BellSouth Telecommunications, Inc.

NTSRR & Intralata Access Cost Recovery

TITLE PAGE

NON-TRAFFIC SENSITIVE REVENUE REQUIREMENT (N)
EQUAL ACCESS COST RECOVERY
FOR THE
STATE OF KENTUCKY

EXPLANATION OF SYMBOLS

When changes are made in any tariff page, a revised page will be issued canceling the tariff page affected; such changes will be identified through the use of the following symbols:

(C)	To signify changed regulation
(D)	To signify discontinued rate, regulation or text
(I)	To signify increase
(N)	To signify new rate, regulation or text
(R)	To signify reduction
(T)	To signify a change in text but no change in rate or regulation
(M)	To signify material relocated from or to another part of the tariff. (Also, if appropriate - with no change in text, rate or regulation)

The preceding symbols will apply except where additional symbols are identified at the bottom of an individual page or at the beginning or end of a section or paragraph.

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Gordon C. Neal
FOR THE PUBLIC SERVICE COMMISSION

PREFACE

Regulations, Rates and Charges applying to the provision of Local Access Services within a Local Access and Transport Area (LATA), or equivalent Market Area for connection to intrastate communications facilities within the operating territory of ***BellSouth Telecommunications, Inc.*** in the State of Kentucky are provided herein. ***BellSouth Telecommunications, Inc. should be substituted for all references where South Central Bell Telephone Company is used.*** (C)

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LIST OF ISSUING CARRIERS

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J1. APPLICATION OF TARIFF

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J1. APPLICATION OF TARIFF

J1.1 Application

A. This Tariff contains regulations, rates and charges applicable to all entities authorized by the Kentucky Public Service Commission (KPSC) to provide toll service (i.e. local exchange companies, interexchange carriers, resellers and other parties purchasing ***BellSouth SWA*** service from the Access Services Tariff), hereinafter referred to as carriers, for benefits of being allowed to directly and indirectly connect their intrastate facilities to the nearly universal exchange networks and plant of BellSouth Telecommunications, Inc., hereinafter referred to as the Company, in conjunction with intrastate services provided by the carrier within the State of Kentucky. BellSouth Telecommunications, Inc. should be substituted for all references where South Central Bell Telephone Company is used. (T)

B. Regulations, rates and charges as specified in this Tariff shall not serve as a substitute for other carriers tariff offerings of services to their customers. The provision of facilities by the Company as set forth in this Tariff does not constitute a joint undertaking with the other carriers for the furnishing of any service.

C. Regulations, rates and charges as specified in this Tariff are in addition to, and not in substitution for, those specified in other tariffs of the Company. All facilities provided by the Company for the use of other carriers shall be pursuant to contract or duly filed tariffs of the Company as approved by the Kentucky Public Service Commission (KPSC).

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J2. GENERAL REGULATIONS

J2.1 Scope

A. This Tariff shall apply to all carriers operating any intrastate service originating or terminating in the service territory of the Company, which are or can be used to transport intrastate communications within Kentucky. Any carrier subscribing to one or more BellSouth SWA services within the Kentucky service territories of the issuing LECs is assumed to be subject to this Tariff, unless the carrier is neither authorized by the KPSC to furnish intrastate service nor is providing same. In such cases, the carrier would provide certification of the preceding by letter to the LEC with copy to the KPSC signed by an officer of the carrier, to remain effective until subsequently changed by the carrier.

B. Intrastate terminating minutes and originating minutes of use which are billed as terminating shall be used to allocate the Non-Traffic Sensitive revenue requirement.

C. **(DELETED)** (D)

J2.2 Liability

A. The Company's liability, if any, for its willful misconduct is not limited by this Tariff. With respect to any other claim or suit for damages associated with services provided via this Tariff, and subject to provisions J2.2.B. through J2.2.D., the Company's liability, if any, shall not exceed an amount equal to the charge for the service.

B. The Company shall not be liable for any act or omission of any customer, carrier or LEC providing a portion of a service, nor shall the Company for its own act or omission hold liable any other LEC, carrier or customer providing a portion of a service.

C. The Company is not liable for damages to the carriers' premises resulting from furnishing of a service unless the damage is caused by the Company's negligence.

D. The Company's failure to provide or maintain services under this Tariff shall be excused by labor strife, governmental order, civil commotion, criminal action taken against the Company, acts of God and other circumstances beyond the Company's reasonable control.

E. The Company is not liable for personal injuries resulting from the furnishing of services unless the damage is caused by the Company's negligence. Personal injury damages caused by the Company is not limited by J2.2.A.

F. The Company shall not be liable for any act or omission of any customer, carrier, or LEC providing service or a portion of service under this Tariff, or for any disputes or damages caused by its error or negligence, except that the Company's liability, if any, for its willful misconduct is not limited by this Tariff.

J2.3 Allowance For Interruptions

A. Allowances for interruptions of services provided directly to the carrier by the Company are covered in the tariff through which the service arrangements were purchased.

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J2. GENERAL REGULATIONS

J2.4 Payment Of Charges

A. The carrier is responsible for payment of all charges for service furnished. Charges are based on the tariff rates and regulations in effect at the time the service is furnished. All charges are billed monthly in advance.

B. All bills issued by the Company to the carrier are due 31 days (payment date) after the bill day or by the next bill date (i.e., same date in the following month as the bill date), whichever is the shortest interval, except as provided herein, and are payable in immediately available funds. If such payment date would cause payment to be due on a Saturday, Sunday or Holiday (i.e., New Year's, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, the second Tuesday in November and a day when Washington's Birthday, Memorial Day or Columbus Day is legally observed), payment for such bills will be due from the customer as follows.

1. If such payment date falls on a Sunday or on a Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Holiday. If such payment date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Holiday.

C. If any portion of the payment is received by the Company after the payment date as set forth in J2.4.B. or if any portion of the payment is received by the Company in funds which are not immediately available to the Company, then, a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment date times a late factor.

The late factor shall be .000590 per day, compounded daily for the number of days from the payment date to and including the date the carrier actually makes a payment to the Company.

J2.5 Definitions

For purposes of this Tariff only, certain terms used herein are defined as follows.

ACCESS MINUTES
The term "Access Minutes" denotes that usage of exchange facilities in intrastate interLATA or intraLATA service for the purpose of calculating chargeable usage. On the originating end of an intrastate interLATA or intraLATA call, usage is measured from the time the originating end user's call is delivered by the Telephone Company to and acknowledged as received by the customer's facilities connected with the originating exchange. On the terminating end of an intrastate interLATA or intraLATA call, usage is measured from the time the call is received by the end user in the terminating exchange. Timing of usage at both originating and terminating ends of an intrastate interLATA or intraLATA call shall terminate when the calling or called party disconnects, whichever event is recognized first in the originating and terminating exchanges, as applicable.

CARRIER
The term "Carrier", for purposes of this tariff, refers to any company authorized by the Kentucky Public Service Commission (KPSC) to provide toll service (i.e. the Company, interexchange carriers, resellers and other parties purchasing switched access service from the Company's Access Services Tariffs).

CARRIER BILLED MINUTES
The term "Carrier Billed Minutes" denotes minutes used by carriers to bill their Kentucky customers before any reduction due to volume discounts or other special offers.

EQUAL ACCESS
The term "Equal Access" refers to the ability to select any market participant for the carriage of toll traffic.

(DELETED) (D)
(DELETED) (D)

EXCHANGE
The term "Exchange" denotes a unit established by the LEC for the administration of communications service in a specified area which usually embraces a city, town or village and its environs. It consists of one or more central offices together with the associated facilities used in furnishing communications service within that area. The specific boundaries of each exchange are designated in maps available from each LEC.

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J2. GENERAL REGULATIONS

J2.5 Definitions (Cont'd)

INTRASTATE COMMUNICATIONS
The term "Intrastate Communications" refers to the conveyance of information from a point of origin within the State of Kentucky to a termination within the State of Kentucky.

JURISDICTIONAL
The term "Jurisdictional" refers to intrastate communications, and facilities used for such intrastate communications, which are subject to the jurisdiction of the KPSC.

KENTUCKY CUSTOMERS
The term "Kentucky customers" denotes persons and/or entities who purchase and are billed for carriers' communications services originating and/or terminating in Kentucky.

LOCAL ACCESS AND TRANSPORT AREA (LATA)
The term "Local Access and Transport Area (LATA)" denotes a geographic area as established in United States of America v. American Telephone and Telegraph Co., Civil Action No. 82-0192, U.S. District Court for the District of Columbia (569F. Supp. 990 and subsequent decisions). All reference to LATA in this Tariff shall include "Market Area" unless specified otherwise.

LOCAL EXCHANGE COMPANY (LEC)
The term "Local Exchange Company" refers to any company which is engaged in the business of furnishing local public switched network telephone services within one or more exchanges with the State of Kentucky.

MARKET AREA
The term "Market Area" denotes a geographic area for the provision and administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

NON-TRAFFIC SENSITIVE REVENUE REQUIREMENT (N)
The term "Non-Traffic Sensitive Revenue Requirements" denotes those revenues designated by the Kentucky Public Service Commission as specified in this Tariff.

PIU
The term "PIU" is an acronym for Percent Interstate Usage and is the percentage provided by the carrier which is used to jurisdictionally separate access minutes into interstate and intrastate quantities for billing purposes.

SWITCHING SYSTEM
The term "Switching System" or "Switching Systems" refers to any system for connecting lines to lines; lines to trunks; or trunks to trunks, but does not include facility protection switches.

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J2. GENERAL REGULATIONS

J2.5 Definitions (Cont'd)

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J3. RATE REGULATIONS

J3.1 General

J3.1.1 Non-Traffic Sensitive Revenue Requirement

A. Charges for Non-Traffic Sensitive Revenue Requirement Recovery (NTSRRR) constitute payment by the carrier for direct connection, indirect connection, or non-connection of its facilities to the local exchange facilities of the Company.

B. The Company shall annually determine the total dollar amount to be recovered from carriers pursuant to this Tariff. This total intrastate revenue requirement shall be reported to the KPSC and used by the Company in calculating the monthly rates. The Company will continue to use this amount until it is superseded by a new revenue requirement.

C. Non-Traffic Sensitive Revenue Requirement charges are calculated by using each carrier's intrastate terminating minutes of use and originating minutes of use which are billed as terminating, such as 700, ***BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening service*** and ***BellSouth SWA*** 900 service traffic. The steps followed to execute this calculation are outlined in J4.2 following. The total appropriate minutes of use for each carrier are summed and the percentage attributable to each carrier is calculated using this sum. The resulting percentages are then used to allocate the monthly NTSRRR to each carrier. (T)

J3.1.2 Equal Access Cost Recovery

A. Non-LEC toll market participants are responsible for the payment of 65 percent of LEC equal access costs.

B. LEC toll market participants are responsible for the absorption/payment of 35 percent of LEC equal access costs.

C. The Company will act as administrator of a cost recovery pool for equal access costs. This will require:

1. Collection of costs from all LECs.
2. Amortization of costs over the period of time from cost incurrence through January 1, 2000.
3. Development of rates per subscribed line necessary to recover amortized costs.
4. Collection of payments from market participants.
5. Distribution of payments to LECs as appropriate.

D. Details of this pooling process are provided in an Administrative Guide filed as a matter of record in KPSC Case No. 95-XXX.

J3.1.3 Disputes

Disputes arising over the application of this Tariff which cannot be resolved between the interested parties through good faith negotiations, may be brought before the KPSC.

J3.2 Reporting Requirements Of The Carriers

A. Each carrier will provide quarterly reports for the preceding calendar quarter to the Company with a copy to the KPSC, by the first working day of March, June, September and December which specify the usage statistics for the preceding calendar quarter, and such other information as may be reasonably required to monitor and enforce this Tariff, as approved by the KPSC.

B. The reports shall be provided quarterly to the Company with a copy to the KPSC and shall include intrastate customer billed minutes which terminate in the service territory of the Company. Measurement of access minutes will be as set forth in the Company Kentucky Access Services Tariff, PSC KY Tariff 2E.

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J3. RATE REGULATIONS

J3.2 Reporting Requirements of the Carriers (Cont'd) (N)

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J3. RATE REGULATIONS

J3.2 Reporting Requirements of the Carriers (Cont'd)

B. In the event a carrier does not employ billed minutes in billing for the intrastate measured toll services it provides to its Kentucky customers, a special study showing jurisdictional minutes of use shall be required in lieu of the mentioned billed minutes. The methodology used in preparing this special study shall be subject to review and approval of the KPSC.

C. Each of the reports required in J3.2.A. and the certification letters referenced in J2.1 will be signed by an authorized representative of the carrier verifying that they are familiar with contents thereof, and that such information is true and correct to the best of their information, knowledge, and belief.

J3.3 Auditing

A. The KPSC shall be the recipient for all requests for audits of the carrier to verify the information provided in the reports required in J3.2. The KPSC shall determine the appropriateness of and/or conduct or have conducted by its agents such audits at its discretion. (C)

B. The KPSC shall be the recipient of all requests for audits of the LEC for the purpose of verifying the Company's calculations and apportionment of Non-Traffic Sensitive Revenue Requirement.. (C)

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J3. RATE REGULATIONS

J3.3 Auditing (Cont'd)

C. All information and/or records obtained by the KPSC or its agents as a result of the audits as specified in J3.3.A. and/or B. preceding considered proprietary or confidential and so designated by a carrier will be treated by the KPSC or its agents in accordance with established KPSC procedures, rules, and regulations with respect to treatment of proprietary confidential information, unless the KPSC determines that such designation is not appropriate. All information and/or records considered and designated as proprietary or confidential by a carrier furnished to the KPSC or an agent of the KPSC subject to the Kentucky Open Records Act shall be accompanied by a petition for proprietary or confidential treatment.

J3.4 Maintenance Of Records

J3.4.1 Non-Traffic Sensitive Revenue Requirement

A. The carrier shall maintain copies of its installation and change orders, FCC Forms 214, 435, and 436, and all other relevant engineering documents which can be used to verify the information provided in the reports required in J3.2., for at least 3 years from the date the document is created unless a deviation is granted by the KPSC.

B. The carrier shall maintain all relevant accounting and billing documents which can be used to verify the information provided in the reports required in J3.2.B., for at least 3 years from the date the documents are created unless a deviation is granted by the KPSC. (T)

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J3. RATE REGULATIONS

J3.4 Maintenance Of Records (Cont'd)

J3.4.1 Non-Traffic Sensitive Revenue Requirement (Cont'd)

C. The Company shall maintain for 3 years, unless a deviation is granted by the KPSC, copies of all documents provided by carriers and the Commission for calculating and apportioning NTS Revenue Requirements; and all of its worksheets created in computing the NTS Revenue Requirements assigned to each carrier pursuant to this Tariff. All information and records maintained by the Company shall be held confidential with respect to all parties, except such information shall be made available to the KPSC at its direction.

D. The Company shall maintain for 3 years, unless a deviation is granted by the KPSC, copies of all documents relevant to their calculation of NTS Revenue Requirements, including but not limited to worksheets and all relevant accounting and billing documents which could be required to verify information provided in the reports required in J3.2.B. and J3.2.D. This requirement is not intended to expand the legal right or remedies of any carrier.

E. All records maintained by the carriers as set forth in J3.4.A., B., C., and D. preceding shall be made readily available to the KPSC or its agent at its request. Any records considered proprietary or confidential and so designated by the carriers will be treated by the KPSC or its agents and/or the Company in accordance with established KPSC procedures, rules, and regulations with respect to treatment of proprietary confidential information, unless the KPSC determines that such designation is not appropriate. All information and/or records considered and designated as proprietary or confidential by a carrier furnished to the KPSC or an agent of the KPSC subject to the Kentucky Open Records Act shall be accompanied by a petition for proprietary or confidential treatment.

J3.4.2 (DELETED) (D)

J3.5 Billing Calculations And Disputes

A. The Company will bill the carrier according to the rates and charges specified in this Tariff, on the basis of the information outlined in J.4.2.

B. The carriers' representative should contact the Company if any questions arise from the carriers' bill. Where not resolved that day, the inquirer should confirm the inquiry in writing. Should the Company become aware that the bill(s) is inaccurate, incomplete, or unreliable as a result of the preceding, an appropriate corrected bill(s) will be provided, for an arrears period not to exceed the 12th monthly billing cycle preceding the written date of inquiry (or preceding the date of petition for audit). Such corrected bill(s) will identify the original bill(s) which it serves to correct, separately identify amounts based upon audit, and show the corrected information involved.

C. The carrier shall have the option of accepting or disputing corrections in bills rendered pursuant to J3.5.B. The carrier must inform the KPSC and the Company of its decision to dispute by the close of the third billing cycle after the corrected bill is rendered. If the carrier fails to meet this requirement, the corrected bill is considered to be accepted by the carrier for the purposes of this Tariff. Disputes will generally fall within one of ***two*** categories as follows: (C)

1. Dispute of the Company's allocation calculations.
2. Dispute of the NTSRR allocation because the minutes used in the allocation are under dispute in the access tariff.
3. **(DELETED)** (D)

D. Amounts disputed by a carrier as set in J3.5.C., or any other disputed amounts, shall be paid to the Company as set forth in J2.4.C., subject to refund. Amounts disputed by a carrier as set forth in J3.5.C.1. and J3.5.C.2. shall be handled as set forth in Bell***South*** Kentucky Access Tariff, PSC KY. Tariff 2E, Section E.2.4.1.B.4. The late payment charges will be assessed to carriers based on principle amounts as settled by the dispute and conditions set forth in J2.4.C. (C)

E. **(DELETED)** (D)

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J3. RATE REGULATIONS

J3.6 Out-Of-Period Adjustments for Non Traffic Sensitive Revenue Requirement (N)

A. Occasionally an out-of-period adjustment is required to the NTSRRR monthly bills due to: (N)

1. Calculation errors by the Company. (N)
2. Determination that the usage associated with a carrier during the calculation was in error resulting in a significant (plus or minus 10%) error in the charges to any carrier. (N)

B. In the event of the above situations, all principle monthly amounts will be adjusted. If any late payment charges have been generated based on the original amounts and the adjustment is a downward adjustment, the late payment charges will also be adjusted downward. (N)

C. In the event of an error by the Company which causes overpayment by one or more carriers, the adjustment received will include interest at the rate of .000590 per day. (N)

J3.7 Interpretation And Enforcement

A. If a carrier fails to comply with the provisions of this Tariff (including filing reports as herein specified and failure to make full payment), and to substantially correct such noncompliance within thirty (30) days after written notice by certified mail from the Company to an officer of the carrier and to the KPSC, the issuing LEC may at their option discontinue the provision of part or all of the intrastate portion of the benefits and facilities provided by the issuing LEC to the carrier and its affiliates. The Company shall inform the carrier and the KPSC by certified mail of the intent to discontinue benefits or facilities at least 30 days in advance of such action.

B. The provisions herein for administering and enforcing this Tariff shall be in addition to any other remedies which may be available to the carrier and the issuing Company, including the right to resolve their differences through negotiation, and the right to request the KPSC to take such action as may be appropriate under the circumstances.

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J4. RATES AND CHARGES

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J4. RATES AND CHARGES

J4.1 Calculation of Charges for Non-Traffic Sensitive Revenue Recovery

A. Non-Traffic Sensitive Revenue Requirement monthly charges are determined through the allocation process described in J4.2 following. The charges are based on the annual Revenue Requirements as ordered for the Company by the KPSC in Administrative Case 323. The original Revenue Requirement of $60,507,000.00 was established by the KPSC by order in Case 90-256, Phase II, January 23, 1992. Annual Revenue Requirement changes are as follows:

Date	Change	Total	
01-23-92		$ 60,507,000	
03-01-93	$ 2,414,000	$ 62,921,000	
03-01-94	$ 1,176,000	$ 64,097,000	
03-01-95	$ 1,361,000	$ 65,458,000	
03-01-96	$ 1,210,000	$ 66,668,000	
10-01-00	$66,668,000	$ 0	(N)

B. Changes to the Revenue Requirement are as follows:

Date	Total Reduction	Bell	Carrier
06/01/92	$ 6,140,000	$ 754,035	$ 5,385,965
12/01/92	$ 3,637,613	$ 547,351	$ 3,090,262
06/01/93	$ 3,302,788	$ 512,000	$ 2,790,788
07/01/93	$ 2,239,000	$ 275,000	$ 1,964,000
01/01/94	$ 2,689,000	$ 0	$ 2,689,000
06/01/94	$ 1,200,000	$ 0	$ 1,200,000
09/15/95	$ 1,300,000	$ 1,300,000	$ 0
10/30/95	$ 908,000	$ 908,000	$ 0
01/02/96	$ 9,348,000	$ 0	$ 9,348,000
10/01/97	$ 6,380	$ 0	$ 6,380
12/01/97	$ 1,204,573	$ 0	$ 1,204,573
12/01/97	$ 1,631,157	$ 0	$ 1,631,157
01/01/98	$ 580,904	$ 0	$ 580,904
05/01/98	$ 6,759	$ 0	$ 6,759
08/01/98	$ 673,779	$ 0	$ 673,779
02/01/99	$ 83,383	$ 0	$ 83,383
08/01/99	$13,090,609	$ 0	$13,090,609
12/01/99	$ 300,946	$ 0	$ 300,946
08/01/00	$ 5,264,789	$ 0	$ 5,264,789
08/01/00	$ 161,733	$ 0	$ 161,733
08/01/00	$ 1,772,479	$ 0	$ 1,772,479
09/01/00	$ 372,801	$ 0	$ 372,801

Date	Total Increase	Bell	Carrier
08/01/97	$ 668,626	$ 0	$ 668,626
02/01/98	$ 2,360,092	$ 0	$ 2,360,092
07/01/98	$ 83,872	$ 0	$ 83,872
12/01/98	$ 148,846	$ 0	$ 148,846
06/01/99	$ 386,382	$ 0	$ 386,382

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[illegible]

J4. RATES AND CHARGES

J4.2 Rates

J4.2.1 Non Traffic Sensitive Revenue Requirement

A. There is no specific rate applicable to Non-Traffic Sensitive Revenue Requirement Recovery.

B. The monthly charge applicable to each carrier is determined through the allocation process which necessitates the separation of the carriers governed by this tariff into two entities. The first entity would be comprised of the Company (South Central Bell), while the second entity would include all other carriers operating in Kentucky. For the purposes of explaining the steps required to compute the allocation of the Non-Traffic Sensitive Revenue Requirement Recovery, the first and second entity will be referred to as the Company and all other carriers respectively. The monthly charge applicable to each carrier is based on intrastate minutes of use as follows:

1. The minutes of use utilized for the Company will be obtained through the Kentucky Revenue Distribution Fund.
2. The minutes of use for all other carriers will be collected through the Company's Carrier Access Billing system (CABS). The minutes of use utilized will include all those terminating in the Company's service territories and those originating minutes which are originated in the Company's service territories and billed as terminating in the Company's Access Tariff, PSC KY Tariff 2E. These originating minutes include 700, BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening service and BellSouth SWA 900 service traffic.

C. The steps required to compute the allocation are as follows:

Step 1: The minutes of use quantities are determined as specified in B. preceding.

Step 2: These quantities are summed and the percentage of the sum which is traffic carried by the Company is
calculated.

Step 3: The percentage determined in Step 2 is multiplied by the total Revenue Requirement amount to establish the split of this amount between the Company and all other carriers.

Step 4: The two amounts determined in Step 3 are reduced as follows:
a. The charge apportioned to the Company is reduced by the amount shown in J4.1.B.
b. The charge apportioned to all other carriers is reduced by the amount shown in J4.1.B.

Step 5: The reduced charge determined for the Company is divided by 12 to establish the Company's monthly Revenue Requirement Charge.

Step 6: The usage quantities for all other carriers are summed and a percentage of this sum is calculated for each of the other carriers.

Step 7: The reduced charge apportioned to all other carriers which was figured in Step 4.b. is divided by 12 to determine the monthly charge to be allocated among all other carriers. The percentage calculated in Step 6 is
then multiplied by this monthly charge to determine the Revenue Requirement charge for each of the other
carriers.

J4.2.2 (DELETED) (D)

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SECRETARY OF THE COMMISSION