at&t

Mary K. Keyer
General Attorney
Kentucky Legal Department

AT&T Kentucky
601 W. Chestnut Street
Room 407
Louisville, KY 40203

T 502-582-8219
F 502-582-1573
mary.keyer@att.com

January 13, 2010

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: dPi Teleconnect LLC v. BellSouth Telecommunications, Inc.
Case No. 2005-00455

Dear Mr. Derouen:

Enclosed for filing in the above-captioned case are the Direct and Rebuttal Testimony of P. L. (Scot) Ferguson, BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky's ("AT&T Kentucky") witness in this case. Mr. Ferguson is replacing Elizabeth Moreland who was AT&T Kentucky's previous witness in this case. Copies of Mr. Ferguson's Affidavits are filed with his testimony. The original Affidavits will be provided to the Commission in the near future.

Portions of Mr. Ferguson's Direct Testimony and Ferguson Exhibit PLF-3 along with PLF-7, Exhibits C and D, to Mr. Ferguson's Rebuttal Testimony are confidential. AT&T Kentucky previously requested confidential treatment of this information which the Commission granted by letters dated June 9, 2008, and July 14, 2008, respectively.

One proprietary copy and four edited copies are provided to the Commission. A proprietary copy is provided to parties of record pursuant to a previously executed Protective Agreement.

Sincerely,

Mary K. Keyer

Mary K. Keyer

Enclosures

cc: Parties of Record

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EDITED

CERTIFICATE OF SERVICE – 2005-00455

I hereby certify that a copy of the foregoing was served on the following individuals by mailing a copy thereof via U.S. Mail, this 13th day of January 2010.

Douglas F. Brent
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W. Jefferson Street
Louisville, KY 40202
Douglas.brent@skofirm.com

Christopher Malish
Foster Malish Blair & Cowan, L.L.P.
1403 W. 6th Street
Austin, TX 78703
chrismalish@fostermalish.com

Mary K. Keyer

KENTUCKY PUBLIC SERVICE COMMISSION

COUNTY OF DEKALB
STATE OF GEORGIA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared P.L. (Scot) Ferguson, who being by me first duly sworn deposed and said that he is appearing as a witness on behalf of BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky, before the Kentucky Public Service Commission in Docket No. 2005-00455, In the Matter of dPi Teleconnect, L.L.C. v. BellSouth Telecommunications, Inc., and if present before the Commission and duly sworn, his statements would be set forth in the annexed direct testimony consisting of 27 pages and 6 exhibits.

P L (Scot) Ferguson

P. L. (Scot) Ferguson

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 12th DAY OF JANUARY, 2010

Notary Public

Gay P. Dilz
Notary Public, DeKalb County, Georgia
My Commission Expires February 9, 2011

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AT&T KENTUCKY

DIRECT TESTIMONY OF P.L. (SCOT) FERGUSON

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DOCKET NO. 2005-00455

JANUARY 13, 2010

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T OPERATIONS, INC. ("AT&T"), AND YOUR BUSINESS ADDRESS.

A. My name is Scot Ferguson. I am an Associate Director in AT&T Operations' Wholesale organization. As such, I am responsible for certain issues related to wholesale policy, primarily related to the general terms and conditions of interconnection agreements throughout AT&T's operating regions, including Kentucky. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from the University of Georgia in 1973, with a Bachelor of Journalism degree. My career spans more than 35 years with Southern Bell, BellSouth Corporation, BellSouth Telecommunications, Inc. and AT&T. In addition to my current assignment, I have held positions in sales and marketing, customer system design, product management, training, public relations, wholesale customer and regulatory support, and wholesale contract negotiations.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to address the issues raised in the Complaint filed by dPi Teleconnect, L.L.C. ("dPi") with the Kentucky Public Service Commission ("Commission") on November 9, 2005, and explain why dPi is not entitled to the promotional credits that it is seeking in this proceeding.

Q. BRIEFLY SUMMARIZE WHAT IS AT ISSUE.

A. dPi resells AT&T retail residential telephone services to primarily credit-challenged consumers on a pre-paid basis. Some of these resold services are subject to AT&T's promotional discounts. AT&T makes its applicable retail promotions available to dPi in Kentucky by giving it a credit for the value of the promotion ***as long as the dPi end user meets the same criteria that an AT&T retail customer must meet to qualify for the same promotion.***

In some instances, however, dPi is seeking credits for end users that ***do not*** meet the eligibility criteria for the promotions. For example, AT&T's Line Connection Charge Waiver ("LCCW") promotion requires the *purchase* of basic service and the *purchase* of two additional features. dPi contends that free usage blocks (or "denial of per activation" as they are referred to in the Kentucky General Subscriber

Services Tariff ("Kentucky Tariff"))[1] that dPi places on most, if not all, of its customers' lines without its customers' knowledge qualify as "purchased features". Not only does dPi pay nothing to AT&T for these blocks, its customers did not order them, dPi does not charge its customers for the blocks, nor does dPi even tell its customers that the blocks exist on their telephone service lines.

dPi asks this Commission to order AT&T to issue dPi promotional credits for its end user customers that do not meet the qualifications for the promotions in question. Only specific services identified as part of a promotion are eligible for billing credits. Thus, dPi is not entitled to promotional credits for customer orders that do not meet the specific promotion criteria, nor is it entitled to receive credits for service elements that are not included in the promotions offered by AT&T to its own retail customers.

Q. IN ITS COMPLAINT, DPI ALLEGES THAT AT&T REFUSES TO ISSUE DPI PROMOTIONAL DISCOUNT CREDITS. IS THE DPI COMPLAINT ACCURATE WITH RESPECT TO THOSE ALLEGATIONS?

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[1] The proper name of the service in question, as set forth in the Kentucky General Subscribers Services Tariff is "Denial of Per Activation". This free service is often informally referred to as a "call block" or "call restriction". Hereinafter, these terms are used interchangeably.

A. Absolutely not. As of April 15, 2008, AT&T has issued approximately [redacted] promotional credits to dPi for resale accounts applicable to dPi's end user customers in the nine-state Southeast region. Specifically, AT&T has issued approximately [redacted] promotional credits to dPi for the LCCW promotion and [redacted] promotional credits for other promotions (including the Secondary Service Charge Waiver ("SSCW") promotion, the Two Features for Free ("TFFF") promotion and other promotions not at issue in this proceeding). The Kentucky-specific portion of credits includes approximately [redacted] promotional credits for the LCCW promotion and approximately [redacted] promotional credits for the other promotions identified above. In most instances, AT&T processes promotional credits that it receives from competitive local exchange carriers ("CLECs"), such as dPi, within 45 days of receipt of the credit requests.

Q. IS AT&T ATTEMPTING TO AVOID THE PROPER PAYMENT TO DPI FOR PROMOTIONAL SERVICE CREDITS?

A. No. AT&T's objective is to pay the correct and proper promotional credit amounts in accordance with the provisions of the parties' Interconnection Agreement ("ICA") and in compliance with the eligibility criteria which qualify service requests for each promotion. When a request qualifies, AT&T pays the requisite credit. When a request does not qualify, AT&T does not pay.

Q. WHAT ARE THE SPECIFIC PROVISIONS IN THE ICA BETWEEN AT&T AND DPI THAT GOVERN THE ISSUANCE OF PROMOTIONAL CREDITS?

A. The parties' ICA states: "Where available for resale, promotions will be made available only to End Users who would have qualified for the promotion had it been provided by BellSouth directly." *See* ICA, Attachment 1, Exhibit A, a copy of which is attached as Exhibit PLF-1.

Per the clear language in the ICA, dPi is entitled to promotional credits only for dPi end users that meet the *same* promotion criteria that AT&T retail end users must meet in order to receive the benefits of a promotion.

Q. IS THIS LANGUAGE OR SIMILAR LANGUAGE STANDARD IN AT&T'S INTERCONNECTION AGREEMENTS WITH OTHER COMPETITIVE LOCAL EXCHANGE CARRIERS ("CLECS") THROUGHOUT AT&T'S NINE-STATE SOUTHEAST REGION (FORMERLY THE BELLSOUTH REGION)?

A. Yes.

Q. PLEASE DESCRIBE THE PROCESS BY WHICH CLECS CLAIM AND RECEIVE PROMOTIONAL DISCOUNT CREDITS.

A. Each month, reseller CLECs submit Credit Request Forms to AT&T with accompanying spreadsheets detailing end user account information for the accounts which the CLEC claims qualify for a designated promotion. By submitting the request for credit, the CLEC is representing to AT&T that its end users meet the same criteria that AT&T's end users must meet to receive the same promotional credit.

When AT&T (which, at the time of dPi's complaint, was BellSouth) began processing requests for promotional credits, AT&T believed that CLECs would submit valid credit requests for qualifying accounts. In the fall of 2004, however, AT&T discovered some of the requests made by several CLECs did not appear to be valid. After working through a number of issues regarding the specific qualifiers for promotions and ensuring that parity requirements were met, AT&T implemented a sampling process in early 2005 to validate CLEC requests for promotional credits. For each monthly credit request submission, AT&T pulled a sample from the submission and performed an audit. Based on the percentage of valid qualifying requests from the audit sample, AT&T applied the resulting "percentage qualified" to the total credit amount requested to determine the credit actually given to the CLEC for that particular credit request submission. As an example, if a resale CLEC requested $1,000 in promotion credits and AT&T's sampled review revealed that 60% of the end user accounts for which the CLEC *claimed* a credit actually qualified for the promotion, then AT&T

applied the qualifying percentage of 60% (in this example) to the original amount of requested promotion credits. This resulted in a credit of $600 to the requesting CLEC rather than the $1,000 originally requested. Because of the intense manual effort required to validate CLEC requests, AT&T began the development of an automated verification process mid-year 2005 that was implemented in April 2006. The automated process evaluates 100% of the accounts submitted on each request for resale billing credits related to promotions.

Q. DPI CLAIMS THAT AT&T PAID SIMILAR CREDITS TO OTHER CLECS WITH ESSENTIALLY IDENTICAL CLAIMS, BUT REFUSES TO ISSUE THE CREDITS TO DPI. HOW DO YOU RESPOND?

A. As I discussed above, AT&T previously trusted that, when a CLEC requested a promotional credit, the CLEC had already screened its end users to determine eligibility for the promotion for which it was asking a credit. Prior to using a verification process, some CLECs did receive credits to which they were not entitled. When it came to AT&T's attention that CLECs were receiving credits for which they did not qualify, AT&T immediately initiated an internal process to evaluate the qualifications for promotions and to ensure parity requirements were met. Once AT&T completed this process, AT&T implemented the validation process discussed above and began issuing credits, starting with the credit requests AT&T had already received but had not processed. The fact that some CLECs received credits when CLEC credit requests were less closely scrutinized does not entitle dPi, or any other CLEC, to receive credits on accounts that do not qualify for such credits.

Q. WHAT PROMOTIONS ARE AT ISSUE IN THIS COMPLAINT?

A. dPi raised three specific promotions in its Complaint: 1) the Line Connection Charge Waiver promotion ("LCCW"); 2) the Secondary Service Charge Waiver promotion ("SSCW"); and 3) 1FR plus Two Features for Free promotion ("TFFF"). Attached as Exhibit PLF-2 are letters filed with the Commission notifying the Commission about these three promotions AT&T offered from September 2003 through December 2006.

Q. DO YOU HAVE ANY GENERAL COMMENTS ABOUT THE PROMOTIONS AT ISSUE?

A. I address all three of these promotions in my testimony. However, it is important to note that in the states where testimony has been presented (North Carolina, Florida, Alabama and Louisiana), dPi has only filed testimony about the LCCW promotion and has not filed any testimony about the SSCW promotion or the TFFF promotion. In addition, in each state, dPi has attempted to withdraw the SSCW and TFFF promotions shortly before the scheduled hearing. In North

Carolina, dPi was successful and those two promotions were removed from the North Carolina Commission's consideration. In both Florida and Alabama, dPi attempted to remove the two promotions from the case without prejudice. That is, dPi wanted to avoid a hearing on these promotions, but wanted to continue to claim it was owed credits under them, and to use their claim under the current complaint as the basis to continue not to pay its bills to AT&T.

Since October 2006, dPi has adopted a region-wide practice of withholding payment for undisputed amounts relating to wholesale services that dPi ordered from AT&T Kentucky and AT&T Kentucky provisioned in an effort to offset the amounts dPi claims it is owed for promotional credit requests it has submitted. Such "self-help" action is a violation of the parties' ICA.

Both the Florida Commission and the Alabama Commission refused to grant dPi's request and the SSCW and TFFF promotions remain in the case. If dPi attempts the same action in this proceeding, the Commission should do as the Florida and Alabama Commissions have done and reject dPi's request. dPi should not be permitted to continue to stall resolution of its complaints while at the same time refusing to pay undisputed amounts under the guise that this complaint exists.

Q. PLEASE EXPLAIN HOW AN END USER WOULD QUALIFY FOR EACH OF THE PROMOTIONS AT ISSUE IN THIS CASE.

A. The LCCW promotion provides for a credit of the applicable nonrecurring line connection charge (installation charge) associated with the installation of a basic local residential line when a customer orders specific services as outlined in the promotion. For an AT&T retail end user to qualify for AT&T's retail LCCW promotion, the end user customer must be a customer whose service is currently with a carrier *other than* AT&T and who is now ordering service as an AT&T "win-over" or reacquired customer. In addition, the customer must have purchased a minimum of basic local service and a designated number of Custom Calling or TouchStar® features. Thus, per the terms of the parties' ICA, for dPi to receive a credit under the LCCW promotion, its end user must likewise be a customer that is not a current dPi customer, has become a win-over or reacquired customer for dPi, ***and*** the customer must have purchased, at a minimum, basic local service *and* the designated number of Custom Calling or TouchStar® features, in accordance with the terms of the promotion.

The second promotion for which dPi requested credit is the Secondary Service Charge Waiver ("SSCW"). This promotional waiver applies when changes are made to certain features or services on an ***existing*** AT&T end user account. Thus, for a dPi customer to qualify for the SSCW promotion, the customer must already be a dPi end user and the service request must be adding or changing features/services on the account that specifically qualify for the promotion. For example, an existing dPi customer wishing to simply add or change custom calling features would normally incur a Secondary Service Charge, but under the SSCW, the Secondary Service Charge would be waived since the customer remains a dPi customer and is simply purchasing specific items identified in the tariff.

The third promotion for which dPi requested credits is the Two Features for Free ("TFFF") promotion. Under this promotion, retail customers who are considered reacquisition or win-over customers and who purchased basic local service plus two Custom Calling or TouchStar® features qualify to receive a credit for the two Custom Calling or TouchStar® features for a 12-month period immediately following the installation of the qualifying services. Again, the dPi customer must be a re-acquired or competitive win-over and have purchased the requisite number of qualifying features, in addition to the basic local service, in order to qualify for this promotion.

Q. PLEASE EXPLAIN WHY CERTAIN DPI ACCOUNTS DID NOT QUALIFY FOR THE REQUESTED PROMOTIONAL CREDIT(S).

A. Depending on the promotional credit for which dPi applied, dPi's non-qualifying requests throughout the Southeast region generally fell into five categories:

- Less than the required number of features were purchased;
- The promotion only applies to *new* customers and the credit request was submitted for an existing dPi customer;
- The promotion only applies to *existing* customers and the credit was submitted for a new customer;
- The request for credit extended beyond the term of the promotional offer; and
- The request was a duplicate request where dPi requested credits for the same earning telephone number in the same month under both the LCCW and the SSCW promotions.

The majority of customers for whom dPi requested credits based on the LCCW promotion, and for whom AT&T denied credits, did not qualify because the end user did not subscribe to the required number of purchased features. Indeed, many of these dPi end users did not purchase *any* features. Other requests for credit under the LCCW promotion were denied because the request was a duplicate request.

As outlined above, the SSCW promotion is available to existing customers. Most of the non-qualifying accounts submitted by dPi for the SSCW promotion were denied because the accounts were new customers to dPi and were not part of its existing customer base.

Regarding the Two Features for Free promotion, dPi improperly requested credits for existing dPi customers and not reacquired or win-over customers. Therefore, these accounts did not meet the qualifying criteria for the Two Features for Free promotion. In addition, some of dPi's requests for credit under this promotion extended beyond the 12-month contiguous billing period for the promotion and thus, were denied.

Attached as Proprietary Exhibit PLF-3 are examples of accounts for which dPi submitted promotional credit requests that AT&T denied because the dPi end user did not meet the eligibility criteria for the specified promotion. AT&T's process for granting and denying credits is a regional process; therefore, the examples are from the Southeast region. For each of the examples, AT&T notes what was requested and the specific reason for denial.

Q. DOES DPI'S CLAIM THAT THEIR PROMOTIONAL CREDIT REQUESTS SHOULD BE GRANTED HAVE MERIT?

A. No. As I explained above, some of dPi's promotional credit requests did not meet the qualifications of the promotions for which it applied.

Q. WHAT IS THE SPECIFIC PROBLEM WITH DPI'S CREDIT REQUEST UNDER THE LCCW PROMOTION?

A. In almost all of the disputed instances, dPi has submitted orders for basic local service and two calling blocks, but no features. These credit requests are invalid for three reasons:

1. Calling blocks, more commonly known in Kentucky as "denial of per activation", are not features, and therefore, the orders do not qualify for the promotions;

2. dPi, and thus dPi's customers, only paid for a basic residential line and did not purchase any additional features; and

3. dPi's customers did not order the call blocks that dPi placed on their phone lines nor did dPi's customers know that the call blocks existed.

Q. PLEASE EXPLAIN WHY CALLING BLOCKS ARE NOT CONSIDERED FEATURES.

A. Calling blocks allow AT&T's end users to prevent the activation of certain features that have a per-use charge. Specifically, calling blocks prevent a caller from being able to use, and thus incur charges for using, certain features such as Call Return and Repeat Dialing. Most of the orders dPi submitted to receive promotional credits appear to have been based on dPi's assumption that calling blocks are "features". However, calling blocks are not features.

Q. WHAT IS THE DIFFERENCE BETWEEN A FEATURE AND A CALLING BLOCK?

A. A feature is an optional enhancement to a customer's basic service that the customer chooses to purchase at a set monthly rate. For those customers who do not subscribe to the service on a monthly basis, a calling block is a way to prevent a feature from being activated on a per call or per occasion basis, thus restricting access to the features entirely. A review of the Kentucky Tariff illustrates this distinction.

For ease of reference, attached as Exhibit PLF-4 is a copy of a portion of Section A13.19 from the Kentucky Tariff. This section refers to the TouchStar® Services AT&T offers in Kentucky. In Section A13.19.2, AT&T provides the definition/description of each feature that AT&T offers. In fact, under the description of Call Return and Repeat Dialing, AT&T provides that the feature "can be restricted at the customer's request at no charge." This restriction is later identified as a "denial of per activation" in the rate section for TouchStar Services (A13.19.4). If anything, calling blocks are considered "anti-features" because they prohibit the use of a feature that ordinarily could be used on an occasional basis.[2]

Q. DID DPI OR DPI'S CUSTOMERS PAY TO HAVE THE CALLING BLOCKS PLACED ON THE CUSTOMER'S LINE?

A. No. AT&T does not charge for calling blocks. In Exhibit PLF-4, Section

[2] Section A13.19.2(E) describes a feature referred to as "Call Block". Call Block, which has a $6.00 monthly recurring charge, allows an end user to prevent incoming calls from up to six different telephone numbers. Call Block, the feature, is quite different from the calling blocks, or "denial of per activation", at issue in this proceeding.

A13.19.4, AT&T provides the Rates and Charges for TouchStar® Services. The first feature listed, Call Return, allows a customer to place a call to the telephone number associated with the most recent call received "at the touch of a button" and has a monthly recurring rate of $7.00 or a per activation or per use charge of $0.90. If a customer chooses to subscribe to the service on a monthly basis and have unlimited use of Call Return, they can purchase the feature for $7.00. If the customer chooses not to subscribe to the service, but periodically wants to activate their Call Return feature, all they have to do is dial *69 and $0.90 will be charged to their telephone bill. The scenario of subscribing to a TouchStar® feature on a monthly or per activation basis is the same for Repeat Dialing. Most telephone lines are equipped to allow the use of certain TouchStar® features without a customer actually having to subscribe on a monthly basis, which is why there is the per activation charge.

Alternatively, if a customer wants to ensure that these features are not able to be utilized on their telephone line on a per occasion basis and thus incur no additional charges, AT&T allows the customer to request a block be placed on the customer's line, free of charge, which prevents the activation of a feature. This blocking capability is described as "Denial of Per Activation" in Exhibit PLF-4. A customer must request the block be put in place. The placement of the "Denial of Per Activation" (beneath the actual feature that the block would apply to) is a logical location in the Kentucky Tariff. It ensures that AT&T's customers understand the charges that are associated with a particular feature and understand that they can de-activate the feature capability if they choose to do so for no extra charge.

Q. PLEASE EXPLAIN WHY DPI'S CUSTOMERS DO NOT KNOW THAT THESE CALL BLOCKS ARE ON THEIR LINES.

A. Based upon a review of dPi's own website, there is no mention of calling blocks being placed on customers' lines. *See* Exhibit PLF-5 for screenshots of what a customer would see when ordering service from dPi. Nowhere on these pages or anywhere else on dPi's website is there a mention that calling blocks are placed on a customer's line.

In addition, Brian Bolinger, dPi's Vice President of Legal and Regulatory Affairs, testified before the North Carolina Commission that dPi routinely places these blocks on its customers' accounts without its customers' knowledge and without its customers' approval to place the blocks. dPi's customers never actually order the blocks.

Q. IF A NEW CUSTOMER CAME TO AT&T AND PURCHASED A SINGLE LINE AND REQUESTED TWO OR MORE OF THESE CALLING BLOCKS ON THEIR TELEPHONE LINE, WOULD THAT CUSTOMER QUALIFY FOR THE LCCW PROMOTION?

A. No. Again, call blocks are not features and AT&T would not qualify its own customers for the LCCW promotion if they requested only these call blocks. The entire purpose of a sales promotion, such as the LCCW, SSCW, or TFFF, is to provide customers with an incentive to *purchase* additional services at an *additional price*. The premise of offering promotions from any business's perspective is simple: encourage customers to purchase additional products or services that generate more revenue for the business and the business will give the customer a discount. In this case, AT&T waives the line connection charge.

In addition to the fact that AT&T does not consider these blocks as qualifying features under the promotions at issue, it makes no sense to encourage the ordering of call blocks because the blocks do not generate any additional revenue. Again, call blocks are simply a mechanism that AT&T provides to customers *at no charge*, and which the customer uses to ensure that users of his/her telephone line do not activate any feature available on a "per call" or "per occasion" basis that would incur additional charges on the bill.

Q. DOES THE KENTUCKY TARIFF MENTION WHETHER THESE CALLING BLOCKS SHOULD BE CONSIDERED IN ASSOCIATION WITH DISCOUNTS?

A. Yes. In Section A13.19.4, a footnote associated with the "denial of per activation" services clearly states that such services should not "be included in the determination of appropriate discounts when in combination with other TouchStar service features."[3] Such language clearly indicates that dPi should not have included these services as services that would qualify dPi (or dPi's end users) for the promotional credit discounts at issue in this complaint.

Q. SO, BASED UPON THE ABOVE TESTIMONY, SHOULD DPI OR DPI'S END USER CUSTOMERS QUALIFY FOR THE PROMOTIONS AT ISSUE IN THIS PROCEEDING?

A. In many cases, no. For the customers that dPi tried to qualify for a promotion that required the purchase of two features and dPi used the "denial of per activation" service to attempt to qualify the customer, dPi failed to meet both the requirements of the promotion and more importantly, the requirements of the parties' Interconnection Agreement.

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[3] The footnote was added to the Kentucky Tariff on March 15, 1996.

The promotion requires an end user customer to *order* and *purchase*, at a minimum, basic local service and two features. As I have discussed, the "denial of per activation" service does not have a charge associated with it and therefore, would not qualify as a purchase. Further, dPi's end users did not *order* the "denial of per activation" and therefore, did not meet that requirement of the promotion.

The parties' Interconnection Agreement provides that "[w]here available for resale, promotions will be made available *only to End Users who would qualify for the promotion had it been provided by BellSouth directly*." (Emphasis added.) It is clear from the above testimony, that the End Users, dPi's customers, would not have qualified for the promotion had they been AT&T customers and therefore, in accordance with the Interconnection Agreement, dPi is not justified in receiving promotional credits in these instances.

Q. HAS AT&T PERFORMED ANY OTHER REVIEW OF DPI'S PROMOTIONAL CREDIT REQUESTS?

A. Yes. As described above, prior to the implementation of an automated verification process in April 2006, AT&T reviewed credit requests through an ongoing sampling process. As part of the preparation for my testimony, AT&T recently completed a review of all the promotional credit requests that dPi had submitted for customers in Kentucky that had originally been subject to the sampling methodology.

Q. WHAT WAS THE RESULT OF THIS REVIEW?

A. There are three distinct outcomes. First, the review of the service orders validated the outcome of our initial sample. Second, it appears that AT&T overpaid credits to dPi. Third, the review establishes that dPi did not have any checks and balances in its process to ensure only valid requests were submitted.

Q. HOW DID THE REVIEW VALIDATE THE OUTCOME OF AT&T'S INITIAL SAMPLE OF DPI'S PROMOTIONAL CREDIT REQUESTS FOR KENTUCKY CUSTOMERS?

A. When the data from AT&T's recent review was combined with the data from AT&T's initial sample review, 77% of dPi's requested credit for February 2004 through March 2006 did not meet the qualifications for the applicable promotion. In fact, from the recent review, it appears that AT&T overcredited dPi approximately [redacted].

Q. WHAT WERE THE RESULTS SPECIFICALLY FOR THE LCCW PROMOTIONAL CREDIT REQUESTS FOR KENTUCKY CUSTOMERS?

A. Again, combining the data from AT&T's review, which in total is a 100% review of dPi's requests for credit for the period from February 2004 through March 2006, AT&T determined that 83% of dPi's requests for the LCCW credit did not qualify for the LCCW promotion. AT&T initially denied 77% of dPi's LCCW requests for the same time period using the sample process and, thus, over-paid dPi approximately [redacted] for the LCCW promotion during this time period.

Q. WHAT WERE THE KENTUCKY-SPECIFIC RESULTS FOR THE SECONDARY SERVICE CHARGE PROMOTION?

A. AT&T determined that, in total, 34% of dPi's credit requests for January 2005 through March 2006 did not qualify for the SSCW promotion. The percentage of invalid SSCW accounts submitted by dPi for credit and initially denied by AT&T was actually 29%. Thus, it appears that dPi received more credit than it was entitled to for the SSCW promotion.

Q. WHAT WERE THE KENTUCKY-SPECIFIC RESULTS FOR THE TWO FEATURES FOR FREE PROMOTION?

A. AT&T determined that 23% of the requests submitted by dPi for January 2005 through March 2006 did not qualify for the Two Features for Free promotion. The percentage initially denied by AT&T was actually 11%. Again, as with the LCCW and the SSCW promotion, it appears that dPi received more credit than it should have received.

Q. WHAT DO YOU CONCLUDE FROM THE MOST RECENT EVALUATION OF THE PROMOTIONAL CREDITS SUBMITTED BY DPI FOR KENTUCKY CUSTOMERS?

A. First, and importantly, AT&T's most recent examination of the promotion credit requests submitted by dPi validates AT&T's previous actions in response to dPi's inflated requests for promotional credits. Second, it confirms that dPi seemingly systematically inflated its requests for promotional credit by submitting duplicate claims for credit, as well as requesting billing credit under particular promotions for elements not included in the promotions. Further, it is apparent that dPi neglected to apply the most basic qualification tests on the accounts it submitted to AT&T for credit.

Q. WHY DO YOU CONCLUDE THAT DPI MADE LITTLE OR NO ATTEMPT TO ENSURE THAT THE CREDITS IT REQUESTED COMPLIED WITH THE CRITERIA TO QUALIFY FOR A PROMOTIONAL CREDIT?

A. Based on dPi's promotional credit requests, it appears to AT&T that dPi represented that *all* of its "new" end user accounts were eligible for credits and did not attempt to validate whether or not the accounts met all of the eligibility criteria for such credits. AT&T's review of those resale accounts, however, demonstrated that a significant percentage and, in some cases, all of the submissions for a specific promotion did not qualify for promotional credits. Further, dPi submitted requests under certain promotions that, on their face, were impossible for the requests to qualify: existing customer accounts were submitted under promotions that were only available to new customers and those same existing customers were also submitted under promotions that only applied to existing customers. In other words, the same account was submitted for mutually exclusive promotions.

Q. WHAT DO YOU MEAN BY AN ACCOUNT BEING SUBMITTED FOR MUTUALLY EXCLUSIVE PROMOTIONS?

A. dPi's claims include requests for credit in the same month for the same end user telephone number for both the Line Connection Charge Waiver promotion and the Secondary Service Charge Waiver promotion. As I discuss above, the LCCW applies only to *new* reacquired or win-over customers and the SSCW promotion applies only to *existing* customers. A review by AT&T of the credit submissions for a random month, July 2005, reveals that dPi submitted requests for credit and attempted to "double-dip" by applying for both promotions such that ***all of the accounts*** submitted for credit under the SSCW promotion were also submitted for credit under the LCCW promotion credit request.

Q HAS AT&T EXPRESSED ITS CONCERNS TO DPI ABOUT THE HIGH NUMBER OF ACCOUNTS SUBMITTED FOR CREDIT THAT WERE FOUND TO BE INELIGIBLE?

A. Yes. AT&T was in contact with dPi on numerous occasions about the large number of accounts submitted by dPi for credit that were determined by AT&T to not be in conformance with the qualifying criteria for AT&T's promotions and the reasons that the accounts were denied by AT&T for payment to dPi.

Q. HAS ANY OTHER STATE COMMISSION ISSUED A DECISION WITH RESPECT TO SIMILAR DPI COMPLAINTS? IF SO, WHAT WAS THE OUTCOME?

A. Yes. On June 7, 2006, the North Carolina Commission issued a decision in Docket No. P-55, Sub 1577. In that proceeding, dPi filed an essentially identical complaint to that filed by dPi in Kentucky. Just prior to the hearing, dPi narrowed the scope of its complaint to just the LCCW promotion. The Commission found in AT&T's favor on all counts in its *Order Dismissing Complaint* [NCUC *Order Dismissing Complaint*, Docket No. P-55, Sub 1577, issued June 7, 2006, at p.7]. For the Commission's convenience, a copy of the North Carolina Order is attached as Exhibit PLF-6. In this Order, the North Carolina Utilities Commission ("NCUC") highlighted that AT&T and dPi had jointly agreed to the methodology for determining the limits of any promotion in their voluntarily-negotiated ICA.

On page 7 of its *Order Dismissing Complaint*, the NCUC referenced Attachment 1, Exhibit A of the ICA (as provided in Exhibit PLF-1 to this testimony) and stated:

> The following language governs this Commission's interpretation of this promotion:
>
> > "Where available for resale, promotions will be made available only to End Users who would have qualified for the promotion had it been provided by BellSouth directly."
>
> Under the clear language of this provision, promotions are only available to the extent that end users would have qualified for the promotion if the promotion had been provided by BellSouth directly.
>
> NCUC *Order Dismissing Complaint*, Docket No. P-55, Sub 1577, issued June 7, 2006, at p.7.

The NCUC further found that dPi end user accounts that only had the zero-charge usage blocks are not eligible for LCCW promotional credits because similarly situated BellSouth end users are not entitled to such credits.

Q. WHAT IS THE CURRENT STATUS OF THE NORTH CAROLINA CASE?

A. Following the NCUC's denial of dPi's Motion for Reconsideration and dPi's Motion for Emergency Relief (Temporary Restraining Order and Temporary Injunction) and/or Stay of Effective Date of the Commission's Order, dPi appealed the case. On September 25, 2007, the United States District Court for the Eastern District of North Carolina, Western Division, issued its Order denying dPi's request for summary judgment and granting the NCUC's and BellSouth's motion for summary judgment upholding the NCUC's Order. dPi subsequently appealed to the Fourth Circuit Court of Appeals and its appeal is currently pending.

Q. IN ITS KENTUCKY COMPLAINT, DPI ALLEGES THAT AT&T ADMITTED ITS OBLIGATION TO ISSUE ADDITIONAL CREDITS TO DPI. IS THAT AN ACCURATE STATEMENT?

A. I am not sure what dPi is referring to with this statement in the complaint. AT&T will issue credits to dPi, or any other qualifying CLEC, for customers that meet promotion eligibility criteria and will deny credit requests by dPi (or other CLECs) for customers that do not meet the promotion eligibility criteria.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Exhibit PLF-1

EXCLUSIONS AND LIMITATIONS ON SERVICES AVAILABLE FOR RESALE (Note 3)

	Type of Service	AL		FL		GA		KY		LA		MS		NC		SC		TN	
		Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount
1	Grandfathered Services (Note 1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Promotions - > 90 Days(Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Promotions - ≤ 90 Days (Note 2)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
4	Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
7	MemoryCall® Service	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
8	Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10	Non-RecurCharges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
11	End User Line Chg-Number Portability	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12	Public Telephone Access Svc(PTAS)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
13	Inside Wire Maint Service Plan	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

	Applicable Notes:
1.	**Grandfathered services** can be resold only to existing subscribers of the grandfathered service.
2.	Where available for resale, **promotions** will be made available only to End Users who would have qualified for the promotion had it been provided by BellSouth directly.
3.	Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.

Exhibit PLF-2

LCCW Promotions

Jim

Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

April 24, 2003

Tony Taylor
BellSouth Telecommunications
Fourth Floor
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **T 64-0219**
Special Promotion of Basic Service to residential customers who subscribe to two vertical service features.

Dear Mr. Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley

Dennis Brent Kirtley
Tariff Review Branch Manager

Enclosure
pan

BELLSOUTH

BellSouth Telecommunications, Inc.
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

Tony Taylor@bellsouth.com

502-582-2164
FAX 502-582-8667

Tony Taylor
Director
Regulatory & External Affairs

March 28, 2003

Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: 64-0219

Dear Mr. Dorman:

On February 20, 2003, we notified you of a promotion of basic service that we intend to offer to residence customers. During the promotional period of April 1, 2003 through December 31, 2003, residential customers who switch from another service provider to BellSouth for basic exchange service in the same name and at their current address, and subscribe to one additional vertical service feature, will receive a waiver of the service connection charge. To qualify for this promotion, orders must be placed by December 31, 2003.

An estimate of the revenue and cost effect of this promotion is attached. Please see the enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

January 14, 2004

Tony Taylor
BellSouth Telecommunications, Inc.
Fourth Floor
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **T 64-1505**
Special Promotion to residence customers who switch to BellSouth from another provider.

Dear Mr. Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley /RCS

Dennis Brent Kirtley
Tariff Review Branch Manager

Enclosure
pan

T64-1505

BELLSOUTH

BellSouth Telecommunications, Inc
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

Tony.Taylor@bellsouth.com

502-582-2164
FAX 502-582-8667

Tony Taylor
Director
Regulatory & External Affairs

December 17, 2003

Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Dear Mr. Dorman:

On November 18, 2003, we notified you of a promotion that we intend to offer to residence customers. During the promotional period of January 2, 2004 through December 25, 2004, residence customers who switch to BellSouth from another local service provider and subscribe to either BellSouth ® Complete Choice ® service, BellSouth ® PreferredPack (SM) Plan service, or basic exchange service with at least one feature, will receive a waiver of the line connection charge.

Specific provisions and limitations for this promotion are as follows:

- Participating customers must either not currently have local service with BellSouth or not have service with BellSouth on one or more of their existing lines, including the line on which the service qualifying for this promotion will be provisioned.
- The target customer for this promotion is a customer that switches service from either a facility based or reseller CLEC. This promotion is not valid for out-of-region customers who are new to BellSouth.
- Customers must have local service or equivalent (wireless in lieu of wire-line) at the same local service address on one or more of their existing lines.
- Customers must request service at the same address and in the same name, unless the customer is planning an imminent move from one address in BellSouth territory to another address in BellSouth territory within thirty (30) days of responding to the offer. In the case of an imminent move, the BellSouth service representative can offer the customer the promotion and place the order at the new address.
- Customers must switch their local service to BellSouth and purchase any one of the following: BellSouth® Complete Choice® plan, BellSouth® PreferredPack℠ plan, or BellSouth® basic service and one (1) custom calling (or Touchstar® service) local features.

All BellSouth marks contained herein are owned by BellSouth Intellectual Property Corporation.

- Participating customers must place their orders on or before 12/25/04.
- This offer is valid for only one (1) service line at the intended local service address.
- Participating customers must place their orders through a BellSouth business office, outbound telemarketing vendor, or alternate channel as indicated.
- BellSouth may discontinue or modify this promotion at any time.
- Participating customers must have the eligible services on their new service orders (N) in order to receive the promotional offer.
- This offer may be combined with other offers for the same service at the same time.

An analysis of the rates and costs associated with this promotion is attached. Please see the enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Jim Tipton for

Tony Taylor

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone (502) 564-3940
Fax (502) 564-3460

January 07, 2005

Tony Taylor
BellSouth Telecommunications, Inc.
Regulatory and External Affairs
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **TFS2004-01571**
KY2004-131 - 1Q05 Consumer Reacquisition Line Connection Fee Waiver Promotion to residence customers.

Dear Tony Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

BELLSOUTH

BellSouth Telecommunications, Inc
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

502-582-2164
FAX 502-582-8667

Tony.Taylor@bellsouth.com

Tony Taylor
Director
Regulatory & External Affairs

December 17, 2004

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

Re: TFS2004-01571

Dear Ms. O'Donnell:

On December 14, 2004, we provided the specific provisions and limitations for the 1Q05 Consumer Reacquisition Line Connection Fee Waiver Promotion. Included in those provisions was a statement that subscribers to basic exchange service with at least one feature were eligible for the promotion. That statement should have specified that the customer must subscribe to at least two features instead of one to be eligible. Please accept this memorandum as a correction of our December 14th filing.

We apologize for any inconvenience that correction of this error may cause the Commission or staff. If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
12/26/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By
Executive Director

BELLSOUTH

BellSouth Telecommunications, Inc
4th Floor
601 W. Chestnut Street
Louisville KY 40203

502-582-2164
FAX 502-582-8657

Tony Taylor
Director
Regulatory & External Affairs

Tony.Taylor@bellsouth.com

December 14, 2004

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

Re: TFS2004-01571

Dear Ms. O'Donnell:

On November 5, 2004, we notified you of our intention to extend the effective date for an existing promotion. The new extended promotion will be called the "1Q05 Consumer Reacquisition Line Connection Fee Waiver Promotion." During the new promotional period of December 26, 2004 through December 26, 2005, residence customers who switch to BellSouth from another local service provider and subscribe to either BellSouth ® Complete Choice ® service, BellSouth ® PreferredPack (SM) Plan service, or basic exchange service with at least one feature, will receive a waiver of the line connection charge.

Specific provisions and limitations for this promotion are as follows:

- Customer must either not currently have local service with BellSouth or not have service with BellSouth on one or more of their existing lines, including the line on which the service qualifying for this promotion will be provisioned.
- The target customer for this promotion is a customer that switches service from either a facility based or reseller CLEC. This promotion is not valid for out-of-region customers who are new to BellSouth.
- Customer must have local service or equivalent (wireless in lieu of wire-line) at the same local service address on one or more of their existing lines.

- Customer must request service at the same address and in the same name, unless customer is planning an imminent move from one address in BellSouth territory to another address in BellSouth territory within thirty (30) days of responding to the offer. In the case of an imminent move, the BellSouth rep can offer the customer the promotion and place the order at the new address.
- The customer must switch their local service to BellSouth and purchase any one of the following: BellSouth® Complete Choice® plan, BellSouth® PreferredPack℠ plan, or BellSouth® basic service and one (1) custom calling (or TouchStar® service) local features.
- The customer must place the order on or before December 26, 2005.
- Offer valid for only one (1) service line at the intended local service address.
- The customer must place their order through a BellSouth business office or outbound telemarketing vendor or alternate channels as indicated.
- BellSouth may modify or terminate this promotion at any time.
- Customer must have the eligible services on their new service order (N) in order to receive the promotional offer.
- Offer may be combined with other offers for the same service at the same time.

A rate and cost analysis for this promotion is attached. Please see the enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
12/26/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By
Executive Director

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone (502) 564-3940
Fax (502) 564-3460

January 24, 2006

Tony Taylor
BellSouth Telecommunications, Inc.
Regulatory and External Affairs
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **TFS2005-01976**
KY2005-135 – Line Connection Charge Waiver Promotion

Dear Tony Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

BELLSOUTH

BellSouth Telecommunications, Inc.
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

Tony.Taylor@bellsouth.com

502 582-2164
FAX 502 582-8667

Tony Taylor
Director
Regulatory & External Affairs

December 7, 2005

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

Dear Ms. O'Donnell:

During the period of December 27, 2005 through December 31, 2006, BellSouth plans to offer a promotion called the "Line Connection Charge Waiver Promotion." This promotion will offer a waiver of line connection charges to new acquisition or reacquisition residential customers who are currently not using BellSouth for local service and who subscribe to BellSouth Complete Choice, BellSouth Preferred Pack, BellSouth 2 Pack Plan, or BellSouth basic service and two (2) features.

Specific provisions and limitations of this promotion are as follows:

1. Customer must either not currently have local service with BellSouth or not have service with BellSouth on one or more of their existing lines, including the line on which the service qualifying for this promotion will be provisioned.
2. The target customer for this promotion is a customer that switches service from either a facility based or reseller CLEC. This promotion is not valid for out of region customers who are new to BellSouth.
3. Customer must have local service or equivalent (wireless in lieu of wire-line) at the same local service address on one or more of their existing lines.
4. Customer must request service at the same address and in the same name, unless customer is planning an imminent move from one address in BellSouth territory to another address in BellSouth territory within 30 days of responding to the offer. In the case of an imminent move, the BellSouth rep can offer the customer the promotion and place the order at the new address.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
12/27/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By
Executive Director

5. The customer must switch their local service to BellSouth and subscribe to any one of the following:
   a. The BellSouth Complete Choice plan
   b. The BellSouth PreferredPack Plan
   c. The BellSouth 2 Pack Plan
   d. BellSouth basic service and two (2) custom calling (or Touchstar) local feature(s).
6. The customer must place the order on or before 12/31/06.
7. Offer valid for only one (1) service line at the intended local service address.
8. Customer must place their orders through a BellSouth business office or outbound telemarketing vendor or alternate channels as indicated.
9. BellSouth may discontinue or modify this promotion at any time.
10. Customer must have the eligible services on their new service order (N) in order to receive the promotional offer.
11. Offer may be combined with other offers for the same service at the same time.

A rate and cost analysis for this promotion is attached. Please see the enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Jim Tipton for

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
12/27/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By ______________
Executive Director

Ernie Fletcher
Governor

Teresa J. Hill
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone (502) 564-3940
Fax (502) 564-3460

December 18, 2006

Tony Taylor
BellSouth Telecommunications, Inc.
Regulatory and External Affairs
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **TFS2006-01680**
KY2006-087 -- "Service Connection Charge Waiver Promotion"

Dear Tony Taylor:

The above referenced filing has been received. Use the following link to access documents related to this filing.

http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2006-01680

Sincerely,

Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

BELLSOUTH

BellSouth Telecommunications, Inc
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

Tony.Taylor@bellsouth.com

502-582-2164
FAX 502-582-8667

Tony Taylor
Director
Regulatory & External Affairs

December 14, 2006

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

Dear Ms. O'Donnell:

During the period of January 1, 2007 through February 27, 2007, BellSouth plans to offer the "Service Connection Charge Waiver Promotion." The service connection charge will be waived for residential Competitive Acquisition customers who subscribe to BellSouth® Complete Choice Plan, BellSouth® PreferredPack plan, BellSouth® 2 Pack Plan or BellSouth® basic service and two (2) features, and who are not currently with BellSouth® for local service.

Promotion Restrictions/Eligibility Requirements:

1. Customer must have at least one (1) wireline local service or equivalent (wireless in lieu of wireline) with a provider other than BellSouth at a local service address within BellSouth territory.
2. The customer must select BellSouth as their local service provider.
3. Customer must request the qualifying service at the same address and in the same name as the existing service, unless customer is planning an imminent move from one address in BellSouth territory to another address within thirty (30) days of responding to the offer. In the case of an imminent move, BellSouth can offer the customer the promotion and place the order at the new address.
4. This offer is not valid for out of region customers who are new to BellSouth.
5. This offer is not available to existing BellSouth customers.
6. Customer must not have had local service with BellSouth at least twenty (20) days prior to the new service connection date.
7. BellSouth employees are not eligible for this offer.
8. Offer valid for only one (1) service line at the intended local service address.
9. Offer may be combined with cash back offers on other affiliates, or other promotional offers

on the same service, as such offers may be concurrently available from time to time, provided that the Company reserves the right to prohibit the combination of this promotion with any other promotion, at the Company's sole discretion.

10. BellSouth reserves the right to discontinue or modify this promotion at any time without notice.
11. The customer must place the order on or before February 27, 2007.
12. Customer must have the eligible services on their new service order (N) in order to receive the promotional offer.
13. The customer must place the order through a BellSouth business office or outbound telemarketing vendor or alternate channels as indicated.
14. This promotion is available for resale.

An analysis of the revenue and cost associated with this promotion is attached. Please see the Enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this promotion, please call Joan Duncan at 502-582-8416.

Very truly yours,

Tony Taylor

BELLSOUTH

BellSouth Telecommunications, Inc
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

Tony.Taylor@bellsouth.com

502-582-2164
FAX 502-582-8667

Tony Taylor
Director
Regulatory & External Affairs

February 27, 2007

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

Dear Ms. O'Donnell:

By letter dated December 18, 2006, the Commission acknowledged receipt of our proposed "Service Connection Charge Waiver Promotion." (Please see filing TFS2006-01680.) The promotion is scheduled to end on February 27, 2007. BellSouth has now decided to extend this promotion through April 30, 2007.

All terms and conditions of this promotion except for the end date of the promotional period remain unchanged. The revenue analysis filed with the Commission on December 14, 2006 also remains unchanged.

If there are any questions concerning this promotion, please call Joan Duncan at 502-582-8416.

Very truly yours,

Tony Taylor

at&t

Tony Taylor
Director
External & Legislative Affairs

AT&T
601 W. Chestnut Street
4th Floor
Louisville, KY 40203

T: 502-582-2164
F: 502-582-1433
tony.taylor@att.com

April 27, 2007

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

Dear Ms. O'Donnell:

By e-mail notice dated February 27, 2007, 12:43 PM, the KY-PSC Electronic Tariff Filing Center acknowledged receipt of our proposed "Service Connection Charge Waiver Promotion." (Please see filing TFS2007-00144.) The promotion is scheduled to end on April 30, 2007 and AT&T-KY has now decided to extend this promotion through June 30, 2007.

All terms and conditions of this promotion except for the end date of the promotional period remain unchanged. The revenue analysis filed with the Commission on December 14, 2006 also remains unchanged.

If there are any questions concerning this promotion, please call Joan Duncan at 502/582-8416.

Very truly yours,

Tony Taylor

Exhibit PLF-2

SSCW Promotions

Paul E. Patton, Governor

Janie A. Miller, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

September 15, 2003

Tony Taylor
BellSouth Telecommunications, Inc.
Fourth Floor
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **T 64-1132**
Promotion to waive specific Secondary Charges per Order in Case No. 2003-00313.

Dear Mr. Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley by (pan)

Dennis Brent Kirtley
Tariff Review Branch Manager

Enclosure
pan

T 64-1132

BELLSOUTH

RECEIVED

AUG 12 2003

PUBLIC SERVICE COMMISSION

BellSouth Telecommunications, Inc.
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

Tony.Taylor@bellsouth.com

502-582-2164
FAX 502-582-8667

Tony Taylor
Director
Regulatory & External Affairs

2003-00313

August 12, 2003

Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

Re: C62-01027, T62-1075, and T63-0915

Dear Mr. Dorman:

By letter from Commission staff dated August 23, 2001, the Commission approved our proposal to extend and modify a promotion then in effect (see Tariff Filing No. C62-01027). Additional requests to further extend the effective date of this promotion were approved by letters from staff dated October 2, 2001 (see Tariff Filing No. T62-1075) and August 29, 2002 (see Tariff Filing No. T63-0915.

This promotion waives the service charges for connection of specific services as follows:

(1) The Secondary Service Charge is waived for existing residential customers adding or changing the following services using RightTouch ® (automated ordering service), the BellSouth ® web site, or through BellSouth ® authorized telemarketing:

TouchStar® Service	Grouping Service	Customized Code Restriction
Custom Calling Service	RingMaster® Service	Message Waiting Indication
BellSouth ® Privacy Director ® Service		Designer Listings
Prestige ® Communications Service		
Voice Mail Companion Services Package		

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 03 2003

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

BY [signature]
EXECUTIVE DIRECTOR

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® BellSouth is a registered trademark of BellSouth Intellectual Property Corporation

(2) The Secondary Service Charge is waived for existing residential customers adding or changing the following services through the BellSouth residential business office:

BellSouth ® Privacy Director ® Service
Voice Mail Companion Services Package

(3) The Secondary Service Charge is waived for existing residential Flexible Call Forwarding customers who are adding or changing the following services due to the elimination of Flexible Call Forwarding (obsoleted effective November 16, 2000):

Call Forwarding Busy Line	Call Forwarding Don't Answer
Call Forwarding Variable	Preferred Call Forwarding

BellSouth ® Privacy Director ® Service
Remote Access - Call Forwarding Variable

We now request that the expiration date for this promotion be further extended from September 3, 2003 until September 3, 2004. The estimated revenue and cost effect of this extension until September 3, 2004 is the same as the revised estimate of the revenue and cost effect that was filed on August 14, 2002 (Filing No. T63-0915) for the promotional period of September 3, 2002 through September 3, 2003.

Please see the enclosed motion for expedited treatment of this proposal.

If there are any questions or the need for additional information concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 0 3 2003

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

EXECUTIVE DIRECTOR

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® BellSouth is a registered trademark of BellSouth Intellectual Property Corporation

Exhibit PLF-2

TFFF Promotions

Earnie Fletcher
Governor

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Martin J. Huelsmann
Chairman

Gary W. Gillis
Vice Chairman

Robert E. Spurlin
Commissioner

December 12, 2003

Tony Taylor
BellSouth Telecommunications, Inc.
Fourth Floor
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **T 64-1182**
Special Promotion to residential customers who do not have BellSouth service and subscribe to local service with at least two features (vertical services) from BellSouth.

Dear Mr. Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley / RCS

Dennis Brent Kirtley
Tariff Review Branch Manager

Enclosure
pan

EDUCATION PAYS

Tkd 1182
RECEIVED

OCT 14 2003

PUBLIC SERVICE COMMISSION

BELLSOUTH

BellSouth Telecommunications, Inc
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

502-582-2164
FAX 502-582-8667

Tony.Taylor@bellsouth.com

Tony Taylor
Director
Regulatory & External Affairs

October 14, 2003

Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: 64-1182

Dear Mr. Dorman:

On September 5, 2003, we notified you of a new promotion that we intend to offer to residential customers beginning on October 15, 2003. During the promotional period of October 15, 2003 through October 8, 2004, customers who do not now have service with BellSouth, who subscribe to basic exchange service (1FR) with at least two features (vertical services) will receive a waiver of the monthly charges for the features for twelve months.

The specific provisions and limitations of this promotion are as follows:

1. Participating customers must either not currently have local service with BellSouth or not have service with BellSouth on one or more of their existing lines, including the line on which the service qualifying for this promotion will be provisioned.
2. Participating customers must have local service or equivalent (e.g., wireless in lieu of wireline) at the same local service address on one or more of their existing lines.
3. Participating customers must request service at the same address and in the same name, unless the customer is planning an imminent move from one address in BellSouth territory to another address in BellSouth territory within 30 days of responding to the offer. In the case of an imminent move, the BellSouth service representative can offer the customer the promotion and place the order at the new address.
4. Participating customers must have not had local service with BellSouth for at least 10 days prior to the new service connection date.
5. Participating customers must switch their local service to BellSouth and subscribe to basic local exchange service.
6. Participating customers must place their orders on or before 10/8/04.
7. This offer is valid for only one (1) service line at the intended local service address.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

OCT 15

PURSUANT TO

BY [signature]
EXECUTIVE DIRECTOR

8. Participating customers must place their orders through a BellSouth business office, outbound telemarketing vendor, or alternate channels as indicated.
9. If the customer cancels or discontinues the qualifying service, he will be ineligible.
10. BellSouth may discontinue or modify this promotion at any time.
11. Participating customers must have the eligible services on their new service order (N) in order to receive the promotional offer.
12. This offer may be combined with cash back offers or other promotional offers for the same services, unless the Company prohibits such a combination. Initially, this promotion may not be combined with the reacquisition 1FR +2 Features Cash Back offer.

An analysis of the rate and costs associated with this promotion is attached. Please see the enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

Attachment

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 1 5 2003

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

BY ______
EXECUTIVE DIRECTOR

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone (502) 564-3940
Fax (502) 564-3460

RECEIVED OCT 12 2004

October 08, 2004

Tony Taylor
BellSouth Telecommunications
Regulatory and External Affairs
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **TFS2004-01234**
Extends end date of Special Promotion to residence customers who subscribe to BellSouth local service with at least two vertical services features from October 8, 2004 to March 31, 2005.

Dear Tony Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

BELLSOUTH

BellSouth Telecommunications, Inc.
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

502-582-2164
FAX 502-582-8667

Tony.Taylor@bellsouth.com

Tony Taylor
Director
Regulatory & External Affairs

September 24, 2004

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

Re: TFS2004-01234

Dear Ms. O'Donnell:

On August 31, 2004, we notified you of our intention to extend the end date of the local service promotion that was approved in Filing No. T 64-1182. Specifically, BellSouth would like to extend the end date of this promotion from October 8, 2004 to March 31, 2005.

The rates and costs analysis filed with the original promotion request on October 14, 2003 remains unchanged. No other provision of the promotion is changing except the end date.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/09/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By
Executive Director

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

January 31, 2005

Tony Taylor
BellSouth Telecommunications, Inc.
Regulatory and External Affairs
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **TFS2004-01796**
KY2004-576e, TFS2004-01234 -- Notice to terminate existing Special Promotion to residence customers who subscribe to BellSouth local service with at least two vertical services features on 1/31/05.

Dear Tony Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

BELLSOUTH

BellSouth Telecommunications, Inc.
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

502-582-2164
FAX 502 582-8667

Tony Taylor@bellsouth.com

Tony Taylor
Director
Regulatory & External Affairs

December 27, 2004

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

Re: TFS2004-01234

Dear Ms. O'Donnell:

By letter dated October 8, 2004, the Commission staff accepted our request to extend the end date of this promotion from October 8, 2004 to March 31, 2005. We have filed today an advance notice for a new promotion (the "Reacquisition 1FR Offer") that is similar to the one approved in this case. Since the proposed effective date of the new promotion is February 1, 2005, we have decided to terminate the existing promotion in this case on January 31, 2005 in order to coincide with the effective date of the new "Reacquisition 1FR Offer" promotion. Please accept this notice to terminate the existing promotion on January 31, 2005.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Jim Tipton for

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
01/31/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By ______________
Executive Director

Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone (502) 564-3940
Fax (502) 564-3460

February 14, 2005

Tony Taylor
BellSouth Telecommunications, Inc.
Regulatory and External Affairs
601 West Chestnut Street
Louisville, KY 40203

RE: Filing No. **TFS2004-01795**
KY2004-137 - Reacquisition 1FR Offer to residence customers.

Dear Tony Taylor:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

BELLSOUTH

BellSouth Telecommunications, Inc.
4th Floor
601 W. Chestnut Street
Louisville, KY 40203

502-582-2164
FAX 502-582-8667

Tony Taylor@bellsouth.com

Tony Taylor
Director
Regulatory & External Affairs

January 14, 2005

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

Re: TFS2004-01795

Dear Ms. O'Donnell:

On December 27, 2004, we notified you of a new promotion called the "Reacquisition 1FR Offer" that we intend to offer to residence customers. During the promotional period of February 1, 2005 through December 31, 2005, qualified residence customers who subscribe to basic exchange service (1FR or similar service) plus two features will receive a waiver of the charges for the features for twelve months, and a waiver of the charges for a voice mail box (optional Voice Mail Companion Services Package not included) for twelve months. Customers accepting this offer who also subscribe to a long distance plan will also receive a coupon redeemable for up to fifty dollars ($50.00) cash back.

Specific provisions and limitations of this promotion are as follows:

1. Customer must have at least one wire line local service or equivalent (wireless in lieu of wire line) with a provider other than BellSouth at a local service address within BellSouth territory. A new service qualifying for this promotion must be provisioned as a replacement for the existing wire line or equivalent service.
2. Customer must request the qualifying service at the same address and in the same name as the existing service, unless customer is planning an imminent move from one address in BellSouth territory to another address in BellSouth territory within thirty (30) days of responding to the offer. In the case of an imminent move, BellSouth can offer the customer the promotion and place the order at the new address.
3. Customers must switch their local service to BellSouth and concurrently purchase both BellSouth basic service and at least two additional features from BellSouth.
4. Customers must place their order through a BellSouth business office or outbound telemarketing vendor or alternate channels as indicated.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By
Executive Director

5. To receive the cash back offer, a customer must subscribe to two (2) features and a BellSouth Long Distance plan and return the coupon to the specified address by a specified date.
6. Once customers complete the requirements they will receive a check for up to fifty dollars ($50.00). Only customers who correctly redeem the coupon will be eligible, and customers must continue to have qualifying service at the time that the check is processed. If customers cancel or discontinue the qualifying service, they will be ineligible.
7. BellSouth may terminate or modify this promotion at any time.
8. Customers must have the eligible services on their new service order (N) in order to receive the promotional offer.
9. Offer may not be combined with other cash back offers for the same service at the same time
10. Customers are eligible for one (re)acquisition cash back promotion per twelve (12) months.
11. Customers may combine this promotion with the service connection fee waiver promotion.
12. Employees of BellSouth are not eligible for this offer.
13. Customers have ninety (90) days to respond after receipt of the cash back coupon. After ninety (90) days, customers are ineligible for the cash back promotion.

A rate and cost analysis for this promotion is attached. Please see the enclosed petition for confidential treatment of sensitive competitive information.

If there are any questions concerning this proposal, please call Jim Tipton at 502-582-8925.

Very truly yours,

Tony Taylor

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
2/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By
Executive Director

Exhibit PLF-3

The entire document is proprietary. There is no edited copy.

Exhibit PLF-4

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2). (N)

A13.19 TouchStar Service (T)

A13.19.1 Applications

A. TouchStar service is a group of central office call management features offered in addition to basic telephone service. (T)

A13.19.2 Definitions Of Feature Offerings

A. Call Return

This feature enables a customer to place a call to the telephone number associated with the most recent call received whether or not the call was answered or the number is known. The customer can dial a code to request that the network place the call.

Where facilities permit, upon activation of the feature, the customer will receive a voice announcement stating that Call Return has been accessed. In addition, the announcement will provide the Directory Number (DN) of the last incoming call. In some locations, the date and time of receipt of the call will also be provided. The Call Return user will then be prompted to enter an additional digit to continue with the feature activation, or to hang up to abort the activation.

If the called line is not busy, the call is placed. If the called line is busy, a confirmation announcement is heard, the customer hangs up and a queuing process begins. For the next 30 minutes both the calling and called lines are checked periodically for availability to complete the call. If during this queuing process the called line becomes idle, the customer is notified, via a distinctive ring, that the network is ready to place the call. When the customer picks up the telephone the call will automatically be placed.

This feature is not available on operator handled calls. In connection with Call Return, the Company will deliver all numbers, subject to technical limitations, including telephone numbers associated with Non-Published Listing Service.

If the last incoming call originated from a telephone where delivery of the number was suppressed, either via per call or per line blocking, that number will not be available for voicing-back and the call cannot be returned by the Call Return customer. The Call Return user will receive a voice announcement stating that this service cannot be used to call the number.

If the incoming call is from a caller served by a PBX, only the main number of the PBX is transmitted and available for voice-back.

If the incoming call is from a RingMaster service customer, the telephone number transmitted and available for voice-back will be the main Directory Number rather than any dependent RingMaster service number. (T)

If the incoming call originates from a multi-line hunt group, the telephone number transmitted and voiced-back will always be the main number of the hunt group, unless facilities permitting, the telephone numbers are TN identified within the group.

This feature is available, facilities permitting, to residence and business customers as follows: (a) monthly subscription, or (b) per activation/occasion. If the customer subscribes to the feature on a monthly basis, unlimited access is provided with no additional charge for each activation. Where facilities permit, the feature may be utilized on a non-subscription basis with a per occasion charge for each activation. Access to the usage option can be restricted at the customer's request at no charge.

B. Repeat Dialing

Repeat Dialing, when activated, automatically redials the last number the customer attempted to call. If the called line is not busy, the call will be placed.

If the called line is busy, a confirmation announcement is heard, the customer hangs up and a queuing process begins. For the next 30 minutes both the calling and the called lines are checked periodically for availability to complete the call. If during this queuing process the called line becomes idle, the customer is notified, via a distinctive ring, that the network is ready to place the call. When the customer picks up the telephone the call will automatically be placed.

This feature is available, facilities permitting, to residence and business customers as follows: (a) monthly subscription, or (b) per activation/occasion. If the customer subscribes to the feature on a monthly basis, unlimited access is provided with no additional charge for each activation. Where facilities permit, the feature may be utilized on a non-subscription basis with a per occasion charge for each activation. Access to the usage option can be restricted at the customer's request at no charge.

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2).

A13.19 TouchStar Service (Cont'd)

A13.19.2 Definitions Of Feature Offerings (Cont'd)

C. ***Personalized Ring 6 a.k.a.*** Call Selector (T)

Personalized Ring 6 provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone numbers. (T)

The customer creates a screening list of up to six telephone numbers through an interactive dialing sequence. When a call is received from one of the predetermined telephone numbers, the customer is alerted with a distinctive ringing pattern (short, long, short). Calls from telephone numbers not included on the screening list will produce a normal ring.

If the customer subscribes to Call Waiting (see Section A13 of this Tariff) and a call is received from a telephone number on the ***Personalized Ring 6*** screening list while the line is in use, the Call Waiting tone will also be distinctive. (T)

When a telephone number on the ***Personalized Ring 6*** screening list also appears on the ***Selective*** Call Forwarding list, the ***Selective*** Call Forwarding will take precedence. Likewise, when the same number is shown on the Call Block list, the call will be blocked. (T)

A customer's line will not produce a distinctive alert if the calling line is not referenced to and originated by the main telephone number or a telephone number identified number that represents all the lines in a collection of lines, such as multiline hunt groups.

D. ***Selective Call Forwarding a.k.a.*** Preferred Call Forwarding (T)

Selective Call Forwarding allows the customer to transfer selected calls to another telephone number. A screening list of up to six numbers is created by the customer and placed in the network memory via an interactive dialing sequence. Subsequently, calls are forwarded to the Call Forwarding telephone number only if the calling number can be obtained and is found to match a number on the screening list. (T)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2).

A13.19 TouchStar Service (Cont'd)

A13.19.2 Definitions Of Feature Offerings (Cont'd)

D. ***Selective Call Forwarding a.k.a.*** Preferred Call Forwarding (Cont'd) (T)

If the customer also subscribes to Call Block and the same telephone number is entered on both screening lists, the Call Block feature must be deactivated to allow the call to forward.

This feature will not work if the calling line is not referenced to and originated by the main telephone number, or a Telephone Number identified number that represents all the lines in a collection of lines such as multiline hunt groups.

E. Call Block

This feature provides the customer the ability to prevent incoming calls from up to six different telephone numbers.

A screening list is created by the customer either by adding the last number associated with the line (incoming or outgoing), or by pre-selecting the telephone numbers to be blocked. When a call is placed to the customer's number from a number on the screening list, the caller receives an announcement indicating that the party he is attempting to call does not wish to receive calls at this time.

If the customer also subscribes to ***Selective*** Call Forwarding and/or ***Personalized Ring 6*** and the same telephone numbers appear on those screening lists, Call Block will take precedence. (T)

This feature will not work if the incoming call is from a telephone number in a multiline hunt group unless the telephone number is the main telephone number in the hunt group, or is Telephone Number identified. Additionally, this feature will not block calls from coin or cellular telephones or operator assisted calls.

F. Call Tracing

Call Tracing enables the customer to initiate an automatic trace of the last call received.

Upon activation by the customer, the network automatically sends a message to the Company's Security Department indicating the calling number, the time the trace was activated, and in some locations, the time the offending call was received. The customer using this feature would be required to contact the Annoyance Call Bureau for further action.

Only calls from within TouchStar service equipped offices are traceable using Call Tracing.

This feature will not work if the incoming call is from a telephone number in a multiline hunt group, unless the telephone number is the main telephone number in the hunt group, or is Telephone Number identified.

In some locations, if the customer makes or receives another call after hanging up from the annoying call, prior to activating the trace, Call Tracing will not record the correct number.

G. Caller ID - Basic (Number Delivery)

This feature enables the customer to view on a display unit the Directory Number (DN) on incoming telephone calls.

When Caller ID - Basic is activated on a customer's line, the Directory Numbers of incoming calls are displayed on the called CPE during the first long silent interval of the ringing cycle.

Any customer subscribing to Caller ID - Basic will be responsible for the provision of a display device which will be located on the customer's premises. The installation, repair, and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2).

A13.19 TouchStar Service (Cont'd)

A13.19.2 Definitions Of Feature Offerings (Cont'd)

G. Caller ID - Basic (Cont'd)

If the incoming call is from a caller who subscribes to RingMaster service, the telephone number transmitted will always be the main number rather than any dependent RingMaster service number.

If the incoming call is from a caller served by a PBX, generally only the main number of the PBX is transmitted and available for display. However, in certain circumstances where facilities permit, the information associated with the actual station number originating the call may be transmitted and available for display.

If the incoming call originates from a Multi-Line Hunt Group, the telephone number transmitted will always be the main number of the hunt group unless the calling number is Telephone Number (TN) identified within the group.

Calling number information via Caller ID - Basic is not available on operator handled calls.

H. ***Caller ID a.k.a.*** Caller ID Deluxe (Name and Number Delivery) (T)

This feature enables the customer to view on a display unit the calling party Directory Name and Directory Number on incoming telephone calls.

A maximum of 15 characters is allowed for transmission of the calling party Directory Name.

When Caller ID is activated on a customer's line, the calling party Directory Name and Directory Number on incoming calls will be displayed on the called CPE during the first long silent interval of the ringing cycle. The date and time of the call is also transmitted to the Caller ID customer. (T)

Caller ID also includes Anonymous Call ***Blocking*** where facilities are available. This feature allows customers to automatically reject incoming calls when the call originates from a telephone number which has invoked a blocking feature that prevents the delivery of their number to the called party. When ***Anonymous Call Blocking*** is activated on the customer's line and an incoming call marked private is received, the called party's telephone will not ring. The call will be routed to an announcement and subsequently terminated. The announcement informs the calling party that the person he or she is trying to reach will not accept the call as long as the calling number is not delivered. Incoming calls are checked for acceptance or rejection by Anonymous Call ***Blocking*** regardless of the current state of the ***Anonymous Call Blocking*** customer's line (e.g., off hook or idle). (T)

Subsequent to establishment of Caller ID ***Anonymous Call Blocking*** can be activated and deactivated at the customer's discretion through the use of preassigned feature access codes. (T)

Any customer subscribing to Caller ID will be responsible for the provision of a display device which will be located on the customer's premises. The installation, repair, and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein. (T)

Calling party name and/or telephone number information via Caller ID is not available on operator handled calls. (T)

If the incoming call originates from a Multi-Line Hunt Group, the telephone number and name information transmitted will be associated with the main number in the hunt group, unless, facilities permitting, the lines within the group are TN (Telephone Number) identified.

If the incoming call is from a caller served by a PBX, generally only the main listed name of the PBX will be transmitted and available for display. However, in certain circumstances where facilities permit, the information associated with the actual station number originating the call may be transmitted and available for display.

If the incoming call originates from a caller who subscribes to RingMaster service the telephone number and name transmitted will always be the main number, rather than the RingMaster service number.

If the incoming call originates from a customer provided pay telephone, the name information transmitted will always be "Pay Phone".

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2). (N)

A13.19 TouchStar Service (Cont'd) (T)

A13.19.2 Definitions Of Feature Offerings (Cont'd)

I. Calling Number Delivery Blocking - Permanent

This feature enables residential subscribers of Non-Published Listing Service or special agencies as described in A13.19.3.A.8 to prevent the transmission of their telephone numbers and/or names, on outgoing calls, to subscribers of TouchStar service terminating Calling Name or Number Delivery Services. Calling Name and Number Delivery Blocking is in operation on a continuous basis. The feature is applicable on all outgoing calls placed from the customer's line. If the preassigned access code for Calling Name and Number Delivery Unblocking - Per Call is dialed on a line provisioned with Calling Name and Number Delivery Blocking - Permanent, the Directory Number and/or Directory Name will be delivered. (T)

J. Calling Number Delivery Blocking - Per Call

Calling Number Delivery Blocking - Per Call allows a customer to temporarily prevent the transmission of that customer's Directory Number and/or Directory Name and thus control their availability to the called party. The transmission of the Directory Number and/or Directory Name can be temporarily prevented on an as needed basis by dialing a preassigned access code prior to making a call. This action must be repeated each time a call is made to prevent the transmission of the Directory Number and/or Directory Name.

K. (Obsoleted, See Section A113.)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2).

A13.19 TouchStar Service (Cont'd)

A13.19.2 Definitions Of Features Offerings (Cont'd)

(Obsoleted, See Section A113.)

L. Call Tracking - Bulk Calling Line Identification (BCLID)

This feature allows Multi-Line Hunt Groups (MLHG) or Private Branch Exchange (PBX) customers to receive call-related information on certain incoming telephone calls.

The following information is transmitted to the Call Tracking customer over a separate channel which is required for feature operation: calling and called directory numbers (DN), time of day the call was received, busy/idle status of the called line, and the calling line type (individual or group). This information should be received by the customer premises equipment (CPE) or by equipment in the central office shortly after reception of the incoming call.

Any customer subscribing to Call Tracking, who wishes to have the Call Tracking information delivered to their CPE, will be responsible for the provision of compatible CPE which will receive, translate, display and/or store the transmitted data. The installation, repair, and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

If the incoming call is from a caller served by a PBX, generally only the main number of the PBX is transmitted and available for display. However, in certain circumstances where facilities permit, the information associated with the actual station number originating the call may be transmitted and available for display.

If the incoming call originates from a Multi-Line Hunt Group, the telephone number transmitted and available for display will always be the main number of the hunt group.

If the incoming call is from a customer who subscribes to RingMaster service, the telephone number transmitted will always be the main number rather than the RingMaster service number.

Charges for Call Tracking are applicable on a per subscription and a "per calling number delivered" basis, plus appropriate Service Charges for establishment of the feature on the customer's line.

M. ***Anonymous Call Blocking a.k.a.*** Anonymous Call Rejection (T)

This feature allows customers to automatically reject incoming calls when the call originates from a telephone number which (T) has invoked a blocking feature that prevents the delivery of their number to the called party. When Anonymous Call ***Blocking*** is activated on the customer's line and an incoming call marked private is received, the called party's telephone will not ring. The call will be routed to an announcement and subsequently terminated. The announcement informs the calling party that the person he or she is trying to reach will not accept the call as long as the calling number is not delivered. Incoming calls are checked for acceptance or rejection by Anonymous Call ***Blocking*** regardless of the current state of the ***Anonymous Call Blocking*** customer's line (e.g., off hook or idle).

A service order is required to establish or discontinue Anonymous Call ***Blocking***. Subsequent to establishment, the feature can (T) be activated and deactivated at the customer's discretion through the use of preassigned feature access codes.

N. Enhanced Caller ID (Busy Line and Idle Line Name and Number Delivery)

This feature enables the customer to view on a display unit the calling party Directory Name and Directory Number (DN) on incoming telephone calls both when the subscriber's line is in use and when it is not in use. The date and time of the call is also transmitted to the Enhanced Caller ID customer. A maximum of 15 characters is allowed for transmission of the calling party Directory Name.

When the Enhanced Caller ID customer's line is not in use the Directory Name and Directory Number of the line that originated the incoming call and the date and time of the call will be displayed on the called CPE during the first long silent interval of the ringing cycle.

When the Enhanced Caller ID customer's line is in use, the Directory Name and Directory Number of the line that originated the incoming call and the date and time of the call will be displayed on the called CPE following the waiting call alerting tone. The called party has the following options for disposition of the incoming call:

- Answer the waiting call while placing the original call on hold,
- Alternate between the waiting call and the original call, and
- Ignore the waiting call.

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2). (N)

A13.19 TouchStar Service (Cont'd) (T)

A13.19.2 Definitions Of Features Offerings (Cont'd)

N. Enhanced Caller ID (Busy Line and Idle Line Name and Number Delivery) (Cont'd)

If the incoming call originates from a customer provided pay telephone, the name information transmitted will always be "Pay Phone."

If the incoming call is from a caller who subscribes to RingMaster service, the name and number transmitted will always be the main directory listing information rather than the RingMaster service listed name and number. (T)

If the incoming call originates from a multi-line hunt group, the name and number transmitted will always be the main listed directory name and number of the hunt group, unless, facilities permitting, the lines are Telephone Number (TN) identified within the group.

If the incoming call is from a caller served by a PBX, generally only the main listed name and number of the PBX will be transmitted and available for display. However, in certain circumstances where facilities permit, the information associated with the actual station originating the call may be transmitted and available for display.

Any customer subscribing to Enhanced Caller ID will be responsible for the provision of a display device which will be located on the customer's premises. The installation, repair, and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the customer. The Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

O. Enhanced Caller ID With Call Management

This feature is only available to business customers where facilities permit. This feature allows a customer to control the treatment applied to incoming calls while the customer is off-hook on a call. Enhanced Caller ID with Call Management includes the functionality of the Call Waiting feature and the Caller ID feature and provides several additional call disposition options.

The customer must subscribe to the Call Forwarding Don't Answer feature in order to forward a waiting call to another location. All terms and conditions, including rates, for this feature are as described in A13.9 of this Tariff. This feature must be ordered separate from Enhanced Caller ID with Call Management.

Call disposition options provided with Enhanced Caller ID with Call Management include:

- Answer the waiting call, placing the first party on hold
- Answer the waiting call, dropping the first party
- Direct the waiting caller to hold via a recording
- Forward the waiting call to another location (e.g., a voice mailbox or Telephone Answering Service)
- Conference the waiting call with the existing, stable call and, if desired, subsequently drop either leg of the "conferenced" call.

Utilization of the full capabilities of Enhanced Caller ID with Call Management requires the use of an Analog Display Services Interface (ADSI) - compatible telephone at the customer's premises. The installation, repair and the technical capability of the ADSI-compatible CPE to function in conjunction with the features specified herein is the responsibility of the customer. The Company assumes no liability, and will be held harmless, for any incompatibility between this equipment and the network features described herein.

P. BusyConnect

TouchStar service BusyConnect is an optional network feature which will be offered beginning March 3, 1998 in central offices where facilities permit on a usage basis. Presubscription will not be required and billing will be incurred on a per use basis.

BusyConnect enables callers to retry a busy line on demand. When a caller receives a busy condition, the service will automatically play an announcement offering the caller the option of having the service complete the call when the called line becomes available. If the caller activates BusyConnect service, the status of the called party's line will be monitored for thirty minutes and the call completed when the line is available.

BusyConnect service is available, facilities permitting, to residence and business customers on a per activation/occasion basis. The service may be utilized on a non-subscription basis with a per occasion charge for each activation, whether the call is completed or not. Access to the usage option can be restricted at the customer's request at no charge. (USOC BRD in A13.19.4)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2).

A13.19 TouchStar Service (Cont'd)

A13.19.3 Regulations And Limitations Of Service

A. The Following Limitations Apply:

1. TouchStar service is provided subject to the availability of facilities. Additionally, the features described will only operate on calls originating and terminating within TouchStar service equipped offices. Also, feature screening lists can only contain telephone numbers of subscribers served out of TouchStar service equipped offices.
2. The TouchStar service basic features are available to single line and multi-line residence and business customers, unless otherwise specified following, who have rotary dial or Touch-Tone service, except that BusyConnect service will not work with rotary dial in most offices. Caller ID - Basic and Caller ID are available to single and multi-line residence and business customers. Enhanced Caller ID and Enhanced Caller ID with Call Management are available only to business customers with non-hunting lines or on the last line of a series completion arrangement. Enhanced Caller ID and Enhanced Caller ID with Call Management are not available for Centrex Type Services customers. Caller ID-Basic, Caller ID, Enhanced Caller ID and Enhanced Caller ID with Call Management are not available for Private Branch Exchange (PBX) customers. Call Tracking (BCLID) is not available for single line arrangements, but it is available for PBX and multi-line business customers. Neither Caller ID - Basic, Caller ID, Enhanced Caller ID, Enhanced Caller ID with Call Management nor Call Tracking (BCLID), can be provisioned for customers with the following service arrangements; Basic 911, FX, FCO, DPA or Dual Service. (T)
3. TouchStar service basic features cannot be provisioned on toll terminals, trunks or some remote switching locations.
4. Appropriate Service Charges apply except during Company selected periods of special promotion. Applicable service charges will be waived for the following situations: Upgrades from Caller ID-Basic to Caller ID, Enhanced Caller ID or Enhanced Caller ID with Call Management; upgrades from Caller ID to Enhanced Caller ID or Enhanced Caller ID with Call Management; or upgrade from Enhanced Caller ID to Enhanced Caller ID with Call Management. (T)
5. The Company will deliver all numbers/names, subject to technical limitations, including telephone numbers/names associated with Non-published Listing Service as described in Section A6, unless the caller subscribes to and/or has activated Calling Number Delivery Blocking. (T)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2). (N)

A13.19 TouchStar Service (Cont'd) (T)

A13.19.3 Regulations And Limitations Of Service (Cont'd)

A. The Following Limitations Apply (Cont'd)

8. Optional Calling Number Delivery Blocking - Permanent is available upon request, at no charge to residential subscribers of Non-Published Listing Service as described in A6. of this Tariff and, to the following entities and their employees/volunteers, for lines over which the official business of the agency is conducted. This includes lines at the residences of employees/volunteers where the head of the agency certifies to local Company management a need for blocking based upon health and safety concerns: (a) established shelters of domestic intervention and agencies which deal with domestic violence, (b) federal, state and local law enforcement agencies.
9. Calling party information via Caller ID - Basic, Caller ID - Deluxe, Enhanced Caller ID, Enhanced Caller ID with Call Management, or Call Tracking is not available on operator handled calls.
10. The Company's liability arising out of the provision of any TouchStar service feature, including but not limited to the delivery or non-delivery of calling numbers/names, is limited as set forth in A2.5 of this Tariff (T)
11. TouchStar service features are not available on trunks except as specifically noted in A13.19.3.A.2 and 15 following. (T)
12. Telephone numbers/names transmitted via Caller ID Basic, Caller ID - Deluxe, Enhanced Caller ID, Enhanced Caller ID with Call Management, or Call Tracking are intended solely for the use of these subscribers. Resale of this information is prohibited by this Tariff, except the caller's numbers may be provided to the subscriber's client for those calls sponsored or provided by that specific client where the client's identity is disclosed to the caller and the client agrees not to distribute such information to others.
13. TouchStar service can be suspended as specified in A2.3.16 of this Tariff. During the period of suspension, no recurring charge applies. (T)
14. Per Activation Call Return, Repeat Dialing, Denial of Per Activation Call Return and Denial of Per Activation Repeat Dialing are available to the following types of service where facilities permit: single line residence, single line business, multi-line residence, multi-line business and PBX trunks. (T)

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

Optional telephone features are non-basic telecommunication services and exempt from action or review by the Kentucky Public Service Commission as set forth in KRS 278.541 and KRS 278.544. This page is filed with the Commission pursuant to KRS 278.544(2).

A13.19 TouchStar Service (Cont'd)

A13.19.4 Rates

A. Individual Features

1. Residence

		Nonrecurring Charge	Monthly Rate	USOC	
(a)	Call Return (per line)	-	$7.00	NSS	(I)
(b)	Call Return (per activation)	$.90	-	NA	
(c)	Call Return (denial of per activation)[1]	-	-	BCR	
(d)	Repeat Dialing (per line)	-	5.00	NSQ	
(e)	Repeat Dialing (per activation)	.90	-	NA	
(f)	Repeat Dialing (denial of per activation)[1]	-	-	BRD	
(g)	BusyConnect (per activation)[2]	.90	-	NA	

		Monthly Rate	USOC	
(h)	Personalized Ring 6 (per line)	$5.00	NSK	
(i)	Selective Call Forwarding (per line)	5.00	NCE	
(j)	Call Block (per line)	6.00	NSY	
(k)	Call Tracing (per line)	5.00	NST	
(l)	Caller ID - Basic (per line)	8.99	NSD	(I)
(m)	Caller ID (with Anonymous Call Blocking) (per line)	9.99	NXMCR	
(n)	Caller ID (without Anonymous Call Blocking) (per line for Multi-Line Hunt Group arrangements)	9.99	NXMMN	
(o)	Anonymous Call Blocking (per line)	5.95	HBY	
(p)	Calling Number Delivery Blocking - Permanent[1,3] (Per Line) (Agency)	-	NOB	
(q)	Calling Number Delivery Blocking - Per Call	-	NA	
(r)	Calling Number Delivery Blocking - Permanent Per Line (Non-Published Listing Customers)[1,3]	-	NOBNN	

B. Individual Features

1. Business

		Nonrecurring Charge	Monthly Rate	USOC
(a)	Call Return (per line)	-	$6.50	NSS
(b)	Call Return (per activation)	$.90	-	NA
(c)	Call Return (denial of per activation)[1]	-	-	BCR
(d)	Repeat Dialing (per line)	-	6.50	NSQ
(e)	Repeat Dialing (per activation)	.90	-	NA
(f)	Repeat Dialing (denial of per activation)	-	-	BRD
(g)	BusyConnect (per activation)[2]	.90	-	NA

Note 1: Neither denial of Call Return per activation, denial of Repeat Dialing per activation or Calling Number Delivery Blocking - Permanent should be included in the determination of appropriate discounts when ordered in combination with other TouchStar service features.

Note 2: Denial of per activation BusyConnect can be obtained using the Repeat Dialing Denial of Per Activation USOC BRD.

Note 3: Calling Number Delivery Blocking - Permanent is only available to subscribers of Non-Published Listing Service as described in A6.4.1 or special agencies as defined in A13.19.3.A.8.

Exhibit PLF-5

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Select Provider > Select Package > Select Services > Order Summary > Address / Customer Info > Make Payment > Account Summary

I would like to switch my existing home telephone number	◉ Yes ◯ No
Please enter the existing phone number you would like to keep	- -
Please provide your zip code	40203
Please select the local telephone company in your area	BellSouth
Do you qualify for Lifeline assiatance? Learn More	◯ Yes ◯ No

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Select Provider > Select Package > Select Services > Order Summary > Address / Customer Info > Make Payment > Account Summar

Basic

$29.99 * per month

(Monthly price includes prompt pay discount. Learn More)

Package Includes:

- Unlimited Local Calling
- dPi Club Program
- First Month Rate: $39.99

Advantage Package

$36.99 * per month

(Monthly price includes prompt pay discount. Learn More)

Package Includes:

- Unlimited Local Calling
- dPi Club Program
- Call Waiting
- Caller ID
- First Month Rate: $46.99

Premier Package

$39.99 * per month

(Monthly price includes prompt pay discount. Learn More)

Package Includes:

- Unlimited Local Calling
- dPi Club Program
- Call Waiting
- Caller ID
- 3 Way Calling
- Call Forwarding
- Call Return
- First Month Rate: $49.99

Please select a package to proce

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dPi TELECONNECT

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Select Provider > Select Package > Select Services > Order Summary > Address / Customer Info > Make Payment > Account Summary

Please select additional features/services for your monthly plan.

* Click on the feature/service name to view a description

Quote

Basic — Total: $39.99

Unlimited Local Calling

dPi Club Program

First Month Rate $39.99

Third Month Rate with prompt pay discount $29.99

Upgrades

(1st month free) The dPi Club Program ($3.00 Monthly) — remove $0.00

Total Upgrades: $0.00

Grand Total: $39.99
(Excluding Taxes and Fees)

Internet	
True Unlimited *	$9.99
Call Features	
Caller ID *	$12.00
Call Forwarding *	$7.00
Busy Redial *	$7.00
Call Waiting *	$7.00
3 Way Calling *	$7.00
Call Return *	$7.00
Special Offers	
The dPi Club Program, Gold Package (First month free) *	$8.00
The dPi Club Program (First month free) *	$3.00
Inside Wire Maintenance (First month free) *	$5.00
Grace Days/Extension (First month free) *	$2.50
Listing	
Non-Published Listing *	$7.00
Long Distance	
Unlimited Long Distance 877-260-2763 *	$10.00
Long Distance - 500 Anytime Minutes 877-260-2763 *	$8.00
Long Distance - 200 Anytime Minutes 877-260-2763 *	$6.00
Long Distance - 100 Anytime Minutes 877-260-2763 *	$3.50
Package	
Call Feature Bonus Package *	$35.50
Call Feature Super Value *	$27.00
Call Feature Saver *	$16.00
Lifeline	
Lifeline Credit *	($10.00)
1st Month Lifeline Promotional Credit *	($13.45)

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dPi TELECONNECT

Order Summary

ZipCode: 40203 BellSouth

Package and Features Selected	Price	Month 2 Charges	Modify	Remove
Basic Service	$39.99	$39.99	Modify	
1st Month Promotional Credit	($23.45)			
Prompt Pay Discount				
Conversion Credit	($10.00)	($10.00)		
1st Month Promotional Credit	($10.04)			
A.A.M. Fee	$3.50	$3.50		
The dPi Club Program		$3.00	Modify	Remove
Debt and Credit Counseling				
Grocery Coupon Savings Book				
Involuntary Unemployement Insurance				
Product Total	$0.00	$36.49		
Taxes				
Sales Tax	$0.00	$12.89		
Total Amount Due	$0.00	$49.38		

Product Name	Mo.1	Mo.2	Mo.3	Mo.4	Mo.5	Mo.6	Mo.7	Mo.8	Mo.9
Basic Service	39.99	39.99	39.99	39.99	39.99	39.99	39.99	39.99	39.99
1st Month Promotional Credit	-23.45								
Prompt Pay Discount			-10.00	-10.00	-10.00	-10.00	-10.00	-10.00	-10.00
Conversion Credit	-10.00	-10.00							
1st Month Promotional Credit	-10.04								
A.A.M. Fee	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
The dPi Club Program		3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Debt and Credit Counseling									
Grocery Coupon Savings Book									
Involuntary Unemployement Insurance									
Subtotal Product	0	36.49	36.49	36.49	36.49	36.49	36.49	36.49	36.49
Taxes, Fees and Surcharges	0	12.89	12.89	12.89	12.89	12.89	12.89	12.89	12.89
Total	0	49.38	49.38	49.38	49.38	49.38	49.38	49.38	49.38

Exhibit PLF-6

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. P-55, SUB 1577

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Complaint of dPi Teleconnect, L.L.C. Against BellSouth Telecommunications, Inc. Regarding Credit for Resale of Services Subject to Promotional Discounts	)	ORDER DISMISSING COMPLAINT

HEARD IN: Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina on Wednesday, March 1, 2006, at 9:22 a.m.

BEFORE: Commissioner James Y. Kerr, II, Presiding, and Chair Jo Anne Sanford and Commissioner Sam J. Ervin, IV

APPEARANCES:

For dPi Teleconnect, L.L.C.:

Ralph McDonald, Bailey & Dixon, L.L.P., Post Office Box 1351, Raleigh, North Carolina 27602-1351

Christopher Malish, Foster, Malish, Blair & Cowan, L.L.P., 1403 West Sixth Street, Austin, Texas 78703

For BellSouth Telecommunications, Inc.:

Edward L. Rankin, III, BellSouth Telecommunications, Inc., Post Office Box 30188, Charlotte, North Carolina 28230

Andrew D. Shore, BellSouth Telecommunications, Inc., 675 W. Peachtree Street NE, Suite 4300, Atlanta, Georgia 30375

For the Using and Consuming Public:

Robert S. Gillam and Ralph J. Daigneault, Staff Attorneys, Public Staff - North Carolina Utilities Commission, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326

BY THE COMMISSION: On August 25, 2005, dPi Teleconnect, L.L.C. (dPi) filed a complaint against BellSouth Telecommunications, Inc. (BellSouth) seeking credit for resale of services subject to promotional discounts resulting from their interconnection agreement and a hearing. Among other things, dPi resells BellSouth's retail residential telephone services, some of which are subject to BellSouth promotional discounts. On September 19, 2005, BellSouth filed an answer denying dPi's claims and requesting that the Commission dismiss the complaint.

On November 1, 2005, the Commission issued an Order Scheduling Docket for Hearing and Prefiling of Testimony. The hearing was scheduled for Tuesday, February 21, 2006. The Commission requested that the Public Staff participate as an intervenor. On January 4, 2006 the Commission issued an Order Canceling Hearing because of a scheduling conflict. On January 5, 2006, the Commission issued another Order Scheduling Docket for Hearing. The hearing was rescheduled for Wednesday, March 1, 2006. On January 20, 2006, the Commission issued an Order Granting Motion to Change Filing Dates.

As required by the Commission's November 1, 2005 and January 20, 2006 orders, BellSouth filed the testimony of Pam Tipton, a Director in BellSouth's regulatory organization on January 27, 2006. On that same day, dPi filed the testimony of Brian Bolinger, dPi's Vice President of legal and regulatory affairs, and Steve Watson of Lost Key Telecom, Inc., a consultant and billing agent for competing local providers of telecommunications service (CLPs). BellSouth and dPi filed the rebuttal testimony of their respective witnesses on February 10, 2006.

The Public Staff filed a Notice of Intervention on February 27, 2006, but did not file testimony or present witnesses.

An evidentiary hearing was held on March 1, 2006 in Raleigh, North Carolina with each of the above witnesses presenting direct and rebuttal testimony as well as exhibits.

Based on the foregoing, the evidence presented at the hearing, and the entire record in this matter, the Commission now makes the following

FINDINGS OF FACT

1. BellSouth is duly certified as an incumbent local exchange carrier (ILEC) providing retail and wholesale telecommunications service in its North Carolina service area. BellSouth has a duty to offer any telecommunications service that BellSouth offers to its retail customers to competing local providers (CLPs) at wholesale rates for resale. 47 USC 251(c)(4). Pursuant to this obligation, BellSouth permits CLPs to resell discount promotional plans that BellSouth offers to its retail customers.

2. dPi is duly certified as a CLP and purchases telephone service from BellSouth for resale to its end user customers in North Carolina on a prepaid basis.

3. Among the vertical features that BellSouth makes available to end users are call return, repeat dialing and call tracing. These features are available on a per-use basis, as well as a flat-rate monthly basis. The customer has the option to block the utilization of these features on a per-use basis.

4. As a prepaid service provider, dPi, when it purchases service from BellSouth, routinely directs BellSouth to block the per-use utilization of call return, repeat dialing and call tracing.

5. From January 2004 through November 2005, which is the period in issue in this proceeding, BellSouth had in effect a promotion known as the Line Connection Charge Waiver (LCCW). Under this promotion, when a residential customer established new local service with BellSouth and purchased basic service and at least two custom calling features, BellSouth would waive the Line Connection Charge.

6. Under BellSouth's customary procedure, end user customers who qualify for the LCCW promotion are identified at the time they purchase service and are not billed for the Line Connection Charge. However, resellers are required to pay the full wholesale price for any service they purchase, even if the service qualifies for a promotion, and then submit documentation of the promotional credits to which they are entitled. If BellSouth agrees that a reseller is entitled to benefit from a promotion, it will credit the reseller for the appropriate amount. The form that resellers are required to submit to BellSouth when they request promotional credits has been designated by BellSouth as the "BellSouth Interconnection Billing Adjustment Request Form (BAR)."

7. In reviewing dPi's BAR forms, BellSouth took the position that a customer is entitled to benefit from the LCCW only if the customer purchases basic service and two custom calling features for which a charge is made. BellSouth's position is that acquiring the free blocking services BCD, BRD and HBG does not qualify a customer for the LCCW. Accordingly, BellSouth determined that dPi should be given credit for the LCCW only for those of its end users who had purchased two or more paying features in addition to the free blocking services.

8. The BellSouth/dPi interconnection agreement provides that, "Where available for resale, promotions will be made available only to End Users who would have qualified for the promotion had it been provided by BellSouth directly."

9. BellSouth has applied its LCCW promotion as being applicable only to its own customers who purchase basic service and two or more "TouchStar features" for which a charge is made. As a result, given the provisions of the parties' interconnection agreement, dPi is not entitled to credit for customers who purchase only basic service and free blocking features.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT 1-2

These findings of fact are essentially informational, procedural, and jurisdictional in nature, and the matters which they involve are uncontroversial. They are supported by information contained in the parties' pleadings and testimony and the Commission's files and records regarding this proceeding.

EVIDENCE AND CONCLUSIONS FOR FINDINGS OF FACT 3-9

These findings of fact are supported by the testimony and exhibits of dPi witnesses Bolinger and Watson and BellSouth witness Tipton. In general, the witnesses did not contradict each other, but rather offered opposing perspectives on the transactions between the parties. The issues before the Commission involve the proper conclusions to be drawn from largely undisputed facts.

BellSouth is an ILEC. As an ILEC, BellSouth has a duty to offer any telecommunications service that BellSouth offers to its retail customers to dPi at wholesale rates for resale. The Federal Communication Commission (FCC) has determined that BellSouth's resale obligations extend to promotional discounts offered on retail communication services which extend for periods in excess of ninety days.
dPi witness Bolinger testified that dPi is a CLP, operating in 28 states including North Carolina. (Tr. pp. 28, 34) dPi purchases BellSouth's service and resells that service to its own end-user customers on a prepaid basis. BellSouth makes certain promotions available to its retail customers, and dPi, as a reseller, is entitled to the benefit of these promotions (Tr. p. 34).

BellSouth's service includes a variety of vertical features; the ones at issue in this proceeding are also referred to as TouchStar features. Many of these features are listed on BellSouth Cross-Examination Exhibit 2, and they include call return, repeat dialing and call tracing. A customer may pay BellSouth a monthly fee for the right to use call return, repeat dialing or call tracing on an unlimited basis; alternatively, a customer may pay for any of these features on a per-use basis (Tr. p. 73). A customer may also block the utilization of call return, repeat dialing or call tracing on a per-use basis (Tr. p. 74). As shown on BellSouth Cross-Examination Exhibit 2, the blocking of per-use call return, repeat dialing and call tracing is referred to in BellSouth's system by the codes BCD, BRD and HBG, respectively, and BellSouth furnishes BCD, BRD and HBG to customers upon request, without charge.

Witness Bolinger further testified that, whenever dPi purchases telephone service for resale, it blocks all telephone functionalities that can be billed on a per-use basis (Tr. p. 81). This is common practice among prepaid resellers (Tr. p. 84). Accordingly, in purchasing service from BellSouth, dPi routinely blocks per-use call return, repeat dialing and call tracing.

Witness Bolinger stated that one of the promotions offered by BellSouth during the period at issue in this case was the LCCW (Tr. pp. 35-36). Under the terms of this promotion, which are shown in BellSouth Cross-Examination Exhibit 1, when a new customer establishes local service with BellSouth and purchases basic service with two or more custom calling features, BellSouth's Line Connection Charge is waived.

dPi witness Watson testified that he operates Lost Key Telecom Inc., a firm that provides billing services to CLPs (Tr. p. 101). dPi employed Lost Key to prepare and submit promotional credit claims to BellSouth (Tr. p. 101). Witness Watson stated that, when a retail customer is eligible for a promotion, BellSouth automatically reduces the customer's bill by the appropriate amount (Tr. p. 102). However, BellSouth requires resellers to follow a different procedure. Resellers must initially pay the full charges for the service they purchase; they may then submit a form to BellSouth documenting their eligibility for a particular promotion and requesting a credit for the amount associated with the promotion. BellSouth reviews the refund claim forms and determines whether or not it will provide the requested credit (Tr. p. 102). BellSouth Cross-Examination Exhibit 4 is an example of the form that a CLP must submit in order to obtain a promotional credit.

Witness Watson testified that he submitted BAR forms asserting that dPi was entitled to the LCCW, because it had established local service with three custom calling features – the three blocking features, BCD, BRD and HBG (Tr. pp. 102-04). BellSouth refused to credit dPi for the amount of the Line Connection Charge, contending that, because there was no charge for the blocking features, they were not the type of features that qualified for the LCCW (Tr. p. 104). According to witness Watson, if BellSouth had given dPi credit for the LCCW as it should have done, dPi would have received credits in the amount of at least $185,719.49 (Tr. p. 105).

BellSouth witness Tipton testified that BellSouth properly refused to credit dPi for the Line Connection Charge for lines where dPi's customers received only basic service and blocking of per-use call return, repeat dialing and call tracing. According to witness Tipton, the only features that qualify for the LCCW are features for which a charge is made. Unless dPi purchases local service and two or more paying features for a given line, it is not entitled to the benefit of the LCCW (Tr. pp. 215-19). Witness Tipton stated that, in many instances dPi had submitted invalid promotional credit claims to which it was not entitled, such as claims for CREX charges, which are not the subject of any promotion (Tr. pp. 209-10).[1]

None of the witnesses disputed the testimony of opposing witnesses relating to specific factual occurrences. As noted above, this case does not require the Commission to resolve conflicting accounts of the facts, but rather to determine the proper conclusions to be drawn from the facts. The Commission therefore finds the facts to be as set out above, based on the witnesses' un-contradicted testimony.

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[1] dPi originally alleged that BellSouth improperly denied its requests for discount offered as a result of multiple BellSouth promotions. dPi has since limited its claims to the LCCW promotion. Both parties agree that 99 per cent of the disputes center on this promotion.

Beginning in December, 2003, BellSouth requested permission to offer the LCCW promotion. The letter states:

> "During the promotional period, new residence customers who purchase a BellSouth Complete Choice Plan, BellSouth PreferredPack or Community Caller Plus with two custom calling or TouchStar features will receive a waiver of the Line Connection Charge (as found in Section A4 of the GSST)." dPi Exhibit 2, letter to Robert Bennink, General Counsel of the North Carolina Utilities Commission dated December 15, 2003.

Similarly, by letter dated January 12, 2004, BellSouth provided further clarification of the promotion by stating:

> "During the promotional period, new residence customers who purchase a BellSouth Complete Choice Plan, BellSouth PreferredPack or Community Caller Plus with two custom calling or TouchStar features will receive a waiver of the Line Connection Charge (as found in Section A4 of the GSST).This letter is to advise that this promotion will be available only to customers who are returning their local service to BellSouth." dPi Exhibit 2, Letter of January 12, 2004 to Robert Bennink.

Finally, in a letter dated December 17, 2004, which extends the promotion until December, 2005, BellSouth stated:

> "During the promotional period, eligible customers who purchase a BellSouth Complete Choice Plan, BellSouth PreferredPack or Community Caller Plus with two custom calling or TouchStar features will receive a waiver of the Line Connection Charge. This letter is to advise that BellSouth would like to extend this promotion through December 26, 2005. In order to participate in the extension of the promotion, all orders must be placed on or before December 26, 2005." dPi Exhibit 2, Letter of December 17, 2004 to Robert Bennink.

The executive summary for Line Connection Charge Waiver Extension states that, to be eligible for the LCCW, "the customer must switch their local service to BellSouth and purchase any one of the following: ... BellSouth Basic Service and two (2) custom calling (or TouchStar service) local features." BellSouth Cr. Ex. 1. "TouchStar is a group of central office call management features offered in addition to basic telephone service." BellSouth GSST A13.19.1., BellSouth Cr. Ex. 2. TouchStar service features include call return, repeat dialing, call tracing...[2] GSST A13.19.2., BellSouth Cr. Ex. 2. Call return, repeat dialing and call tracing are available on a monthly or subscription basis. GSST A13.19.2(A)(B) and (C), BellSouth Cr. Ex. 2. "Access to the usage option [i.e., call return, repeat dialing, or call tracing] can be

[2] Although there are more defined TouchStar service features defined in the tariff, only the three listed herein are applicable to this proceeding.

restricted at the customer's request at no charge." GSST A13.19.2(A)(B) and (C), BellSouth Cr. Ex. 2.

dPi restricts access to call return, repeat dialing, or call tracing as permitted by the tariff by including BCR, BCF and HBG (Blocking) features in every new order for basic telephone service. These blocks are not defined features in the TouchStar tariffs. Each block, however, is identified as a feature in the rates and charges section of the TouchStar tariff. GSST A13.19.4, BellSouth Cr. Ex. 2.

The parties to this proceeding have diametrically opposing positions on the interpretation of BellSouth's promotion. dPi argues that "all that is required to qualify for these promotions is the purchase of basic services with two TouchStar features." (Tr. p. 37). Further, dPi argues that it has done all that is necessary to qualify for the promotion discount by ordering at least two of the aforementioned blocks. BellSouth counters that blocks are not purchased features and do not qualify under the promotion. Further, BellSouth contends that dPi customers are ineligible for credits because dPi end users do not meet the same criteria that BellSouth retail customers must meet to benefit from the promotion as required by the interconnection agreement.

dPi urges the Commission to intervene in this dispute to divine the "proper" meaning of the promotion and require BellSouth to pay the appropriate credits. Were it to do so, the Commission would resort to various judicially acknowledged rules to assist it in interpreting the promotion. However, after careful consideration, the Commission concludes that we are not required to analyze and decide this case based on the language of the promotion. The fact is that BellSouth and dPi jointly agreed to methodology for determining the limits of <u>any</u> promotion in their voluntarily negotiated interconnection agreement. The following language governs this Commission's interpretation of this promotion:

> "Where available for resale, promotions will be made available only to End Users who would have qualified for the promotion had it been provided by BellSouth directly." (Exhibit PAT-1).

Under the clear language of this provision, promotions are *only* available to the extent that end users would have qualified for the promotion if the promotion had been provided by BellSouth directly. In Witness Tipton's testimony, she stated emphatically that BellSouth does not authorize promotional discounts to its End Users who only order basic services and the blocks provided by dPi. (Tr. pp. 245-247). This fact was uncontested by dPi at the hearing and unrebutted in its post hearing brief. The Commission assumes that, if dPi had any contradictory evidence, it would have brought that evidence to our attention. This fact is dispositive. Under the clear terms of the interconnection agreement and the facts of this case, dPi end users who only order blocking features are *not* eligible for the credits because similarly situated BellSouth End Users are not entitled to such credits. dPi's complaint should therefore be denied.

In making this decision, the Commission acknowledges that dPi is at a disadvantage in the promotional process. Ultimately, however, the exact design and contour of any promotion is completely within the vendor's discretion. BellSouth, like any other vendor, can choose to offer a promotion or not. BellSouth, like any other vendor, can establish terms that permit the consumer to benefit from the promotion or not. There is very little that dPi or this Commission can do to compel BellSouth to change or restructure any promotion unless the terms of the promotion are unconscionable, unconstitutional or violative of the laws or public policy of this State. In this case, there is no evidence that the LCCW promotion offered by BellSouth is unconscionable, unconstitutional or violative of the laws or public policy of this State.

One could argue that it is unconscionable to permit BellSouth to escape its financial responsibility in this case since BellSouth drafted an inherently ambiguous tariff which was reasonably subject to the interpretation adopted by dPi. Ordinarily, an ambiguity is construed against the drafter in situations such as the one at bar. However, dPi has waived its right to rely upon this rule through the bargaining process by agreeing to the aforementioned clause in the interconnection agreement. Thus, in order for us to reach the result that dPi desires, this Commission would be required to disregard the voluntarily negotiated interpretive aid found in the interconnection agreement and, in its place, substitute a judicially created interpretative aid. We decline to do so under these circumstances.

In issuing this Order today, we base our ruling on the unique facts of this case. We expressly decline to determine whether BellSouth's interpretation of the promotion, which prohibits credits being awarded when an end user purchases only basic service and no cost blocking features is correct as such a determination is unnecessary to finally and completely dispose of this case.

Finally, the Commission notes that the Public Staff discussed at length the shortcomings of BellSouth's process for determining which promotional credits dPi was entitled to receive. dPi witness Watson testified that BellSouth does not automatically calculate the promotional credits available to its resale customers at the time an order is submitted, as it does for its retail customers; instead, BellSouth requires resellers to audit their bills and apply for credits after the fact (Tr. p. 102). Moreover, witness Watson testified that BellSouth's system makes it extremely difficult for the reseller to apply for promotional credits. (Tr. p. 108), The credit request must be documented on forms created by BellSouth, listing details of every order for which credit is requested. The data supplied to BellSouth must come from BellSouth's own billing and ordering data, which are traditionally supplied to resellers in paper form or in a "DAB" file that is difficult to work with. Figuring out how to apply for the credits takes a significant amount of resources and time, and, as a result, many CLPs are not able to utilize the promotional credits and discounts.

The Public Staff viewed this process as cumbersome, difficult, and time-consuming to such an extent that the cost of qualifying for a promotion may be higher than the promotional benefit offered by the ILEC. Neither dPi nor BellSouth raised this issue as one to be decided in this proceeding. Nevertheless, the Public Staff invites this

Commission to modify the process to make it less burdensome. We decline the invitation in the context of this complaint proceeding.

If any party in this proceeding desires a more thorough inquiry into this issue, the issue would more appropriately be addressed in a generic proceeding. A generic proceeding would allow these parties and *any other parties with an interest* in the process an opportunity to fully explore BellSouth's process with an eye toward developing a global, universally applicable, solution to any problems identified. This approach is preferable to any limited solution which we could fashion in this proceeding. Thus, if any party, including the Public Staff, desires to resolve this issue, we would consider opening a generic docket upon an appropriate, factually supported petition being filed.

For the reasons set forth herein, dPi's complaint is dismissed.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 7th day of June, 2006.

NORTH CAROLINA UTILITIES COMMISSION

Patricia Swenson

Patricia Swenson, Deputy Clerk

Ah060606.07

KENTUCKY PUBLIC SERVICE COMMISSION

COUNTY OF DeKALB
STATE OF GEORGIA

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared P.L. (Scot) Ferguson, who being by me first duly sworn deposed and said that he is appearing as a witness on behalf of BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky, before the Kentucky Public Service Commission in Docket No. 2005-00455, In the Matter of dPi Teleconnect, L.L.C. v. BellSouth Telecommunications, Inc., and if present before the Commission and duly sworn, his statements would be set forth in the annexed rebuttal testimony consisting of 19 pages and 1 exhibits.

P. L. (Scot) Ferguson

P. L. (Scot) Ferguson

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 12th DAY OF JANUARY, 2010

Gay P. Ditz

Notary Public

770053

Gay P. Ditz
Notary Public, DeKalb County, Georgia
My Commission Expires February 9, 2011

AT&T KENTUCKY

REBUTTAL TESTIMONY OF P.L. (SCOT) FERGUSON

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DOCKET NO. 2005-00455

JANUARY 13, 2010

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes, I filed Direct Testimony on January 13, 2010.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My Rebuttal Testimony responds to portions of the Direct Testimony filed on May 1, 2008, by Brian Bolinger and Steve Watson on behalf of dPi Teleconnect, L.L.C. ("dPi").

Q. BEFORE GETTING INTO THE SPECIFICS OF DPI'S TESTIMONY, DO YOU HAVE ANY GENERAL COMMENTS?

A. Yes. In the majority of his testimony, Mr. Watson discusses at great length the process by which AT&T Kentucky ("AT&T") reviewed CLEC requests for promotional credits in the past. This process is not at issue and has nothing to do with the issues in this proceeding. Moreover, Mr. Watson's testimony does not even relate to current conditions. Mr. Watson makes general references to events that occurred between 2003 and 2005. Many of Mr.

Watson's comments relate to processes that, as I discussed in my direct testimony, have not been utilized since that time. AT&T developed and instituted an automated review process in 2006 so the process that Mr. Watson discusses in his testimony no longer exists. dPi's complaint centers on its claim that it did not receive promotional credits to which it believes it is entitled. (dPi Complaint, p. 3) Nowhere in its complaint does dPi discuss the process by which AT&T reviews CLECs' requests for promotional credits.

The only issue that is before this Commission is whether dPi is entitled to credits for reselling certain AT&T promotions; more specifically, whether dPi's end users would have qualified for the specific promotion requested had they been an AT&T end user.

Q. ON PAGE 1, LINES 16-19, MR. BOLINGER STATES THAT AT&T "IS REQUIRED BY LAW TO MAKE AVAILABLE FOR RESALE ANY PROMOTION THAT BELLSOUTH MAKES AVAILABLE TO ITS CUSTOMERS" AND THAT THIS CASE ARISES "BECAUSE OF BELLSOUTH'S REFUSAL TO EXTEND ITS PROMOTIONAL PRICING TO DPI." IS MR. BOLINGER'S CHARACTERIZATION OF BELLSOUTH'S ACTIONS ACCURATE?

A. No. Based on the law and dPi's Interconnection Agreement with AT&T, AT&T will make available for resale applicable promotions to "End Users who would have qualified for the promotion had it been provided by [AT&T] directly." AT&T is not *refusing* to extend its promotional pricing to dPi. AT&T has denied dPi's request for these particular promotional credits because dPi, and more specifically, dPi's end user customers, do not qualify for the promotions. When reselling promotions, a CLEC's end user customer must meet the same requirements as an AT&T retail end user customer in order to qualify for the promotion. dPi's end user customers did not meet these requirements and, therefore, dPi's requests to receive credit were denied.

Q. WHY DID AT&T DENY DPI'S REQUEST FOR PROMOTIONAL CREDITS UNDER THE PROMOTIONS AT ISSUE IN THIS PROCEEDING?

A. It is undisputed that the promotions at issue in this proceeding have specific requirements that must be met in order for a customer to qualify for the promotion. One of the specific requirements for the Line Connection Charge Waiver ("LCCW") and the Secondary Service Charge Waiver ("SSCW") promotions is that "the end user customer must purchase a minimum of basic local service and two Custom Calling or TouchStar® features." AT&T denied most of dPi's requests for credit for the LCCW and SSCW promotions because the orders submitted by dPi did not satisfy this criterion. dPi contends that its addition of free "call blocks", also referred to as "denial per activation", to its end user accounts qualifies those end users for the promotion.[1] However, these call blocks are not qualifying features. Also, these call blocks are available at no charge, thus, there was no purchase of a Custom Calling or TouchStar® feature, a call block or any other service.

[1] The proper name of the service in question, as set forth in the Kentucky General Subscriber Services Tariff is "denial of per activation". This free service is often informally referred to as a "call block" or "call restriction". Hereinafter, these terms are used interchangeably.

Q. DID DPI END USERS ORDER THE CALL BLOCKS?

A. No. dPi has admitted (during Mr. Bolinger's depositions and hearing testimony in North Carolina and Florida) that dPi places call blocks on its customers lines without its customers' knowledge that such call blocks are there.

Q. DID DPI PASS THE PROMOTIONAL CREDITS THAT IT RECEIVED ON TO ITS END USER CUSTOMERS?

A. No. Again, during his depositions and hearings in North Carolina and Florida, Mr. Bolinger admitted that dPi does not pass the promotional credits it receives from incumbent local exchange carriers, such as AT&T, to its end user customers. Unlike AT&T's retail end user customers who are the beneficiaries of AT&T's promotions, dPi, and not dPi's end user customers, is the only beneficiary of any promotional credits that dPi is granted.

Q. MR. BOLINGER (PAGE 5, LINES 1-4) AND MR. WATSON (PAGE 7, LINES 15-21) CLAIM THAT AT&T IS TREATING DPI UNFAIRLY AND INCONSISTENTLY BECAUSE IT GRANTED SIMILAR CREDIT REQUESTS FROM OTHER CLECS DURING 2004. ARE SUCH STATEMENTS TRUE?

A. No, AT&T is not treating dPi in an unfair or inconsistent manner. There are several facts that are missing in their statements that are relevant to their assertions.

In August and September 2004, Lost Key began submitting thousands of promotional credit requests not just for dPi, but for several different CLECs it represented. These requests covered a six-month to a year backlog of CLEC service orders. AT&T was in the process of working through the voluminous number of requests when Mr. Watson contacted AT&T and requested AT&T to prioritize Budget Phone's credit request and process it as soon as possible. Lost Key's operations had been severely damaged as a result of Hurricane Ivan in September 2004 and Mr. Watson, who is compensated on a percentage basis of how much money he recovers for his clients, needed his commission fee in order to continue his business operations.

Therefore, in September 2004, AT&T, assuming that Budget Phone's requests were valid and qualified promotional credit requests, credited Budget Phone almost 100% of the credit Budget Phone applied for. Shortly after issuing the credit, AT&T realized that Budget Phone had received credit for promotions that it did not qualify for, and that many of the promotions that had been submitted by Lost Key on behalf of its CLEC clients during the August and September 2004 timeframe also did not meet the qualifications of the promotions as submitted. AT&T notified Lost Key it was suspending the granting of credits submitted, which it applied to *all* CLEC requests, and immediately initiated the development of a process for reviewing the requests for promotional credits to ensure that the credit requested met the terms of the specific promotion.

AT&T's only misstep during this time period is that it trusted Lost Key and the CLECs it represented to submit valid promotional credit requests for promotions for which their end users actually qualified. Unfortunately, CLECs, including those CLECs represented by Mr. Watson, took advantage of what was, at the time, a process in which CLEC credit requests were not closely scrutinized, by submitting credit requests for which they did not qualify.

Q. WHY DID IT TAKE UNTIL APRIL 2005 FOR AT&T TO CREDIT DPI?

A. As I mentioned above, Lost Key submitted thousands of promotional credit requests on behalf of several different CLECs in August and September 2004. When AT&T realized that CLECs were applying for promotions that they did not qualify for, AT&T initiated the development of a process to validate requests for promotional credits. This effort began with an internal review by the wholesale organization to ensure consistent interpretation of the company's retail promotions. Upon completion of such investigation, AT&T began its evaluation of dPi's promotional credits in early 2005 and completed the reviews in late February/March 2005, with billing credits appearing on dPi's April and May 2005 billing statements.

Q. WOULD THIS BE WHAT MR. BOLINGER IS REFERRING TO ON PAGE 3 OF HIS TESTIMONY WHEN HE SUGGESTS THAT AT&T WAS TESTING "POSSIBLE REASONS FOR NOT PAYING THE CREDITS"?

A. I cannot answer for Mr. Bolinger, but I can state that AT&T has never tested "reasons for not paying" credits for promotions where the eligibility requirements have been met. AT&T was simply developing a process to review CLEC requests for promotional credits so that it could properly apply retail promotions to its wholesale CLEC resellers. Due to the overwhelming volume of credit requests submitted by Lost Key in August and September 2004, AT&T's wholesale operations realized that its was not in the position to closely scrutinize promotional credit requests submitted by CLECs on a regular basis. When it became apparent that a process was necessary for the proper auditing of CLEC promotional credit requests, AT&T, like any business, took the time to evaluate the terms of the promotions and how AT&T's retail end users qualify for such promotions and then developed a process to review and approve/deny CLECs' requests, as appropriate.

Q. MR. BOLINGER (PAGE 4) AND MR. WATSON (PAGE 9) REPRESENT THAT THE BLOCKS AT ISSUE IN THIS CASE ARE FEATURES. ARE THEY CORRECT?

A. No. As I discussed in my direct testimony, the term "feature" does not include blocks that are available free of charge to prevent the use of actual service features. Instead, these blocks or "denial(s) of per activation," as they are referred to in the Kentucky Tariff, are a means to disable, deactivate or otherwise prevent the operation of the service feature. More importantly, the different "denial(s) of per activation" at issue in this case are not included as Features in the Definition of Feature Offerings in the Kentucky General

Subscriber Services Tariff. They are described under specific Features as a method to restrict access to the "per activation" option of particular features at no charge and are not represented to be a Feature themselves.

Q. MR. BOLINGER (PAGE 3) AND MR. WATSON (PAGE 9) SUGGEST THAT AT&T DROPPED THE ARGUMENT THAT CALL BLOCKS WERE NOT FEATURES BUT THEN LATER REVIVED THE ARGUMENT. IS THAT TRUE?

A. No. I am not sure what Mr. Bolinger and Mr. Watson are referring to. AT&T has been consistent in its position that call blocks, or "denial(s) of per activation", are not features and that any order that dPi submitted for a promotional credit request that only had a basic line and two or more call blocks was denied because it did not meet the requirements of the promotion. This position has never changed.

Q. ARE THE TIMEFRAMES MR. WATSON (PAGES 6-7) DISCUSSES IN HIS TESTIMONY AN ACCURATE DESCRIPTION OF THE EVENTS SURROUNDING DPI'S PROMOTIONAL CREDIT REQUESTS?

A. Not completely. First, Mr. Watson suggests that he worked with AT&T in 2003-2004 to develop AT&T's electronic submission process. As I discussed in my direct testimony, AT&T did not begin developing its automated verification process until mid-year 2005 and subsequently implemented it in April 2006. Therefore, Mr. Watson's suggestion that he "worked with" AT&T

on this process during the 2003-2004 timeframe is incorrect.

Q. DID MR. WATSON WORK WITH AT&T IN THE DEVELOPMENT OF AT&T'S AUTOMATED VERIFICATION PROCESS?

A. Mr. Watson's involvement in the development of the automated verification process was *very* limited. In an effort to ensure that the automation process flow would be successful, AT&T worked with Mr. Watson to ensure that the form CLECs would use when submitting electronic promotional credit requests was compatible with the automated verification process AT&T was developing. Any "approvals" that Mr. Watson claims to have received were instances of confirmation that the form flowed through the process. Any confirmation Mr. Watson might have received regarding the process flow was not regarding the actual content that was submitted.

Q. HAS AT&T ACTED IN AN UNFAIR MANNER TOWARDS DPI AND DPI'S PROMOTIONAL CREDIT REQUESTS?

A. Absolutely not. As soon as the issue about how to apply the promotion to reseller CLECs arose, AT&T immediately stopped issuing credits to all outstanding credit requests and evaluated the situation. Based upon its findings, AT&T then applied those criteria to the outstanding requests and applied credits accordingly on a going forward basis.

dPi appears to contend that because two other CLECs received credits based upon requests that did not qualify, dPi is entitled to receive credits for invalid requests as well. This position is ridiculous. Clearly, the fact that two CLECs improperly received credits by submitting invalid requests does not mean that AT&T should be required to grant credits to the whole CLEC community, or to just one other CLEC, once a problem is identified.

Q. MR. BOLINGER (PAGE 3) AND MR. WATSON (PAGE 9) DISCUSS HOW THE USOCS INVOLVED IN THIS CASE ARE TREATED IN THE UNE REGIME. IS SUCH DISCUSSION RELEVANT TO THIS PROCEEDING?

A. No. This proceeding is about resale promotions. The services in question were not subscribed to as UNEs. The services in question were AT&T retail services that were being resold by dPi. Any correlation as to what happens, or happened, in the UNE regime is irrelevant to this proceeding.

Q. CAN YOU EXPLAIN WHY THIS IS THE CASE?

A. Resale is the purchase by a CLEC of AT&T's pre-packaged retail service offerings at a discounted price and reselling that service offering under the CLECs name and brand. With UNEs, a CLEC purchases/leases individual components of AT&T's network and combines those individual elements to create its own "retail" service offering. Resale and UNEs are two separate and very different offerings and are governed by two separate pricing principles. They cannot be compared to one another.

Q. PLEASE ADDRESS THE TESTIMONY OF MR. BOLINGER (PAGES 5-6) AND MR. WATSON (PAGE 8) WITH REGARD TO THE DISCOVERY AT&T PRODUCED IN FLORIDA RELATING TO RETAIL SERVICE RECORDS.

A. Mr. Bolinger and Mr. Watson claim that, based upon the retail service order data produced in Florida, dPi was able to determine that AT&T has granted the LCCW promotion to its own retail customers who ordered basic local service and call blocks, but no features. AT&T did not grant the LCCW promotion to its own end users who did not meet the eligibility requirements of ordering and paying for basic service and at least two features. In the data produced, waivers of the line connection charge occurred for other legitimate reasons as I explain further below. The fact that the data showed an AT&T retail customer receiving a credit does not support dPi's conclusion that the LCCW promotion was provided to end users who did not meet the required eligibility criteria. Such a conclusion can not be drawn from the data.

Q. HAS AT&T PREVIOUSLY ADDRESSED DPI'S CLAIMS IN ANY OTHER STATE?

A. Yes. In November 2007, dPi filed a Motion for Reconsideration in a North Carolina proceeding relating to the same issues in this proceeding. In response to dPi's Motion for Reconsideration, AT&T filed Pam Tipton's written affidavit with the North Carolina Utilities Commission on December 17, 2007. The affidavit, a copy of which is attached hereto as Exhibit PLF-7, provides a detailed description of the elements I outlined above.

Q. WHY CAN DPI'S CONCLUSIONS NOT BE DRAWN FROM THE DATA?

A. There are several reasons. First, the data itself does not identify when the LCCW promotion was given to an AT&T customer. Second, AT&T issued a waiver of line connection charges to customers for appropriate reasons other than the promotion as further explain in my testimony below. Finally, it was not AT&T's practice to grant the LCCW promotion to end users who did not meet the eligibility requirements. Therefore, there can be no reliable or supportable conclusion drawn from the data that AT&T granted the LCCW promotion to customers who did not meet the eligibility criteria.

Q. WHAT INFORMATION IS INCLUDED IN THE DATA?

A. In its data request, dPi requested AT&T to "identify any and all occurrences, on a month to month basis beginning January, 2002, on an end user ordering BellSouth basic service plus any two of the three following features: ...call return block...repeat dialing block...call tracing block..." Because dPi's request focused on how retail customers order their service, AT&T attempted to fulfill the request based on data from its retail service ordering system. AT&T developed a methodology to extract certain data from service orders that met the parameters of dPi's data request. However, pursuant to AT&T's standard record retention guidelines, actual service order data is only retained for a period of 24 months. AT&T provided dPi the first set of data, which closely matched dPi's request and was compiled from service order data from

January 2005 through August 2007 ("Service Order Data").[2]

For time periods extending beyond 24 months, only partial data is retained. The data that is retained is in a format that is not readily searchable and that may be contained in different source files, depending on the nature of the data. Therefore, the information that dPi sought could not be extracted from the service ordering systems from which the Service Order Data was taken. However, in an abundance of caution and in an effort to be responsive, AT&T developed a second methodology to provide a surrogate to the Service Order Data for the time period prior to January 2005. This second methodology required extensive programming to extract the pertinent information from customers' accounts, corporate billing records and a corporate financial database (together, "Billing Data") that, together, provided a close surrogate to the Service Order Data.[3]

Q. WHAT DOES DPI'S ANALYSIS SHOW?

A. To be blunt - nothing. The data itself cannot be used to perform the analysis dPi is trying to perform. There is no way, based upon the data provided, dPi can determine if a customer who received a waiver of certain non-recurring charges received the waiver because they qualified for the promotion or for

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2 AT&T was able to provide an additional six months of service order data because the extra data (January 2005 – July 2005) had been maintained for other business needs.

3 Although dPi's request asked for charges billed to AT&T's customers, neither set of data contains the amount customers were actually charged for the services, due to the limitations in data retained in AT&T's systems. Instead, the data sets contain a table-driven entry that contains the revenue associated with the particular service. The table is refreshed on the last Friday of every month and could result in information that was relevant at the time the customer placed their order to be dropped from the reports provided to dPi.

some other reason. The "N" orders (identified in the Service Order Data) represent all new billing accounts that are established, whether for completely new accounts, for re-established accounts or for reacquisition/win-back accounts. There is no way to distinguish among these various activities without reviewing the actual service order issued – and in some cases, the service order information proves inconclusive. Thus, it is impossible to determine from the data dPi requested if a particular customer's account is receiving a waiver because of the LCCW promotion or for another reason.

Q. IN WHAT INSTANCES MIGHT A WAIVER APPLY?

The waivers reflected in the data set are given for several reasons, not just for the LCCW promotion. In fact, AT&T's use of these waiver codes pre-dates the implementation of the LCCW promotion. For example, as provided in the tariff, when a customer restores service following a natural disaster or when a customer reconnects service after being disconnected in error, AT&T would waive certain non-recurring charges, including the line-connection charge. During 2004 and 2005 (a time period essential to dPi's argument), Florida (the state the data was pulled from) was severely impacted by hurricanes and many customers' service was temporarily disconnected. Based on AT&T's tariff, when a customer's home is destroyed, AT&T waives the line connection charge when the customer establishes service (thus initiating an "N" order) (i) at their temporary location and (ii) then again when they return to their permanent location and reestablish service.

Another example of a waiver unrelated to the LCCW promotion is a split-bill situation, in which roommates are dividing one billing account with two existing lines into two separate billing accounts. In that case, the service representative initiates an "N" order, makes the notation of the billing change and places a waiver code to waive any non-recurring charges that might typically apply to a new order. Regardless of the reason for waiving a non-recurring charge, one or more of the universal waiver codes (WNR, WSO and/or WLC) would appear on the service order.

Q. BASED UPON THE INFORMATION ABOVE, IS THERE ANY VALIDITY TO THE CONCLUSIONS REACHED BY DPI FROM THIS DATA?

A. No. Contrary to dPi's statements, there is no way that dPi could have analyzed either the Service Order Data or the Billing Data and properly concluded that AT&T was inappropriately giving its retail customers the LCCW promotion every time a waiver code appeared on an account. The data did not indicate if a waiver was being given as a result of the LCCW promotion or because of another reason. AT&T previously informed dPi of the limitations in the data, which, in the form that dPi requested, is not sufficient for the analytical purposes that would lead to a reliable conclusion. Nevertheless, dPi has presented its conclusions to the Commission in a way that mischaracterizes the data. The conclusions dPi draws simply cannot be drawn from the data dPi requested nor can it be mechanically extracted from the raw service order data.

Based on the above analysis, it is clear that dPi: (i) ignored information from AT&T that indicated that the data could not result in any reliable analysis; (ii) proceeded with an analysis based on data it mischaracterized; (iii) presented evidence to this Commission that was incomplete and misleading; and (iv) provided conclusions that are based on speculation and faulty data. Based on these reasons, dPi's analysis has no merit and should be ignored.

Q. DID AT&T DO A REVIEW OF THE DATA PROVIDED TO DPI?

A. Yes. In response to dPi's claims, AT&T performed an analysis of a sample of the underlying service orders that were the source for the data provided to dPi. In doing so, AT&T used appropriate assumptions and took into consideration the data limitations noted above. Specifically, AT&T reviewed a random sample of 136 service orders that fell within dPi's classification of waived charges.

The review revealed that many of the service orders did not provide a significant amount of new information. However, in my review, I was able to ascertain that a significant number of service orders listed reasons for the waiver, and these reasons were not the LCCW promotion. There were many orders that contained the waiver because the retail customer either had been disconnected in error, had purchased a bundled offering with two or more chargeable services and/or features or had purchased a non-packaged offering with two or more chargeable services and/or features. dPi's claim that all of the service orders that received a waiver received such waiver as a result of the LCCW promotion was proven to be inaccurate. The fact is there are no specific indicators on the service orders that any of the waivers were given as a direct result of the LCCW promotion and it was not AT&T's practice to provide the LCCW promotion to customers who did not meet the eligibility requirements.

Q. DO YOU HAVE ANY CONCLUDING REMARKS?

A. Yes. Mr. Watson and Mr. Bolinger attempt to obscure the issues and the facts in this case. This case is not about the process AT&T follows to issue promotional credits to CLECs. The issue is whether dPi is entitled to credits under certain promotions. The answer to that question for the majority of dPi's promotional credit requests, and for all of the requests AT&T denied, is "no". As I discussed in my direct testimony, where dPi's end users have met the appropriate requirements of the promotion at issue, AT&T has granted dPi the promotional credit. However, most of dPi's promotional credit requests did not meet the criteria of the promotion in question and therefore, dPi is not entitled to these credits. dPi submitted credit requests for services that were not eligible for the promotion they applied for. In addition, the services dPi claimed qualified their service orders for the promotion included services that dPi's own end users had not ordered. Because these items are free of charge, dPi was able to add them to its end users account without its end users' knowledge. dPi then tried to use such services to receive a promotion to reduce its cost of providing service. Any promotional credit that dPi did receive from AT&T was not passed onto its end user. dPi simply is trying to game the system by reducing its cost for basic local service below the resale discount already established by this Commission. Such tactics should not be allowed.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

Exhibit PLF-7

(Proprietary Document)

NORTH CAROINA

BEFORE THE UTILITIES COMMISSION

In the matter of:	)	
	)	
dPi Teleconnect, L.L.C	)	
v.	)	Docket No. P-55, Sub 1577
AT&T North Carolina	)	
	)	

AFFIDAVIT OF PAM TIPTON

1. My name is Pam Tipton. The following statements are made under oath and are based on personal knowledge.

2. I am currently employed by AT&T (formerly BellSouth Telecommunications, Inc.) as a Director – Regulatory Policy and Support, Wholesale Operations. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

3. I have 20 years experience in telecommunications, with my primary focus in the areas of process development, services implementation, product management, marketing strategy and regulatory policy implementation. In my role as Director, I am responsible for implementing state and federal regulatory mandates for AT&T Wholesale and determining the impact of such mandates on the Wholesale business unit.

4. On August 25, 2005, dPi Teleconnect, L.L.C. ("dPi") filed a complaint with the North Carolina Utilities Commission (the "Commission") alleging that AT&T (which, at the time of dPi's complaint, was BellSouth) was

withholding promotional credits that were due to dPi under the Line Connection Charge Waiver ("LCCW"), Secondary Service Charge Waiver ("SSCW") and the Two Features for Free ("TFFF") promotions. On June 7, 2006, the Commission issued its Order Dismissing Complaint, ruling in AT&T's favor. After receiving certain data from AT&T in another proceeding in another state, dPi filed a Motion for Reconsideration with the Commission on November 19, 2007 ("Motion for Reconsideration").

5. In its Motion for Reconsideration, dPi asks the Commission to reconsider its previous findings because dPi asserts that the testimony I provided during the hearing was incorrect. dPi bases its claim upon discovery produced in a similar proceeding in the state of Florida.

6. The purpose of my affidavit is to address issues raised by dPi in its Motion for Reconsideration. I also explain: (1) what data AT&T produced in Florida; (2) why dPi's analysis of the data is incorrect; and (3) how dPi's conclusions are inaccurate and misleading. I will also provide additional information that contradicts dPi's assertions.

I. <u>Data Provided to dPi by AT&T</u>

7. dPi requested AT&T to "identify any and all occurrences, on a month to month basis beginning January, 2002, on an end user ordering BellSouth basic service plus any two of the three following features: ...call return block...repeat dialing block...call tracing block..." (See Footnote 3, Motion for Reconsideration.) Because dPi's request focused on how retail customers order their service, AT&T attempted to fulfill the request based on data from its retail

service ordering system. AT&T developed a methodology to extract certain data from service orders that met the parameters of dPi's data request. However, pursuant to AT&T's standard record retention guidelines, actual service order data is only retained for a period of 24 months. Thus, on September 26, 2007, AT&T provided dPi the first set of data, which closely matched dPi's request and was compiled from service order data from January 2005 through August 2007 ("Service Order Data").[1]

8. For time periods extending beyond 24 months, only partial data is retained. The data that is retained is in a format that is not readily searchable and that may be contained in different source files, depending on the nature of the data. Therefore, the information that dPi sought could not be extracted from the service ordering systems from which the Service Order Data was taken. However, in an abundance of caution and in an effort to be responsive, AT&T developed a second methodology to provide a surrogate to the Service Order Data for the time period prior to January 2005. This second methodology required extensive programming to extract the pertinent information from customers' accounts. On November 7, 2007, AT&T provided dPi the second set of data for May 2003 through December 2005 based on extracts from billing records and a financial database ("Billing Data") that, together, provided a close surrogate to the Service Order Data.[2]

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1 AT&T was able to provide an additional six months of service order data because the extra data (January 2005 – July 2005) had been maintained for other business needs.

2 Although dPi's request asked for charges billed to AT&T's customers, neither set of data contains the amount customers were actually charged for the

9. While AT&T has made every attempt to provide dPi the information dPi requested, AT&T's legacy systems were not designed to produce data to be used in forensic analysis as dPi has attempted. The service order system is designed to accept customer telecommunications and billing request information, translate that information into a service order that contains: (i) a Bill Section (containing administrative information); (ii) a Service and Equipment section (containing Universal Service Order Codes ("USOCs"), Field Identifiers ("FIDs"), other information that enables telecommunications services to be provisioned and billed); and (iii) a Remarks section for any special instructions. A service order flows from the front end interfaces, through the network provisioning and inventory systems, and when completed, posts to the billing system. The billing system is designed for the express purpose of rendering consumer and business customer bills. Certain portions of the information contained on rendered bills are retained in AT&T's systems. Separately, revenue information, classified by product code and certain billing phrase codes, is retained in AT&T's financial systems. Some of this data is retained, and some is not. The bottom line is the service ordering system and the billing records are not designed to provide a permanent record as to why certain activities, such as the waiving of charges, took place. Trying to recreate service order activity from data stored in multiple systems based upon service requests that were processed in the past, in an

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services, due to the limitations in data retained in AT&T's systems. Instead, the data sets contain a table-driven entry that contains the revenue associated with the particular service. The table is refreshed on the last Friday of every month and could result in information that was relevant at the time the customer placed their order to be dropped from the reports provided to dPi.

attempt to determine the circumstances surrounding the order, will not provide meaningful results. AT&T tried to explain this to dPi, but dPi was insistent on receiving the data. The problem is not with the data or AT&T's systems: the problem is that dPi has requested information thinking that it would provide a definitive answer about what customers ordered and why certain waivers were given. The systems are not designed to provide that level of information, so any conclusions drawn from the data are purely conjecture.

A. Detail of What the Service Order Data Contained and Shortcomings of Data

10. The Service Order Data provided to dPi contained all "new" type service orders (referred to as "N" orders, as explained below) for AT&T retail end users that had two or more of the free call blocking USOCs (i.e., BCR, BRD and/or HBG) for the time period of January 2005 through August 2007.[3] Specifically, the report contained the following data: 1) the month and year the service order posted to the bill; 2) the billing account number; 3) the service order number; 4) an indicator regarding whether a non-recurring charge waiver code was present on the service order, either in the billing section or adjacent to a particular USOC; 5) the basic class of service and certain other USOCs , such as certain TouchStar® or Custom Calling features that might have qualified the order for the LCCW promotion; and 6) an indicator for monthly recurring revenue associated with the particular USOC service. AT&T believes that the Service

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[3] BCR is the USOC for blocking the TouchStar® Call Return Feature. BRD is the USOC for blocking the TouchStar® Repeat Dialing Feature and HBG is the USOC that blocks the TouchStar® Call Tracing Feature.

Order Data comes closer to providing the information dPi requested than does the Billing Data. It provides a snapshot picture in time of the services a customer ordered when establishing service. dPi attached AT&T's responsive documents to its Motion for Reconsideration. See Appendix 3: 9/26/07 Supplemental Item 1-19, pages 000001-000685.

11. On October 8, 2007, dPi sent AT&T a letter requesting clarification regarding the Service Order Data. On October 29, 2007, AT&T provided dPi a written explanation of the data. Both dPi's October 8th letter and AT&T's October 29th letter are attached hereto as Exhibit A.

12. In its letter to dPi, AT&T explained that it was able to identify "new" service orders because AT&T's ordering systems utilize an order number naming nomenclature that aligns with the activity being performed. Order numbers beginning with an "N" indicate a "new account" and are used anytime a billing account is being established. This may include either a brand new account (e.g. new customer, split billing of an existing account, or reacquisition/win-back) or the re-establishment of a previously disconnected account (e.g. disconnection in error, re-establishment after force majeure, or re-establishment following disconnect for non-pay). Importantly, AT&T also highlighted that not all new "N" orders are reacquisition or win-back customers and that A&T had not yet determined a method to identify separately this class of customers. Further, from the data AT&T provided, there is no way for AT&T (or for dPi) to determine whether a particular service order is for a reacquisition customer or for some other activity as described above.

B. Detail of What the Billing Data Contained and Shortcomings of Data

13. Because service order data was not available prior to 2005 and dPi insisted that AT&T produce data for 2003 and 2004, AT&T had to reconstruct the data by extracting certain information from different sources. Thus, AT&T recreated data from billing and financial database records. Extracting data from different databases that are not designed to store the information in the manner dPi requested and then combining the data into one report results in data that is not as complete or as accurate as the Service Order Data.

14. Unlike service order data in which an "N" service order constitutes a new service account, AT&T had to develop a surrogate methodology to filter its billing systems for *potential* new accounts. AT&T isolated accounts by searching the field "Date of Installation" to determine the first month a billing account might have been established. Then, AT&T cross-referenced such accounts with its financial database records to ensure that during the month when "Date of Installation" occurred, the customer was only billed for a partial month ("fractional billing"). The two filtering searches were the only way AT&T could have isolated potential "new accounts". Once AT&T determined which accounts met those parameters, AT&T provided relevant data that had been retained regarding these accounts. This included whether the accounts had the call block USOCs (i.e., BCR, BRD and/or HBG), whether any revenue-generating TouchStar® or Custom Calling Feature USOCs that might have qualified the account for the LCCW promotion appeared on the account, and whether any non-recurring charges

("NRCs") were retained in the database. AT&T used NRCs since it did not have service order records that showed whether a waiver had been applied to the order. If an account showed "$--" in the "Non-Recurring Charges Billed" column, it can be *assumed* that a waiver of certain charges had been placed on the account, but it cannot be concluded with certainty.

15. However, dPi's "analysis" of the data supplied by AT&T called into question the comparability of the billing data to the service order data. Prior to supplying the data to dPi, AT&T had made little or no attempt to perform a side by side comparison of the overlapping year of data provided (2005), primarily because AT&T did not know how dPi planned to use the data. Since the filing of dPi's Motion, AT&T's billing and IT managers have compared the two sets of 2005 data and determined that not only were there a significant number of discrepancies between the two sources, but there was clear evidence that the billing and financial data were missing components, thus distorting the number of accounts with no non-recurring charges.

16. dPi attached a portion of the Billing Data to its Motion for Reconsideration. See Appendix 3: 11/09/07 Supplemental Item 1-19, pages 000001-000295.

II. EXAMINATION OF DPI'S ANALYSIS OF DATA

17. dPi represents that the data AT&T produced shows that AT&T has been providing its reacquisition/win-back customers who subscribe to basic service and two or more call blocks with the LCCW promotion since 2003.[4] AT&T has previously informed dPi of the limitations in the data, which, in the form that dPi requested, is not sufficient for the analytical purposes that would lead to a reliable conclusion. Nevertheless, dPi has presented its conclusions to the Commission in a way that mischaracterizes the data. For the reasons explained below, dPi has presented invalid conclusions based on a combination of faulty analyses and misrepresentations.

18. First, the data itself cannot be used to perform the analysis dPi is trying to perform. The "N" orders represent all new billing accounts that are established, whether for completely new accounts, for re-established accounts or for reacquisition/win-back accounts. There is no way to distinguish among these various activities without reviewing the actual service order issued – and in some cases, the service order information proves inconclusive. Thus it is impossible to determine from the data supplied if a particular customer's account qualifies for the LCCW promotion.

19. In addition, the waiver codes listed in the data set are used for multiple applications and/or promotions and do not represent just the LCCW promotion. In fact, AT&T's use of these waiver codes pre-dates the

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4 In order to qualify for the LCCW promotion, an AT&T retail customer must be coming back to AT&T (reacquisition or win/back) and purchase Complete Choice, PreferredPack or basic service and two features.

implementation of the LCCW promotion. An example of waiving certain non-recurring charges as provided for in the tariff are restoration of service following a natural disaster or disconnection in error. During 2004 and 2005 (a time period essential to dPi's argument), Florida was severely impacted by hurricanes and many customers' service was temporarily disconnected. Based on AT&T's tariff, when a customer's home is destroyed, AT&T waives the line connection charge when the customer establishes service (thus initiating an "N" order) (i) at their temporary location and (ii) then again when they return to their permanent location and reestablish service. Another example of a waiver that is unrelated to the LCCW promotion is a split-bill situation where roommates are dividing one billing account with two existing lines into two separate billing accounts. In that case, the service representative initiates an "N" order, makes the notation of the billing change and places a waiver code to waive any non-recurring charges that might typically apply to a new order. Regardless of the reason for waiving a non-recurring charge, one or more of the universal waiver codes (WNR, WSO and/or WLC) would appear on the service order.

20. Contrary to dPi's statements, there is no way that dPi could have analyzed the Service Order Data and properly concluded that AT&T was inappropriately giving its retail customers the LCCW promotion every time a waiver code appeared on an account. Yet, dPi misrepresents the data with authoritative statements such as, "BellSouth ***had*** been awarding the LCCW promotion to its end users who had ordered ... basic service and two of the three call blocks..." and "[t]hose not receiving [the] LCCW promotion include, for

example: new accounts as opposed to reacquisitions and winovers, splitting of existing accounts, and re-establishment of previously disconnected service." (Motion for Reconsideration, page 4 and Appendix 1, page 2 and 3.) Such conclusions simply cannot be drawn from the data AT&T provided. In fact, it is impossible to tell from this data whether the line connection charges were waived under the LCCW promotion or given for some other reason.

21. Second, the two different data sets (the Service Order Data (2005-2007) and the Billing Data (2003-2005)) cannot be combined and analyzed as if they were comparable to each other. The two sets of data were pulled from completely different sources and do not provide comparable results. A comparison of the Service Order Data and the Billing Data reveals that there are a total of 5,063 unique accounts listed for January 2005 through December 2005. Of those, 946 accounts are included in the Service Order Data that are not included in the Billing Data and 724 accounts are included in the Billing Data that are not included in the Service Order Data. One explanation for the difference is that a customer could have placed a service order, which was included in the Service Order Data, but then modified his or her service before the end of the month when the billing data was updated. (See footnote 2 above.) Such change could impact whether the account was captured in the Billing Data because any modifications during this window (from the service order date until the end of the month) could affect the class of service associated with the customer or any features either added or dropped. Without reviewing each instance of why an

account was captured in one set of data and not in the other, there is no way to know for sure what caused the discrepancies in the data.

22. In addition, when comparing the two sets of data, it would be appropriate that when a waiver is included on the service order, the "Non-Recurring Charges Billed" column would have a "$--". However, after running a comparison, AT&T found that there are 8 accounts that had waiver codes (based on Service Order Data), but non-recurring charges appeared in the Billing Data, while 438 accounts appeared to not have a non-recurring charge, but no waiver was associated with the same account. Non-recurring charges can only be waived in the billing system using a billing instruction waiver code. Such discrepancies raise significant concerns about the data and its comparability.

23. The data sets conflict with each other in such a way as to highlight AT&T's concern about (a) the reliability of the Billing Data in determining whether any waivers were actually granted and (b) the data's use for dPi's purpose. The difference between the data sets also demonstrates that despite AT&T's best efforts, the data was not consistently captured using both methodologies. Trying to draw conclusions by comparing the results from the Billing Data and the Service Order data cannot provide anything but faulty conclusions.

24. To provide a better understanding of why the two sets should not be compared, attached hereto as Exhibit B is a side-by-side comparison of the 2005 percentages for each set of data. Using dPi's apparent methodology of

analyzing the Billing Data,[5] the percentage of accounts with no non-recurring charges for 2005 appears to average approximately 29%. Conversely, the Service Order Data, a significantly more reliable source of data for the same time period, demonstrates that approximately 14% of accounts had waivers present. Thus, dPi's graphic depiction on page 1 of its Appendix 1 is an inaccurate depiction of the data provided to dPi. The top line should not stop at the end of 2004, but should continue into 2005 with everything else remaining the same.

25. In fact, dPi would lead this Commission to believe that AT&T only provided the Billing Data for 2003-2004. However, when dPi filed its Motion and attached its Appendix 3, it failed to include the Billing Data supplied by AT&T for January 2005 to December 2005, instead representing that Appendix 3 consisted of the totality of AT&T's data production. It is difficult to believe that dPi mistakenly neglected to file over 100 pages with the Commission, especially given that the missing data represents an omission of exactly one year of data: *the one year of data that undercuts dPi's theory and analysis.* Additionally, it is inconceivable that someone could look at the two sets of data and not question its reliability. Yet, dPi never asked AT&T to clarify the data; it simply asked for a general explanation about what was included. In order to ensure that the Commission has a complete record of the data produced in this case, attached

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[5] dPi did not include an explanation on the methodology used in analyzing the Service Order Data or the Billing Data. However, in reviewing dPi's numbers, it appears that dPi limited the number of accounts to just those with 2 or more blocks and no other features and then counted the number of accounts with zero in the "Non-Recurring Charges Billed" column.

as Exhibit C are the pages from the Billing Data that represent the missing year of data (January 2005-December 2005; Bates Pages 000295-000403).

26. Finally, dPi has misinterpreted the data provided and has drawn erroneous conclusions. dPi performed an "analysis" of the data (i.e., a count of waiver codes) claiming that approximately 15% of the service orders issued from January 2005 through August 2007 had waivers associated with those accounts and that those waivers were granted as a result of the LCCW promotion. dPi then concludes that 100% of the 15% were granted the LCCW because they were reacquisition customers. Such conclusion cannot be found in the facts presented, nor is it even remotely true. As previously explained, there are many reasons why a waiver may be applied to an account. Just because an account may have a waiver code does not mean that the waiver is the result of the LCCW promotion. Yet, dPi provides no explanation regarding its methodology or it conclusion. Conversely, dPi appears to assume 85% of AT&T's retail customers are denied a waiver because they are not reacquisition customers. dPi appears to believe that, for each new retail account for basic service that has two or more call blocks and a waiver, it means that the customer is a reacquisition and that AT&T granted the waiver because of the LCCW promotion. None of these conclusions can be found in the facts of the data provided.

27. Based on the above analysis, it is clear that dPi: (i) ignored information from AT&T that indicated that the data could not result in any reliable analysis; (ii) proceeded with an analysis based on data it mischaracterized; (iii) presented evidence to this Commission that was incomplete and misleading; and

(iv) provided conclusions that are based on speculation and faulty data. Based on these reasons, dPi's analysis has no merit and should be ignored.

III. AT&T's Analysis of the Data

28. In response to dPi's claims, I performed an analysis of the data provided to dPi using appropriate assumptions and taking into consideration the data limitations noted above. My analysis focused primarily on the Service Order Data since it more closely aligns to dPi's initial discovery request and because of the issues associated with the Billing Data discussed above. Attached hereto as Exhibit D is a matrix summarizing the Service Order Data. The matrix demonstrates the scale of orders at issue in this proceeding. In particular, the matrix shows that AT&T processed almost 1,650,000 new orders from January 2005 to August 2007. Of those, only 18,621 service orders were for basic service with two or more free blocks, meaning, only 1.13% of all "N" orders initiated by AT&T are in the pool of orders that dPi is analyzing. Further, of those 18,621 orders, only 2,571 had waivers associated with the order but did not have TouchStar® feature USOCs, thus reducing the percentage of orders that dPi claims AT&T should not have granted the waiver to to 0.16% of AT&T's retail "N" orders.

29. The 2,571 orders identified above represent approximately 14% of a universe of 18,621, the orders for basic service with two or more call blocks. This is consistent with the number reflected in dPi's Appendix 1. However, contrary to dPi's assumptions, I recognize that there are multiple reasons for

waivers to appear on service orders. Thus, in order to understand the reason for the waivers on the accounts and to determine if all 14% received the LCCW promotion, as dPi suggests, I reviewed a random sample of 136 service orders that fell into dPi's classification of waived charges.

30. My review revealed that many of the service orders did not provide a significant amount of new information. However, I was able to ascertain that a significant number of service orders did have explainable reasons for the waiver and these were not a result of the LCCW promotion as dPi claims. There were many orders that contained the waiver because the retail customer either had been disconnected in error, had purchased a bundled offering with two or more chargeable services and/or features or had purchased a non-packaged offering with two or more chargeable services and/or features. dPi's claim that all of the approximately 14-15% of service orders that received a waiver were for reacquisition customers receiving the LCCW promotion was proven to be inaccurate. The fact is there were no specific indicators that any of the waivers were given as a direct result of the LCCW promotion.

IV. Conclusion

31. In February 2006, I represented AT&T before the Commission in this proceeding and provided specific information based upon my knowledge at the time. Commissioner Kerr asked me several questions about whether AT&T granted the LCCW promotions to its reacquired or win-back end user customers who were similarly situated with dPi's customers. I responded that AT&T had not

and does not grant the LCCW promotion to any reacquired or win-back customers who only order basic service and two or more free call blocks. It *was not* and still *is not* AT&T's policy to grant the LCCW to customers similarly situated to dPi's customers, that is, customers with only basic service and two or more free call blocks. Our promotions are not designed to provide financial rewards, such as billing credits, as an incentive for requesting free items. As previously noted, nothing submitted in dPi's Motion for Reconsideration supports the conclusion that AT&T has deviated from its policies. Nevertheless, in an abundance of caution, AT&T has developed additional training materials for service representatives to ensure that promotions are properly administered.

32. As I have demonstrated, the data dPi asked AT&T to produce in discovery cannot lead to valid conclusions about AT&T's application of waivers to service orders. The data does not reveal which customers qualified for the LCCW promotion nor does it reveal whether customers received the promotion. dPi attempts to avoid this fundamental issue by mischaracterizing the data through its "analysis" and by misrepresenting to the Commission what AT&T actually produced in Florida by redacting an entire year's worth of data. dPi's contention that all of the waivers are attributable to the LCCW promotion is incorrect. The data AT&T provided in response to discovery is not what dPi claims, and it does not support dPi's conclusions. AT&T has properly applied the

waiver of non-recurring charges for force majeure, split billing, and reconnection following disconnection in error among other valid reasons. AT&T has not made a practice of granting the line connection charge waiver to customers who only purchase basic service and two or more free call blocks.

This concludes my affidavit.

This 17th day of December, 2007.

Pamela A. Tipton

Sworn to and subscribed before me this 17th day of December, 2007.

NOTARY PUBLIC

MICHEALE F. BIXLER
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2009

Exhibit A

FOSTER MALISH & BLAIR, L.L.P.
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP
1403 WEST SIXTH STREET
AUSTIN, TEXAS 78703
(512) 476-8591
FAX (512) 477-8657
www.fostermalish.com

CHRISTOPHER MALISH

WRITERS EMAIL:
chrismalish@fostermalish.com

October 8, 2007

Via fax, First-Class mail,
and email: mg2708@att.com

Manuel A. Gurdian, Attorney
AT&T Florida
150 South Monroe Street, Room 400
Tallahassee, Florida 32301

Re: Docket No. 050863-TP; *dPi Teleconnect, L.L.C. v. BellSouth Telecommunications, Inc.* before the Florida Public Service Commission

Dear Manny:

On October 8 I wrote in response to your email regarding Steven Tepera's inquiry about the spreadsheet you all sent us in response to our RFI 1-19. To date we have neither received any of the clarification requested, nor any indication that the clarification would or would not be forthcoming. Could you please check on this for us? Basically, we just need to make sure both sides understand what information is contained in AT&T's response to 1-19.

If you recall, we asked among other things that you please send us an explanation and/or key explaining:

(1) in general, what AT&T contends the spreadsheet is showing (e.g., "every one of these orders shows an instance where a retail customer orders new basic service with two or more of the blocks ....");

(2) the information AT&T believes is reflected under each of the columns (an explanation of the headings);

(3) what it means if there is a blank as opposed to an entry in a particular place (does it always mean the same thing? Could it mean more than one thing? E.g., "the fact that there is a blank in the Account Waiver Code Column does not necessarily mean that nothing was waived, just that there was not a code for the waiver"); and

(4) the acronyms used in the spreadsheet.

Representative pages were attached for your reference, so that you wouldn't have to pull up the entire 600 page spreadsheet.

Please call if you have any questions or concerns; we look forward to your response.

Very truly yours,

Christopher Malish

cc: via First Class mail, and via electronic mail: pc0755@att.com
J. Phillip Carver, Sr. Attorney
AT&T Southeast
675 West Peachtree Street, Suite 4300
Atlanta, Georgia 30375
via First Class mail, and via electronic mail: ltan@psc.state.fl.us

Lee Eng Tan, Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Brian Bolinger, via electronic mail

at&t

J. Phillip Carver
Senior Attorney
Legal Department

AT&T South
150 South Monroe Street
Suite 400
Tallahassee, FL 33201

T: 404.335.0710
F: 404.614.4054
j.carver@att.com

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Christopher Malish, Esq.
Foster Malish & Blair, L.L.P.
1403 West Sixth Street
Austin, TX 78703

Re: Docket No. 050863-TP: dPi Teleconnect , L.L.C. v. BellSouth Telecommunications, Inc. before the Florida Public Service Commission

Dear Chris,

In response to your letter, dated October 8, 2007, AT&T Florida provides below the answers to your questions regarding the information produced in response to dPi's Request No. 1-19. As an initial matter, you state in the letter that dPi is seeking information regarding initial service orders. That is what AT&T produced. The information is not, as you appear to believe, a record of monthly recurring activity for subscribers to service consisting of 1FR + blocks. (See, pp. 1-2). Again, these are only the initial orders. Beyond this, the specific answers to your questions are as follow:

(1) [I]n general, what AT&T contends the spreadsheet is showing (e.g., "every one of these orders shows an instance where a retail customer orders new basic service with two or more of the blocks.....")

AT&T Response: The spreadsheet provided to dPi on September 26, 2007 identifies each new order AT&T received from January 2005 through August 2007 that had a basic residential line and at least 2 of the 3 requested call blocks (BCR, BRD and/or HBG). Some of these orders also included features, in addition to blocks, and this information is provided as well.

AT&T was able to identify new orders because AT&T utilizes an order number naming nomenclature that aligns with the activity being performed. Order numbers beginning with an "N" indicate a "new account" and are used anytime a billing account is being established. This may include either a brand new account (e.g. new customer, split billing of existing account, or reacquisition/win over) or the re-establishment of a previously disconnected account (e.g. disconnection in error, re-establishment after force majeur, re-establishment following disconnect for non-pay).

Not all new orders are reacquisitions. Further, AT&T has not yet been able to determine which of the new orders are submitted by reacquisition or win-over customers. We have produced all new orders because that is what you requested. However, the new orders that were not submitted by reacquisition or win over customers are not part of the universe of retail orders that would qualify for the Line Connection Charge Waiver.

The spreadsheet also identifies whether the order has a waiver code to waive certain non-recurring charges, and includes a partial listing of certain Touchstar services or custom calling features that were identifiable on the service order. Waiver codes may be listed multiple times for a particular service order, but will only be applied once for the entire service order. In the event the waiver code is placed in the Bill Section, that code will appear in the Account Waiver Code column adjacent to every appearance of the order number, regardless of whether that waiver code applies to that particular nonrecurring charge on the service order. For example, "WSO" only waives the line connection charge or the secondary service order charge, but does not waive any other nonrecurring charges.

Finally, the spreadsheet provides a column that identifies the recurring charges associated with a particular service or feature. In some instances, blanks appear in this column. The reasons for these blanks are explained below.

(2) **[T]he information AT&T believes is reflected under each of the columns (an explanation of the headings);**

AT&T Response: Several of the column headings include the term "USOC," which stands for "Uniform Standard Ordering Code". AT&T utilizes USOCs for ordering different services and features and each service and feature is assigned a unique identifying USOC.

The following is an explanation of each column heading:

Month/Year:..........................Lists the Month and Year of a particular service order
Account Number:..................Lists the Account Number associated with the service order

BCOS:...................................Means "Basic Class of Service" and identifies the specific USOC that the customer ordered. This column includes only basic residential USOCs.
Order Number:......................Provides the service order number. All service orders listed are "N" orders (i.e., new accounts). These represent customers who are establishing a new billing arrangement with AT&T. As mentioned above, AT&T is not able to separately identify reacquisition and win-over customers in this list.
ADDED Blocked
USOC Combination:.............Lists 2 or 3 of the specific Call Blocks that were present on the service order. The specific USOCs are BCR, BRD and/or HBG.
Account Waiver Code:..........Identifies whether a particular waiver code was entered into the bill section of the service order. (See Note Below.)

Service or Feature USOC.......Lists certain USOCs, either services or features, included in the service order.
USOC Waiver Code..............Identifies whether a particular waiver code was associated with a particular USOC on the service order.
USOC Revenue......................Provides the monthly recurring charges associated with each individual USOC.

Nonrecurring charges can be waived by either of the following methods: an entry in the bill section of the order or an entry immediately adjacent to a particular USOC. Use or placement of certain waiver codes has the same practical effect, regardless of where it is placed on the service order. A description of waiver codes is below.

(3) [W]hat it means if there is a blank as opposed to an entry in a particular place (does it always mean the same thing? Could it mean more than one thing? E.g., "the fact that there is a blank in the Account Waiver Code Column does not necessarily mean that nothing was waived, just that there was not a code for the waiver");

AT&T Response: There are two separate reasons that blanks appear on the provided spreadsheet. Some blanks are associated with the waiver code columns (both the Account Waiver Code column and the USOC Waiver Code column). Blanks also appear in the USOC Revenue column. AT&T will address these separately.

Under the Account Waiver Code column and the USOC Waiver Code column, a blank means that non-recurring charges were not waived. If there is an entry in the column, it means that certain non-recurring charges were waived. As discussed above, in the event the waiver was entered into the bill section that code will appear in the Account Waiver Code column adjacent to every appearance of the order number, regardless of whether that waiver code applies to that particular nonrecurring charge.

As to the second type of blank, the "USOC Revenue" column is populated with data drawn from a static table within the database that is refreshed at the end of each month. This was the only method by which AT&T could be responsive to dPi's request for recurring charges. This column matches the USOC listed in the "Service or Feature USOC" column from a particular service order with the monthly snapshot of the charges associated with the account number provided on the service order. If the USOC listed in the "Service or Feature USOC" column is no longer included in the billing data field in the static table, the system produces a blank (i.e., $ -). This occurs when a customer establishes service on a particular day and then subsequently changes the ordered services/features (on a separate billing order). This type of change will eliminate or remove the type of service being billed, and thus nullify the services/features included in the initial "N" order.

(4) [T]he acronyms used in the spreadsheet.

Below is a chart of each acronym that is included in the spreadsheet and the description of the acronym

Acronym	Description of Acronym
1FR	Flat rate line, residence
1FRCL	Flat rate line, residence with Caller ID
999VM	BellSouth Essentials, Credit Plan with BellSouth Voice Mail
BCR	TouchStar, call return, usage based blocking
BRD	TouchStar, repeat dialing, usage based blocking
BSCOS	Basic Class of Service
BVMRP	BellSouth Voice Mail, Residential Premium Mailbox
BVMRV	BellSouth Voice Mail, each mailbox
DRS	RingMaster Service, residence and business RingMaster I
DRS1X	RingMaster Service, residence and business RingMaster II, first additional telephone number with distinctive ringing, per line
DRS2X	RingMaster Service, residence and business RingMaster II, second additional telephone number with distinctive ringing, per line
ESC	Three way calling (non-packaged)
ESL	Speed calling (8 code) (non-packaged)
ESM	Activation/deactivation of call forwarding (non-packaged)
ESX	Call Waiting, per line,
ESXD9	Call Waiting, per line, deluxe, with conferencing, for Call Forward don't answer subscribers
ESXDC	Call Waiting, per line, deluxe, with conferencing
GCE	Call forwarding busy line, per CO line equipped
GCJ	Call forwarding don't answer, per CO line equipped
GCJRC	Call forwarding don't answer, per CO line equipped ring control
GCZ	Call forwarding, variable, remote activation, per line equipped
HBG	Denial of call tracing, per activation (where universal call tracing is activated)
HBY	Anonymous call rejection, per line
MBBRX	MemoryCall Answering Service, residence per month, each mailbox
MWW	Message waiting indication
MWWAV	Message waiting indication audio/visual
NSD	Caller ID, basic, number delivery, per line
NSQ	Repeat Dialing
NSS	Call Return, per line
NST	Call Tracing, per line
NSY	Call Block, per line
NXMCR	Caller ID Deluxe (name and number delivery), per line with Anonymous Call Rejection (ACR)

Acronym	Description of Acronym
PMX1R	Privacy Director(r) Service, residence, per line
USOC	Uniform Service Ordering Code
WLC	Waives only the Line Connection Charge
WNR	Waives all Non-Recurring Charge
WSO	Waives the Line Connection Charge or the Secondary Service Charge
VR5	Area Plus Service, residence, 40 mile radius (FL)
VR5CL	Area Plus Service, residence, 40 mile radius (FL) with Caller ID

I believe that the foregoing addresses all of your questions.

Sincerely,

J. Phillip Carver

cc: Lee Eng Tan

Exhibit B

Exhibit B

Comparison of 2005 Data Sets
Billing Data Compared to Service Order Data

Month	BILLING DATA: Number of New Installations w/ 2+ Free Blocks	BILLING DATA: Number of Lines w/ no NRC	BILLING DATA: Percentage	SERVICE ORDER DATA: Number of New Orders W/ 2 Free Blocks	SERVICE ORDER DATA: # N Orders w/ Block Waiver	SERVICE ORDER DATA: Percentage
Jan-05	475	116	24%	505	78	15%
Feb-05	378	99	26%	407	58	14%
Mar-05	349	110	32%	339	58	17%
Apr-05	285	80	28%	304	51	17%
May-05	255	66	26%	287	34	12%
Jun-05	408	165	40%	400	55	14%
Jul-05	304	86	28%	321	42	13%
Aug-05	383	130	34%	389	57	15%
Sep-05	323	100	31%	321	36	11%
Oct-05	290	78	27%	324	40	12%
Nov-05	309	77	25%	319	42	13%
Dec-05	358	221	62%	423	56	13%

Exhibit C

The entire document is proprietary. There is no edited copy.

Exhibit D

The entire document is proprietary. There is no edited copy.