Dinsmôre

Legal Counsel.

DINSMORE & SHOHL LLP
101 South Fifth Street ^ Suite 2500 ^ Louisville, KY 40202
www.dinsmore.com

Joseph P. Donohue 502-581-8109 joseph.donohue@dinsmore.com

November 25, 2013

Via Hand Delivery

RECEIVED

Hon. Jeff Derouen Executive Director

NOV 2 5 2013

Kentucky Public Service Commession 211 Sower Blvd.
P. O. Box 615

P. O. Box 615 Frankfort, KY 40601

Re: In the Matter of AT&T Corp. v Mountain Rural Telephone Cooperative Corp., and Thacker Grigsby Telephone Co., Inc., Case No. 2013-00392

Dear Mr. Derouen:

With this letter I am enclosing one (1) original and eleven (11) copies of Defendants' Answer and Counterclaim in the above-referenced matter.

Please return a file stamped copy to our courier.

Thank you, and if you have any questions, please call me.

Very truly yours,

DINSMORE & SHOHL LLP

Joseph P. Donohue

Enc.

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COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:			RECEIVED
AT&T CORP.			NOV 2 5 2013
	COMPLAINANTS)	PUBLIC SERVICE COMMISSION
v.		, c	ASE No. 2013-00392
MOUNTAIN RURAL TE COOPERATIVE CORP.	CLEPHONE)	
	DEFENDANT)	
v.)	
THACKER-GRIGSBY T	ELEPHONE CO., INC.)	
	DEFENDANT)	

DEFENDANTS' ANSWER TO COMPLAINT AND MOTION FOR EMERGENCY RELIEF, AND COUNTERCLAIM

Mountain Rural Telephone Cooperative Corporation, Inc. ("Mountain Rural") and Thacker-Grigsby Telephone Co., Inc. ("Thacker-Grigsby") (collectively, the "Rural Carriers"), by counsel, submit the following Answer and Counterclaim to the Complaint and Motion for Emergency Relief of Plaintiff AT&T Corp. ("AT&T").

ANSWER

- 1. The Rural Carriers admit the allegations in paragraph 1 of the Complaint.
- 2. The Rural Carriers deny a portion of the allegations in paragraph 2 of the Complaint and further state that the name of the first Defendant is Mountain Rural Telephone Cooperative Corporation, Inc. They admit the address of that Defendant is as alleged in paragraph 2.
 - 3. The Rural Carriers admit the allegations made in paragraph 3 of the Complaint.
 - 4. In response to the allegations in paragraph 4 of the Complaint, the Rural Carriers admit

that, prior to AT&T's filing of the Complaint and Motion for Emergency Relief on November 7, 2013, it had been the Carriers' intent to exercise their right and obligation under the Duo County Telephone Cooperative Corp. Access Tariff ("Tariff") to terminate access services to AT&T based on AT&T's failure to comply with Tariff provisions regarding payment and billing. However, following a November 7th telephonic conference on the emergency motion involving counsel for the parties and staff of the Kentucky Public Service Commission (the "Commission"), notwithstanding the Rural Carriers' continued belief that service termination remains an appropriate and available remedy under the Tariff, the Carriers informed AT&T and the Commission of their decision to voluntarily suspend the previously issued termination notices. They further agreed not to terminate service to AT&T during the pendency of this action absent advance approval by the Commission. The Rural Carriers are without sufficient knowledge or information as to the remaining allegations of paragraph 4, and therefore deny these allegations.

- 5. In response to the allegations in paragraph 5 of the Complaint, the Rural Carriers admit: that they are "issuing carriers" under the Tariff; that they submitted bills for access services they provided to AT&T pursuant to the Tariff; and, that AT&T disputed portions of these bills. The Rural Carriers deny the remaining allegations in paragraph 5.
- 6. In response to the allegations in paragraph 6 of the Complaint, the Rural Carriers admit that, prior to AT&T's filing of the Complaint and Motion for Emergency Relief on November 7, 2013, it had been the Carriers' intent to exercise their right and obligation under the Tariff to terminate access services to AT&T based on AT&T's failure to comply with Tariff provisions regarding payment and billing. However, following a November 7th telephonic conference on the emergency motion involving counsel for the parties and Commission staff, notwithstanding the Rural Carriers' continued belief that service termination remains an appropriate and available remedy under the Tariff, the Carriers informed AT&T and the Commission of their decision to voluntarily suspend the previously issued termination notices. They further agreed not to terminate service to AT&T during the pendency of this action absent advance approval by the Commission. The Rural Carriers deny the remaining allegations contained in

paragraph 6.

- 7. In response to the allegations in paragraph 7 of the Complaint, the Rural Carriers deny that termination of service to customers who refuse to comply with tariff provisions regarding payment and billing is "at odds with the practices of this Commission, and would also violate the FCC's long-standing prohibition on call blocking." The Rural Carriers are without sufficient knowledge or information as to the remaining allegations of paragraph 7, and therefore deny these allegations.
- 8. The allegations in paragraph 8 of the Complaint are legal conclusions to which no response is required. To the extent footnote 6 to this paragraph asserts factual allegations, the Rural Carriers are without sufficient knowledge or information and therefore deny these allegations.
- 9. The Rural Carriers deny the allegations made in paragraph 9 of the Complaint and further state that all charges billed to AT&T are accurate, appropriate, and due and owing under the Tariff.
- 10. The allegations in paragraph 10 of the Complaint are legal conclusions to which no response is required.
- 11. In response to the allegations in paragraph 11 of the Complaint, the Rural Carriers admit that, prior to AT&T's filing of the Complaint and Motion for Emergency Relief on November 7, 2013, it had been the Carriers' intent to exercise their right and obligation under the Tariff to terminate access services to AT&T based on AT&T's failure to comply with Tariff provisions regarding payment and billing. However, following a November 7th telephonic conference on the emergency motion involving counsel for the parties and Commission staff, notwithstanding the Rural Carriers' continued belief that service termination remains an appropriate and available remedy under the Tariff, the Carriers informed AT&T and the Commission of their decision to voluntarily suspend the previously issued termination notices. They further agreed not to terminate service to AT&T during the pendency of this action absent advance approval by the Commission. The Rural Carriers are without sufficient knowledge or information regarding AT&T's allegations that it is "withholding only those disputed amounts pending settlement of the dispute" and deny the remaining allegations contained in paragraph 11.

- 12. In response to the allegations made in paragraph 12 of the Complaint, the Rural Carriers admit that the Commission will decide the merits of the underlying claims and deny that paragraph's remaining allegations.
- 13. The allegations contained in paragraph 13 of the Complaint are legal conclusions to which no response is required.
- 14. The allegations contained in paragraph 14 of the Complaint are legal conclusions to which no response is required.
 - 15. The Rural Carriers deny the allegations made in paragraph 15 of the Complaint.

AFFIRMATIVE DEFENSES

- 16. The Complaint fails to state a claim upon which relief can be granted.
- 17. All amounts charged by the Rural Carriers to AT&T are authorized by, and consistent with, the controlling Tariff. Accordingly, AT&T's claims are barred by the terms of the Tariff.

WHEREFORE, for the reasons set forth above, the Rural Carriers respectfully request the Commission to enter an Order:

- 1. Dismissing AT&T's Complaint against the Rural Carriers with prejudice;
- 2. Directing AT&T to immediately pay the full amount of its outstanding balance for the access service provided by the Rural Carriers, including applicable interest and late payment charges under the Tariff; and
- 3. Granting the Rural Carriers any and all other legal and equitable relief to which they are entitled including, but not limited to, permission to terminate service to AT&T if amounts due upon issuance of a final Order in this matter are not fully and timely paid.

COUNTERCLAIM

Mountain Rural Telephone Cooperative Corporation, Inc. ("Mountain Rural") and Thacker-Grigsby Telephone Co., Inc. ("Thacker-Grigsby") (collectively, the "Rural Carriers"), by counsel, submit the following Counterclaim against AT&T Corp. ("AT&T").

1. The Rural Carriers hereby incorporate by reference their Answer to AT&T's Complaint and Motion for Emergency Relief, as if set forth fully herein.

NATURE OF CLAIM

2. The Rural Carriers serve as issuing carriers under the Duo County Telephone Cooperative Corp. Access Tariff ("Tariff") and have provided access service to AT&T in accordance with the terms of that Tariff. Despite receiving such service, AT&T has refused to pay a number of invoices from the Rural Carriers evidencing charges related to "true-up" billing of intrastate non-traffic sensitive revenue ("NTSR") for both 2011 and 2012. The amounts charged to AT&T are accurate and authorized under the terms of the Tariff, and AT&T's baseless and unjustified refusal to pay such charges places it in direct violation of the Tariff. Accordingly, through this Counterclaim, the Rural Carriers seek full payment of all unpaid amounts owed by AT&T under the access tariff, as well as applicable interest and late payment charges.

PARTIES

- 3. The full name and address of Defendant/Counterclaimant Mountain Rural is Mountain Rural Telephone Cooperative Corporation, Inc., 405 Main Street, P.O. Box 399, West Liberty, Kentucky 41472. Mountain Rural is a rural incumbent local exchange carrier authorized to provide telecommunications service in the Commonwealth of Kentucky, and is a Kentucky corporation.
- 4. The full name and address of Defendant/Counterclaimant Thacker-Grigsby is Thacker-Grigsby Telephone Company, Inc., 60 Communications Lane, P.O. Box 789, Hindman, Kentucky 41822. Thacker-Grigsby is a rural incumbent local exchange carrier authorized to provide telecommunications service in the Commonwealth of Kentucky, and is a Kentucky corporation.
- 5. Upon information and belief, the full name of AT&T is AT&T Corp. Its Kentucky post office address is 601 West Chestnut Street, 4th Floor East, Louisville, Kentucky 40203.

APPLICABLE LAW

6. Pursuant to KRS 278.040, the Public Service Commission of Kentucky ("the Commission") has exclusive jurisdiction "over the regulation of rates and services of utilities" within the

Commonwealth.

- 7. Pursuant to KRS 278.260, the Commission is vested with original jurisdiction over "any complaint as to [the] rates or service of any utility" and is empowered to investigate and remedy such complaints.
- 8. Pursuant to KRS 278.030(1), "[e] very utility may demand, collect, and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person." Subsection (2) of KRS 278.030 allows a utility to "employ in the conduct of its business suitable and reasonable classifications of its services, patrons, and rates."

FACTUAL ALLEGATIONS

- 9. Under the terms of the controlling Tariff in this matter, in exchange for receiving the access service provided by the Rural Carriers, AT&T is "subject to a Non-Traffic Sensitive Revenue (NTSR) charge" (*See* Tariff, attached hereto as Ex. A, at p. 3-21, §3.9.) Specifically, as an access customer, AT&T is assessed a monthly NTSR charge calculated by the Rural Carriers, and is subsequently subjected to an annual "true-up calculation" once the actual "total terminating rated access minutes for all [access] customers" have been determined. (*Id.*, at p.3-23, §3.9.3(B)). In this regard, the sum of all the customers' actual intrastate terminating rated access minutes is used to determine the annual percent distribution for each customer. (*Id.*) In this matter, AT&T has repeatedly, and without justification, refused to pay the Rural Carriers the vast majority of the accrued "true-up" charges for 2011 and 2012.
- 10. In particular, consistent with the Tariff, the Rural Carriers issued invoices to AT&T pertaining to switched access charges, incurred under the Tariff in 2011 and 2012, for traffic that AT&T delivered to the Rural Carriers' access tandem over their AT&T-dedicated trunk groups. (*See* Ex. B, attached hereto.)
- 11. AT&T evaluated these invoices from the Rural Carriers and disputed many of the charges set forth therein.
 - 12. Upon receipt of the disputes from AT&T, the Rural Carriers reviewed and analyzed, in

good faith, the issues raised and found no errors to exist. Indeed, to the extent that AT&T questioned specific items relating to the accuracy of the Rural Carriers' billing, the Carriers investigated and confirmed the correctness of the charges at issue. As a result of their investigations, the Rural Carriers denied the disputes regarding the outstanding balances.

- 13. Upon the Rural Carriers' confirmation to AT&T of the accuracy of the disputed invoice amounts, the dispute was resolved and such charges became due and owing. However, to date, despite repeated demands, overwhelming portions of these amounts remain unpaid by AT&T, and are now well-past due.
- 14. Accordingly, prior to AT&T's filing of the Complaint and Motion for Emergency Relief on November 7, 2013, it had been the Rural Carriers' intent to exercise their right and obligation under the Tariff to terminate access services to AT&T based on AT&T's failure to comply with Tariff provisions regarding payment and billing. However, following a November 7th telephonic conference on the emergency motion involving counsel for the parties and Commission staff, notwithstanding the Rural Carriers' continued belief that service termination remains an appropriate and available remedy under the Tariff, the Carriers informed AT&T and the Commission of their decision to voluntarily suspend the previously issued termination notices. They further agreed not to terminate service to AT&T during the pendency of this action absent advance approval by the Commission.
- 15. Notwithstanding the foregoing, the Rural Carriers reserve their rights to the remedies made available to them under Tariff Section 2.1.8(E), which provides that if the Carrier "does not discontinue the provision of the services as specified for herein, and the customer's noncompliance continues, nothing contained herein shall preclude the [Carrier's] right...to discontinue the provision of the services to the non-complying customer without further notice." Thus, while the Rural Carriers will, as set forth above, refrain from terminating service to AT&T absent the Commission's approval during the pendency of this action, they reserve their rights to discontinue service at some later date, should circumstances warrant.

COUNT I

- 16. The Rural Carriers restate the allegations contained in all other paragraphs of this Counterclaim as if fully restated herein.
- 17. The Tariff expressly sets forth the rights and obligations of the Rural Carriers and access customers, such as AT&T. The Rural Carriers have provided access service to AT&T in accordance with the terms of that Tariff, but AT&T has failed to pay the amounts due in exchange for that service. The charges at issue here that have been invoiced to AT&T are accurate, appropriate, and they remain unpaid. AT&T's continued refusal to pay for rendered access services, as set forth above, violates its obligations under numerous sections of the Tariff.
- 18. As a direct and proximate result of AT&T's violation of the Tariff, the Rural Carriers have been damaged in the amount of the unpaid invoice amounts, plus interest, and late payment charges.

WHEREFORE, for the reasons set forth above, the Rural Carriers respectfully request the Commission to enter an Order:

- 1. Directing AT&T to immediately pay all delinquent tariffed access charges owed to the Rural Carriers, along with accrued interest and late payment charges;
- 2. Affirming the Rural Carrier's lawful right under the Tariff to discontinue service to AT&T in the event such amounts remain unpaid; and
 - 3. Granting the Rural Carriers any and all further relief to which they may be entitled.

Respectfully submitted,

John E. Selent Edward T. Depp Joseph P. Donohue

DINSMORE & SHOHL LLP

101 South Fifth Street, Suite 2500
Louisville, Kentucky 40202
(502) 540-2300 (Telephone)
(502) 585-2207 (Facsimile)
john.selent@dinsmore.com
tip.depp@dinsmore.com
joseph.donohue@dinsmore.com
Counsel to Mountain Rural Telephone Cooperative,
Corporation, Inc. and Thacker-Grigsby Telephone
Company, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by U.S. mail this day of November, 2013, on the following:

Mark R. Overstreet Stites & Harbison PLLC West Main Street P.O. Box 634 Frankfort, K Y 40602 Counsel to AT&T

> Counsel to Mountain Rural Telephone Cooperative, Corporation, Inc. and Thacker-Grigsby Telephone Company, Inc.

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AccESS SERVICE

3. Carrier Common Line Access Service

The Telephone Company will provide Carrier Common Line Access Service (Carrier Common Line Access) to customers in conjunction with Switched Access Service provided in Section 6. of this tariff or the appropriate Switched Access Service section of other Access Service tariffs.

3.1 General Description

Carrier Common Line Access provides for the use of end users' Telephone Company provided common lines by customers for access to such end users to furnish Intrastate Communications.

Premium Access is (1) Switched Access Service provided to customers under this tariff which furnish intrastate MTS/WATS, and (2) Switched Access Service in an end office converted to equal access.

Non-Premium Access is Switched Access Service provided in an end office not yet converted to equal access to customers that do not furnish intrastate MTS/WATS.

A Special Access Surcharge, as set forth in 17.3.1 following, will apply to intrastate Special Access Service provided by the Telephone Company to a customer, in accordance with regulations as set forth in 7.3 following.

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PURSUANT TO 807 KAR 5:011.
SECTION 8 (1)
BY: Stephan Bau
SECRETARY OF THE COMMISSION

3. Carrier Common Line Access Service (Cont'd)

3.2 Limitations

3.2.1 Exclusions

Neither a telephone number nor detail billing are provided with Carrier Common Line Access. Additionally, directory listings and intercept arrangements are not included in the rates and charges for Carrier Common Line Access.

3.2.2 Access Groups

All line side connections provided in the same access group will be limited to the same features and operating characteristics.

All trunk side connections provided in the same access group will be limited to the same features and operating characteristics.

3.2.3 WATS Access Lines

Where Switched Access Services are connected with Special Access Services at Telephone Company Designated WATS Serving Offices for the provision of WATS or WATS-type Services, Switched Access Service minutes which are carried on that end of the service (i.e., originating minutes for outward WATS and WATS-type services and terminating minutes for inward WATS and WATS-type services) shall not be assessed Carrier Common Line Access per minute charges with the following exception. Carrier Common Line Access per minute charges shall apply when Feature Group A or Feature Group B switched access is ordered from a non-equal access telephone company office that does not have measurement capabilities and the assumed average access minutes, as set forth in Section 6.5.4, are used.

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- Carrier Common Line Access Service (Cont'd)
 - 3.3 Undertaking of the Telephone Company
 - 3.3.1 Provision of Service

Where the customer is provided Switched Access Service under other sections of this or other Access Service tariffs, the Telephone Company will provide the use of Telephone Company common lines by a customer for access to end users at rates and charges as set forth in 17.1.1 following.

3.3.2 Interstate and Intrastate Use

The Switched Access Service provided by the Talephone Company includes the Switched Access Service provided for both interstate and intrastate communications. The Carrier Common Line Access rates and charges as set forth in 17.1.1 following apply to intrastate Switched Access Service access minutes in accordance with the rate regulations as set forth in 3.8.4 following (Percent Interstate Use - PIU).

- 3.4 Obligations of the Customer
 - 3.4.1 Switched Access Service Requirement

The Switched Access Service associated with Carrier Common Line Access shall be ordered by the customer under other sections of this tariff.

3.4.2 . Supervision

The customer facilities at the premises of the ordering customer shall provide the necessary on-hook and off-hook

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SECTION 9 (1)
BY: Stephan) Buy
SECRETARY OF THE COMMISSION

Issued: September 20, 1999 Effective: November 1, 1999

By: W.W. Magruder, Executive Vice President

- 3. Carrier Common Line Access Service (Cont'd)
 - 3.5 Determination of Usage Subject to Carrier Common Line Access Charges

Except as set forth herein, all Switched Access Service provided to the customer will be subject to Carrier Common Line Access charges.

3.5.1 Determination of Jurisdiction

When the customer reports interstate and intrastate use of Switched Access Service the associated Carrier Common Line Access used by the customer for intrastate will be determined as set forth in 3.8.4 following (Percent Interstate Use-PIU).

3.5.2 Cases Involving Usage Recording By the Customer

Where Feature Group C end office switching is provided without Telephone Company recording and the customer records minutes of use used to determine Carrier Common Line Access charges (i.e., Feature Group C operator and calls such as pay telephone sent-paid, operator-DDD, operator-person, collect, credit-card, third number and/or other like calls), the customer shall furnish such minutes of use detail to the Telephone Company in a timely manner. If the customer does not furnish the data, the customer shall identify all Switched Access Services which could carry such calls in order for the Telephone Company to accumulate the minutes of use through the use of special Telephone Company measuring and recording equipment.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: Stephand Bull
SECRETARY OF THE COMMISSION

- Carrier Common Line Access Service (Cont'd)
 - Determination of Usage Subject to Carrier Common Line Access Charges (Cont'd)
 - 3.5.3 Local Exchange Access and Enhanced Services Exemption

When access to the local exchange is required to provide a customer service (e.g., MTS/WATS-type, telex, Data, etc.) that uses a resold Special Access service, Switched Access Service Rates and Regulations, as set forth in Section 6. following will apply, except when such access to the local exchange is required for the provision of an enhanced service. Carrier Common Line Access rates and charges as set forth in 17.1.1 following apply in accordance with the resale rate regulations as set forth in 3.6.4 following.

Resold Services

3.6.1 Scope

Where the customer is reselling MTS and/or MTS-type service(s) on which the Carrier Common Line and Switched Access charges have been assessed, the customer may, at the option of the customer, obtain Feature Group A, Feature Group B or Feature Group D Switched Access Service under this tariff as set forth in Section 6. following for originating and/or terminating access in the local exchange. Such access group arrangements whether single lines or trunks or multiline hunt groups or trunk groups will have Carrier Common Line Access charges applied as set forth in 17.1.1 following in accordance with the resale rate regulations set forth in 3.6.4 following. For purposes of administering this provision:

Resold intrastate terminating MTS and MTS-type service(s) shall include collect calls, third number calls and credit card calls where the reseller pays the underlying carrier's service charges; and shall not include interstate minutes of use.

Resold intrastate originating MTS and MTS-type service(s) shall not include collect, third number, credit card or interstate minutes of use.

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PURSUANT TO 807 KAR 5:011, SECTION 9 (1) BY: Stephano Bu

September 20, 1999 Ef W.W. Magruder, Executive Vice President Effective: WEVERLOUTE COMPSES Issued:

Bv:

- Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.2 Customer Obligations Concerning the Resale of MTS and MTS-type Services

When the customer is reselling MTS and/or MTS-type service as set forth in 3.6.1 preceding, the customer will be charged Carrier Common Line Access charges in accordance with the resale rate regulations as set forth in 3.6.4 following if the customer or the provider of the MTS service furnishes documentation of the MTS usage and/or the customer furnishes documentation of the MTS-type usage. Such documentation supplied by the customer shall be supplied each month and shall identify the involved resold MTS and/or MTS-type services.

The monthly period used to determine the minutes of use for resold MTS and/or MTS-type service(s) shall be the most recent monthly period for which the customer has received a bill for such resold service(s). This information shall be delivered to the Telephone Company, at a location specified by the Telephone Company, no later than 15 days after the bill date shown on the resold MTS and/or MTS-type service bill. If the required information is not received by the Telephone Company, the previously reported information, as described preceding, will be used for the next two months. For any subsequent month, no allocation or credit will be made until the required documentation is delivered to the Telephone Company by the customer.

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SECTION 9 (1)
BY: Stephand Buy
SECRETARY OF THE COMMISSION

- Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.3 Resale Documentation Provided By the customer

When the customer utilizes Switched Access Service as set forth in 3.5.2 preceding, the Telephone Company may request a certified copy of the customer's resold MTS or MTS-type usage billing from either the customer or the provider of the MTS or MTS-type service. Requests for billing will relate back no more than 12 months prior to the current billing period.

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PURSUANT TO BOT KAR 5:011, SECTION B (1) BY: Steptand Buy SECRETARY OF THE COMMISSION

- Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTS-type Services

When the customer is provided an access group to be used in conjunction with the resale of MTS and/or MTS-type services as set forth in 3.6.1 preceding, subject to the limitations as set forth in 3.2 preceding, and the billing entity receives the usage information required as set forth in 3.6.2 preceding, to calculate the adjustment of Carrier Common Line Access charges, the customer will be billed as set forth in (D), (E) or (F) following, depending upon, respectively, whether the usage is from non-equal access offices, equal access offices or a combination of the two.

(A) Apportionment and Adjustment of Resold Minutes of Use

When the customer is provided with more than one access group in a LATA in association with the resale of MTS and/or MTS-type services, the resold minutes of use will be apportioned as follows:

(1) Originating Services

The Telephone Company will apportion the resold originating MTS and/or MTS-type services and originating minutes of use for which the resale credit adjustment applies, among the access groups. Such apportionment will be based on the relationship of the originating usage for each access group to the total originating usage for all access groups in the LATA. For purposes of administering this provision:

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PURSUANT TO 807 KAR 5.011, SECTION 9 (1) BY: Sirchand Buu SECRETARY OF THE COMMISSION

- Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTS-type Services (Cont'd)
 - (A) Apportionment and Adjustment of Resold Minutes of Use (Cont'd)
 - (1) Originating Service's (Cont'd)

Resold originating MTS and/or MTS-type services minutes shall be only those attributable to intrastate originating MTS and/or MTS-type minutes and shall not include collect, third number, credit card or interstate minutes of use.

The resale credit adjustment shall apply for resold originating MTS and MTS-type services and minutes of use, provided Carrier Common Line and Switched Access Charges have been assessed on such services.

(2) Terminating Services

The Telephone Company will apportion the resold terminating MTS and/or MTS-type services and terminating minutes of use for which the resale credit adjustment applies, among the access groups. Such apportionment will be based on the relationship of the terminating usage for each access group to the total terminating usage for all access groups in the LATA. For purposes of administering this provision:

Resold terminating MTS and/or MTS-type services minutes shall be only those attributable to intrastate terminating MTS/MTS-type (i.e., collect calls, third number calls, and credit card calls) and shall not include interstate minutes of use or MTS/MTS-type minutes of use paid for by another party.

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The resale credit adjustment shall apply for resold terminating MTS and MTS-type services and minutes of use, provided Carrier Common Line and Switched Access Charges have been

PURSUANT TO 807 KAR 5.011, assessed on such services.

SECTION 9 (1)
BY: Stephand Buy
SECRETARY OF THE COMMISSION

- 3. Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTS-type Services (Cont'd)
 - (B) Same State/Telephone Company/Exchange Limitation

In order for the rate regulations to apply as set forth in (D), (E) or (F) following, the access groups and the resold MTS and/or MTS-type services must be provided in the same state (except when the same extended area service arrangement is provided in two different states by the same telephone company) in the same exchange, provided by the same Telephone Company and connected directly or indirectly. For those exchanges that encompass more than one state, the customer shall report the information by state within the exchange.

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NOV 1 1999

PURSUANT TO BOT KAR 5011, SECTION 9 (1) BY: STEPHOND BLU SECRETARY OF THE COMMISSION

Issued: September 20, 1999 Effective: November 1, 1999

By: W.W. Magruder, Executive Vice President

- 3. Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTStype Services (Cont'd)
 - (C) Direct and Indirect Connections

Each of the access group arrangements used by the customer in association with the resold MTS and/or MTS-type services must be connected either directly or indirectly to the customer designated premises at which the resold MTS and/or MTS-type services are terminated. Direct connections are those arrangements where the access groups and resold MTS and/or MTS-type services are terminated at the same customer designated premises.

Indirect originating connections are those arrangements where the access groups and the resold originating MTS and/or MTS-type services are physically located at different customer designated premises in the same exchange. Such different customer designated premises are connected by facilities that permit a call to flow from access groups to resold MTS and/or MTS-type services.

Indirect terminating connections are those arrangements where the access groups and resold terminating MTS and/or MTS-type services are physically located at different customer designated premises in the same exchange. Such different customer designated premises are connected by facilities that permit a call to flow from resold terminating MTS and/or MTS-type services to access groups.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5.011, SECTION 9 (1)
BY Stedand BULL SECRETARY OF THE COMMISSION

- 3. Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTStype Services (Cont'd)
 - (D) Access Groups Non Equal Access Offices Only

The adjustments as set forth here and in (E) and (F) following will be computed separately for each access group.

When all the usage on an access group originates from and/or terminates at end offices that have not been converted to equal access, the Non Premium Access Charge per minute as set forth in 17.1.1 following will apply. The Access Minutes which will be subject to Carrier Common Line Access charges will be the adjusted originating intrastate access minutes plus the adjusted terminating intrastate access minutes for such access groups.

The adjusted originating access minutes will be the originating intrastate access minutes less the reported resold originating MTS and/or MTS-type service minutes of use as set forth (A) (1) preceding; but not less than zero. The adjusted terminating access minutes will be the terminating intrastate access minutes less the reported resold terminating MTS and/or MTS-type service minutes of use as set forth in (A) (2) preceding; but not less than zero.

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- 3. Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTStype Services (Cont'd)
 - (E) Access Groups Equal Access Offices Only

When all the usage on an access group originates from and/or terminates at end offices that have been converted to equal access, the Premium Access Charge per minute as set forth in 17.1.1 following will apply. The minutes billed Carrier Common Line Access Service charges will be the adjusted originating intrastate access minutes and the adjusted terminating intrastate access minutes for such access groups.

The adjusted originating access minutes will be the originating intrastate access minutes less the reported resold originating MTS and/or MTS-type service minutes of use as set forth in (A) (1) preceding; but not less than zero. The adjusted terminating access minutes will be the terminating intrastate access minutes less the reported resold terminating MTS and/or MTS-type service minutes of use as set forth in (A) (2) preceding; but not less than zero.

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- Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations for the Resale of MTS and MTS-type Services (Cont'd)
 - (F) Access Groups Non-Equal Access and Equal Access
 Offices

When an access group has usage that originates from and/or terminates at both end offices that have been converted to equal access and end offices that have not been converted, both premium and non premium per minute charges as set forth in 17.1.1 following will apply respectively. The minutes billed Carrier Common Line Access Service charges will be the adjusted originating intrastate access minutes plus the adjusted terminating intrastate access minutes for such access groups.

The adjusted originating access minutes will be the originating intrastate access minutes less the reported resold originating MTS and/or MTS-type service minutes of use as set forth in (A) (1) preceding; but not less than zero. The adjusted terminating access minutes will be the terminating intrastate access minutes less the reported resold terminating MTS and/or MTS-type service minutes of use as set forth in (A) (2) preceding; but not less than zero.

The adjusted originating access minutes and the adjusted terminating access minutes will be apportioned between premium and non premium access minutes using end-office specific usage data when available, or when usage data are not available, the premium and non premium ratios developed as set forth in 6.4.1(C) (4) following. The Premium and Non Premium per minute charges set forth in 17.1.1 following will apply to the respective premium and non premium access minutes determined in this manner.

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- 3. Carrier Common Line Access Service (Cont'd)
 - 3.6 Resold Services (Cont'd)
 - 3.6.4 Rate Regulations Concerning the Resale of MTS and MTS-type Services (Cont'd)
 - (G) When the Adjustment Will Be Applied to Customer Bills

The adjustment as set forth in (D), (E) and (F) preceding will be made to the involved customer account no later than either the next bill date, or the one subsequent to that, depending on when the usage report is obtained.

(H) Conversion of Billed Usage to Minutes

When the MTS and/or MTS-type usage is shown in hours, the number of hours shall be multiplied by 60 to develop the associated MTS and/or MTS-type minutes of use. If the MTS and/or MTS-type usage is shown in a unit that does not show hours or minutes, the customer shall provide a factor to convert the shown units to minutes.

(I) Percent Interstate Use (PIU)

The adjustment as set forth in (D), (E) and (F) preceding will be made to the involved customer account after making the adjustments to the customer account as set forth in 3.8.4 following (PIU).

3.7 Reserved for Future Use

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- 3. Carrier Common Line Access Service (Cont'd)
 - Rate Regulations
 - 3.8.1 Billing of Charges

Carrier Common Line charges will be billed to each Switched Access Service provided under this tariff in accordance with the regulations as set forth in 3.8.5 following (Determination of Premium and Non-Premium Charges) except as set forth in 3.6.4 preceding (Resale) and 3.8.4 following (PIU).

3.8.2 Measuring and Recording of Call Detail

> When access minutes are used to determine Carrier Common Line charges, they will be accumulated using call detail recorded by Telephone Company equipment except as set forth in 3.8.3 following (Unmeasured FGA and B Usage) and Feature Group C operator and automated operator services systems call detail such as pay telephone sent-paid, operator-DDD, operator-person, collect, credit-card, third number and/or other like calls recorded by the customer. The Telephone Company measuring and recording equipment, except as set forth in 3.8.3 following (Unmeasured FGA and B Usage), will be associated with end office or local tandem switching equipment and will record each originating and terminating access minute where answer supervision is received. The accumulated access minutes will be summed on a line by line basis, by line group or by end office, whichever type of account is used by the Telephone Company, for each customer and then rounded to the nearest minute.

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September 20, 1999 Bi W.W. Magruder, Executive Vice President Issued: Effective: November 1, 1999

By:

- Carrier Common Line Access Service (Cont'd)
 - 3.8 Rate Regulations (Cont'd)
 - 3.8.3 Unmeasured Feature Group A and B Usage

When Carrier Common Line Access is provided in association with Feature Group A or Feature Group B Switched Access Service in Telephone Company offices that are not equipped for measurement capabilities, assumed average intrastate access minutes will be used to determine Carrier Common Line Access charges. These assumed access minutes are as set forth in the exchange carriers' access tariffs.

3.8.4 Percent Interstate Use (PIU)

When the customer reports interstate and intrastate use of in-service Switched Access Service, Carrier Common Line charges will be billed only to intrastate Switched Access Service access minutes based on the data reported by the customer as set forth in 2.3.11 preceding (Jurisdictional Reports), except where the Telephone Company is billing according to actuals by jurisdiction. Intrastate Switched Access Service access minutes will, after adjustment as set forth in 3.6.4 preceding (Resale), when necessary, be used to determine Carrier Common Line Charges as set forth in 3.8.5 following.

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- Carrier Common Line Access Service (Cont'd) Э.
 - Rate Regulations (Cont'd)
 - Determination of Premium and Non-Premium Charges 3.8.5

After the adjustments as set forth in 3.6.4 and 3.8.4 preceding have been applied, when necessary, to Switched Access Service access minutes, charges for the involved customer account will be determined as follows:

- Access minutes for all premium rated Switched Access Service subject to Carrier Common Line charges will be multiplied by the Premium Access per minute rate as set forth in 17.1.1 following.
- (B) Access minutes for all non-premium rated Switched Access Service subject to Carrier Common Line charges will be multiplied by the Non-Premium Access per minute rate as set forth in 17.1.1 following.
- Access minutes for all FGB Access Services with an Abbreviated Dialing Arrangement (ADA) subject to Carrier Common Line Charges will be multiplied by the Premium Access per minute rate as set forth in 17.1.1 following. In non-equal end offices, the result is then multiplied by the ADA rate factor as set forth in 17.2.4 following. (C)
- Carrier Common Line charges shall not be reduced as set forth in 3.6.1 preceding unless Switched Access Charges, as set forth in Section 6. following, are applied to the customer's Switched Access Services.
- Terminating Premium Access or Non-Premium Access, per minute charge(s) apply to:
 - all terminating access minutes of use;
 - less those terminating access minutes of use associated with Wireless Switching Centers (WSCs).

all originating access minutes of use associated with FGA Access Services where the off-hook supervisory signaling is forwarded by the customer's equipment when the called party answers;

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BY: 5 (France)

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- Carrier Common Line Access Service (Cont'd) 3.
 - 3.8 Rate Regulations (Cont'd)
 - Determination of Premium and Non-Premium Charges 3.8.5 (Cont'd)
 - (Cont'd)

all originating access minutes of use associated with calls placed to 700, 800 series and 900 numbers, less those originating access minutes of use associated with calls placed to 700, 800 series and 900 numbers for which the customer furnishes for each month a report of either the number of calls or minutes or a report of the percent of calls or minutes that terminate in a Switched Access Service that is assessed Carrier Common Line charges.

When the customer makes this report available to the Telephone Company in advance of billing, these minutes of use will be charged on the these minutes of use will be charged on the ourrent bill as originating minutes of use as set forth in (F) following. If a billing dispute arises concerning the customer provided report, the Telephone Company will request the customer to provide the data the customer used to develop the report. The Telephone Company will not request such data more than once a year. The customer shall supply the data within 30 days of the Telephone Company request.

When this report is not available to the Telephone Company until after billing, it shall be used by the Telephone Company to calculate and post a credit to the customer's account. The credit shall be posted to the customer's account within 30 days of receipt of the report. The credit shall be calculated by multiplying the number of access minutes of use, for which a credit is determined to be applicable, times the difference between the terminating and originating Carrier Common Line charges in effect when the calls were completed.

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Issued: September 20, 1999

Effective: Ngeneral of the commission W.W. Magruder, Executive Vice President By:

- Carrier Common Line Access Service (Cont'd)
 - 3.8 Rate Regulations (Cont'd)
 - 3.8.5 Determination of Premium and Non-Premium Charges (Cont'd)
 - (F) The originating Premium Access or Non-Premium Access, per minute charge(s) apply to:

all originating access minutes of use;

- -- less those originating access minutes of use associated with FGA Access Services where the off-hook supervisory signaling is forwarded by the customer's equipment when the called party answers;
- -- less all originating access minutes of use associated with calls placed to 700, 800 and 900 numbers;
- -- less those originating access minutes of use associated with Wireless Switching Centers (WSCs).
- --- plus all originating access minutes of use associated with calls placed to 700, 800 series and 900 numbers for which the customer furnishes for each month a report of either the number of calls or minutes or a report of the percent of calls or minutes that terminate in a Switched Access Service that is assessed Carrier Common Line charges, and for which a corresponding reduction in the number of terminating access minutes of use has been made as set forth in (E) preceding.

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- 3. Carrier Common Line Access Service (Cont'd)
 - 3.9 Non-Traffic Sensitive Revenue Charge

All customers of the Telephone Company's Switched Access Services provided in Section 6, excluding Feature Group A Access Service provided to end users for intraLATA Foreign Exchange (FX) service, will be subject to a Non-Traffic Sensitive Revenue (NTSR) charge.

3.9.1 General Description

The NTSR charge is developed from the Telephone Company's Non-Traffic Sensitive (NTS) Revenue Requirement per access line per month rate, as set forth in Section 17.1.2 following.

The NTSR charge will apply to all intrastate interLATA and intrastate intraLATA terminating minutes of use for all customers. For the purpose of determining the NTSR charge, terminating minutes are defined to be those minutes to which the terminating carrier common line rate would be applied as indicated in Sections 3.2.3 and 3.8.5(E) preceding. These minutes will be referred to as terminating rated access minutes in this section.

The NTSR charge will not be reduced by the MTS and MTS-type resale credits described in Section 3.6.

3.9.2 Determination of Monthly NTS Revenue Requirement

During 1991, the Telephone Company will determine its monthly NTS Revenue Requirement by multiplying the NTS Revenue Requirement per access line per month rate, as set forth in Section 17.1.2 following, by the number of Telephone Company access lines in service on June 30, 1990.

For each subsequent calendar year, the Telephone Company will determine its monthly NTS Revenue Requirement by multiplying the NTS Revenue Requirement per access line per month rate, as set forth in Section 17.1.2 following, by the number of Telephone Company access lines in service on December 31st of the previous year.

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- 3. Carrier Common Line Access Service (Cont'd)
 - Non-Traffic Sensitive Revenue Charge (Cont'd)
 - 3.9.2 Determination of Monthly NTS Revenue Requirement (Cont'd)

The access lines used in the calculation shall be the same access lines reported by the Telephone Company to the National Exchange Carrier Association.

If the number of access lines decreases during subsequent years, the monthly NTS Revenue Requirement shall not decrease below from the prior period revenue requirement.

3.9.3 Billing of the NTSR Charge

The Telephone Company may select one of the billing methods, as set forth in (A) and (B) following, to calculate the monthly NTSR charge applicable to each customer. The Telephone Company will notify the customer which of the billing methods will be used.

Percent Distribution Method

The Telephone Company will determine each customer's monthly intrastate terminating rated access minutes, as set forth in Section 3.9.1 preceding. The sum of all customers' monthly intrastate terminating rated access minutes will be used by the Telephone Company to determine the percent distribution for each customer.

The monthly NTSR charge for each customer will be determined by multiplying the Telephone Company's monthly NTS Revenue Requirement by the customer's percent distribution, as calculated above.

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- Carrier Common Line Access Service (Cont'd)
 - 3.9 Non-Traffic Sensitive Revenue Charge (Cont'd)
 - 3.9.3 Billing of the NTSR Charge (Cont'd)
 - (B) Per Minute Rate Method

The Telephone Company will develop an NTSR rate per terminating rated access minute by dividing its annual NTS Revenue Requirement by the total terminating rated access minutes for all customers. The total terminating rated access minutes for all customers shall be either the previous year's historical total or a Telephone Company forecasted total.

The monthly NTSR charge for each customer will be determined by multiplying the NTSR rate per terminating rated access minute, developed above, by each customer's monthly terminating rated access minutes as set forth in Section 3.9.1 preceding.

To facilitate the billing of the monthly NTSR charge, the Telephone Company may, at its option, combine with the NTSR rate per terminating rated access minute the terminating Carrier Common Line rate set forth in Section 17.1.1, in its billing system. The Telephone Company may exercise this option only when using the Per Minute Rate Method.

This billing method will require the Telephone Company to perform a true-up calculation for each customer on an annual basis. The sum of all customers' actual annual intrastate terminating rated access minutes will be used by the Telephone Company to determine the annual percent distribution for each customer.

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- 3. Carrier Common Line Access Service (Cont'd)
 - 3.9 Non-Traffic Sensitive Revenue Charge (Cont'd)
 - 3.9.3 Billing of the NTSR Charge (Cont'd)
 - (B) Per Minute Rate Method (Cont'd)

The annual total of the monthly NTSR billing to each customer will be adjusted to an amount that is equal to the Telephone Company's annual NTS Revenue Requirement multiplied by the customer's annual percent distribution.

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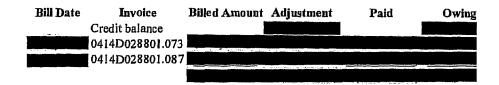
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REDACTED FOR PUBLIC DISCLOSURE

Mountain Rural Telephone Cooperative (OCN 0414)

ATT Statement of Past Due Balances.



CONFIDENTIAL - NOT FOR DISCLOSURE



Thacker-Grigsby Telephone Co., Inc. P.O. BOX 789 HINDMAN, KENTUCKY 41822

DATE: OCTOBER 3, 2013

TO: ATT

CONNECTIVITY BILLING MGMT BILL

ATTN: CABS P.O. BOX 981828

EL PASO TX, 79998-1828

SUBJECT: DEFAULT IN PAYMENT

FINAL DISCONNECT NOTICE

YOUR ACCOUNT IS SERIOUSLY PAST DUE. WE HAVE NOT RECEIVED PAYMENT FOR APR 1, 2013 FGD INVOICE.

THE INVOICE NUMBER IS 04090288D.

PURSUANT TO STATE AND FEDERAL TARIFFS, IF THE TOTAL FOR ALL PAST DUE INVOICES ARE NOT RECEIVED IN FULL BY NOVEMBER 10, 2013, THE SERVICES WHICH ARE IN DEFAULT OF PAYMENT WILL BE DISCONNECTED.

THERE WILL BE NO OTHER NOTICES REGARDING THIS INVOICE,

IF YOU HAVE QUESTIONS PLEASE CALL AT 606-785-2213 OR E-MAIL ME AT L.WATTS@TGTEL.COM

Loretta Watts Thacker-Grigsby Telephone Co., Inc.