transition to discuss other Voice Mail products available to you. Please note that with the new service, you will have to use a password and greetings. You will receive detailed instructions on how to use your new mailbox in a separate letter. You can also find instructions on setting up and using your new mailbox at att.com/info or you can access your mailbox by dialing *98 from your home phone for further information. Also, **any saved messages currently stored on your current platform cannot be transferred to the new platform.** We recommend that you make audio recordings of any messages you might have and wish to keep for future reference. You can also access your saved messages via att.com and save them to your computer hard drive. **Please take appropriate action before the transition.**

Comment: Variable paragraph that appears only in letters to customers with existing AT&T voice mail service.

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Transition

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atic Bill Payment, e Bill Pay, or Credit Card yment	➤ Update your banking/bill payment information to reflect your new AT&T Kentucky account information to ensure proper payment credit. (Your new billing account information will be your ten-digit billing telephone number plus a three-digit customer code that will appear on your new AT&T Kentucky bill.) ➤ Re-apply for automatic bill payment through AT&T Kentucky if you signed up for automatic payments with AT&T Communications of the South Central States, LLC.
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Mail	➤ Go to att.com/info or access your new mailbox by dialing *98 from your home phone to get detailed instructions on how to use your new mailbox. ➤ Reset your password and greetings.

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u will continue to be a part of our new AT&T family, and we look forward to serving you well into the

are
 nunications of the South Central States, LLC
 Kentucky

Customer Notice Variable Paragraph Verbiage

ving paragraphs may be inserted into the customer notification letter as indicated
; upon the specific services purchased by the customer.

Rate Advantage

ong distance customers

AT&T Kentucky local customer who retains AT&T long distance, you will automatically be enrolled in the Unlimited Plus Plan, which has a \$32.99 monthly recurring charge and provides unlimited domestic long distance 24 hours per day 7 days a week, along with the AT&T Unlimited Canada Plan, which has a \$5.99 monthly charge and discounted rates to other international countries. Importantly, you also will **receive a \$7.00 credit** on your bill once your service has been established with AT&T Kentucky. You will continue to receive \$7.00 monthly credit as long as you are enrolled in the AT&T Unlimited Plus calling plan and have AT&T Kentucky as your local provider. We appreciate your business and look forward to continuing to serve you.

Rate USA/ AT&T One Rate Multiline Unlimited

ong distance customers

AT&T Kentucky local customer who retains AT&T long distance, you will automatically be enrolled in the Unlimited Plus Plan, which has a \$32.99 monthly recurring charge and provides unlimited domestic long distance 24 hours per day 7 days a week. Importantly, you also will **receive a \$7.00 monthly credit** on your bill once your service has been established with AT&T Kentucky. You will continue to receive the \$7.00 monthly credit as long as you are enrolled in the AT&T Unlimited Plus calling plan and have AT&T Kentucky as your local provider. We appreciate your business and look forward to continuing to serve you.

Rate State

ong distance customers

AT&T Kentucky local customer who retains AT&T long distance, you will automatically be enrolled in the Unlimited In-State Enhanced plan, which has an \$18.00 monthly recurring charge and provides unlimited in-state and 5 cent per minute state-to-state calling, 24 hours per day 7 days a week. We appreciate your business and look forward to continuing to serve you.

Rate Local / AT&T One Rate Multiline

ong distance customers

AT&T Kentucky local customer who retains AT&T long distance, you will automatically be enrolled in the One Rate 5 Cents Plus Plan, which has a \$7.95 monthly recurring charge and provides long distance calling for 5 cents per minute, 24 hours per day 7 days a week. Importantly, you also will **receive a \$2.00 monthly credit** on your bill once your service has been established with AT&T Kentucky. You will continue to receive the \$2.00 monthly credit as long as you are enrolled in the AT&T One Rate 5 Cents Plus calling plan and have AT&T Kentucky as your local provider. We appreciate your business and look forward to continuing to serve you.

Intralata Overlay Plan

ong distance customers

AT&T Kentucky local customer who retains AT&T long distance, you will automatically be enrolled in the Unlimited Local Toll Calling Plan, which has a \$13.95 monthly recurring charge and provides unlimited intralata toll calling, 24 hours per day 7 days a week. We appreciate your business and look forward to continuing to serve you.

Standalone LD

ong distance customers

AT&T Kentucky local customer who retains AT&T long distance, you will see no change to your long distance service. We appreciate your business and look forward to continuing to serve you.

ES, TERMS AND CONDITIONS OF LOCAL SERVICE

Conditions

Telephone rates for telephone line charges in the Commonwealth of Kentucky vary depending on the area in which you live. The Kentucky Public Service Commission approves the Company's rates for basic local exchange service. These rates are listed in the Company's Tariffs. All rates and charges are subject to change.

Local Exchange Service

Kentucky offers *Flat Rate* line service. Rates are based on the number of telephone lines in a residential serving area and do not include taxes, surcharges, municipal fees or FCC approved line charges. Customers who do not currently subscribe to packages, listed on the chart on the back of this page, will be transferred to Flat Rate Basic local exchange service with unlimited local calling. For residential customers, the monthly rates for Flat Rate service range from \$15.20 - \$18.40.

Lifeline service is also available to qualified AT&T Kentucky customers. Lifeline service provides monthly assistance for qualifying low income residential households in the form of a \$13.50 credit per month on local service charges.

Optional Services

In addition to the basic local exchange service, AT&T Kentucky offers optional calling services. Prices for some of the most popular optional calling features are set forth in the table below. These services are available in cost saving packages. The rates for some of these packages are also provided on the back of this letter. For more information, contact the AT&T Kentucky Customer Service Center toll-free at 1-800-442-4977 or access our website at att.com.

Additional Information

You may find more information about AT&T services and your rights as a customer in the AT&T White Paper, which you will receive as a new AT&T Kentucky customer. AT&T Kentucky rates, terms and conditions for standalone Flat Rate local exchange service will be governed by the Tariff on file with the Kentucky Public Service Commission. An AT&T Customer Service Agreement which contains the terms and conditions for the optional services and packages to which you may subscribe, will be sent to you at the time your services are transferred. You can view a copy of the Customer Service Agreement and all other information related to your combinations and packages on our website at att.com/serviceagreement. You will receive written notification of all changes to the rates, terms, and conditions of your AT&T Kentucky services.

Feature	Price
Anonymous Call Rejection	\$5.95
Block	\$5.00
Call Forwarding Busy Line	\$1.50
Call Forwarding Don't Answer	\$1.50
Deferred Call Forwarding	\$5.00
Direct Access to Call Forwarding	\$7.00
Forwarding Don't Answer with Ring Control	\$1.50
Forwarding (CF) Variable	\$5.00

Feature	Price
RingMaster® II Service	\$7.00
Customer Control Call Forwarding Busy Line	\$3.50
Customer Control Call Forwarding Don't Answer	\$4.00
Call Selector	\$5.00
Privacy Director® Service	\$6.95
Repeat Dialing	\$5.00
Speed Calling 8	\$4.50
Speed Calling 30	\$5.00

For your convenience, below is a chart that identifies the most common plans provided by your current service plan and the new AT&T local service plan to which you will be automatically transferred, if you make no change. Just find your current service plan and selected features and it will show you the new AT&T service plan. If you are unsure of your current service plan, please refer to your last bill.

Service Plan, Pricing, and Features

Current Service Plan	New AT&T Kentucky Service Plans	Features and Components	Statewide Price
<ul style="list-style-type: none"> One Rate® Local One Rate® MultiLine Call Plan Unlimited 2 Feature Package 	<ul style="list-style-type: none"> 2 Pack Plan 	Access Line with unlimited local calling, Caller ID Deluxe, Call Waiting Deluxe, and Voice Mail Companion features	\$25.00
<ul style="list-style-type: none"> Caller ID/Caller ID Deluxe and Call Waiting/Call Waiting Deluxe 	PreferredPack® Plan	Access Line with unlimited local calling, Caller ID Deluxe, Call Waiting Deluxe, Privacy Director service, Three-way Calling, Call Return, and Voice Mail Companion features	\$30.00
<ul style="list-style-type: none"> Caller ID/Caller ID Deluxe and/or Call Waiting/Call Waiting Deluxe and/or Privacy Director service and/or Three-way Calling and/or Call Return 	AT&T Complete Choice SM Plan	Access Line with unlimited local calling and 22 features	\$34.50
<ul style="list-style-type: none"> Additional features 			
<ul style="list-style-type: none"> One Rate® State Call Plan unlimited 3 Feature Package 	PreferredPack Plan	Access Line with unlimited local calling, Caller ID Deluxe, Call Waiting Deluxe, Privacy Director service, Three-way Calling, Call Return, and Voice Mail Companion features	\$30.00
<ul style="list-style-type: none"> Caller ID/Caller ID Deluxe and/or Call Waiting/Call Waiting Deluxe and/or Privacy Director service and/or Three-way Calling and/or Call Return 	AT&T Complete Choice Plan	Access Line with unlimited local calling and 22 features	\$34.50
<ul style="list-style-type: none"> Additional features 			
<ul style="list-style-type: none"> One Rate® Advantage Plan or One Rate USASM Call Plan Deluxe Employee Plan 	AT&T Complete Choice Plan	Access Line with unlimited local calling and 22 features	\$34.50
<ul style="list-style-type: none"> Call Plan Unlimited Plus 	2 Pack Plan	Access Line with unlimited local calling, Caller ID Deluxe, Call Waiting Deluxe, and Voice Mail Companion features	\$25.00
<ul style="list-style-type: none"> A la carte features Caller ID/Caller ID Deluxe and Call Waiting/Call Waiting Deluxe 			