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MAY 12008

May 1, 2008

VIA HAND-DELIVERY

Ms. Stephanie Stumbo **Executive Director Public Service Commission** 211 Sower Boulevard P. O. Box 615 Frankfort, KY 40602

Re:

dPi Teleconnect, LLC v. BellSouth Telecommunications, Inc.

KPSC 2005-00455

Dear Ms. Stumbo:

Enclosed for filing in the above-referenced case are the original and four (4) copies of AT&T Kentucky's Direct Testimony of Elizabeth M. Moreland.

Portions of Moreland's Testimony and Moreland Exhibit 3 are confidential, and pursuant to 807 KAR 5:001; § 7, AT&T Kentucky files herewith its Petition for Confidentiality requesting that the Commission afford confidentiality to that material.

A proprietary copy of the Direct Testimony of Elizabeth M. Moreland is being provided to parties of record pursuant to a previously executed Protective Agreement.

Thank you for your attention to this matter.

Sincerely,

General Counsel/Kentucky

Enclosures

CC:

Parties of Record

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In Re:	
dPi Teleconnect, LLC Complainant)
V.) Case No. 2005-00455
BellSouth Telecommunications, Inc. Defendant)))

BELLSOUTH TELECOMMUNICATIONS, INC.'S PETITION FOR CONFIDENTIALITY

Petitioner BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky ("AT&T Kentucky"), by counsel, hereby moves the Public Service Commission of the Commonwealth of Kentucky (the "Commission"), pursuant to KRS 61.878 and 807 KAR 5:001, § 7, to classify as confidential the highlighted information contained in AT&T Kentucky's Direct Testimony of Elizabeth M. Moreland, and all the information contained in Moreland Exhibit 3. The material that is highlighted in Moreland's Testimony and in Moreland Exhibit 3 contains information that is personal information or specific to dPi Teleconnect, LLC ("dPi") or its end user customers, or AT&T in the conduct of their business with each other.

The Kentucky Open Records Act exempts certain information from the public disclosure requirements of the Act, including information of a personal nature, certain commercial information, and also information the disclosure of which is prohibited by federal law or regulation. KRS 61.878(1)(c)1 and 61.878(1)(a)(k).

To qualify for the personal information exemption and, therefore, keep the information confidential, a party must establish that it is "information of a personal nature where the public disclosure would constitute a clearly unwarranted invasion of personal privacy...." KRS 61.878(1)(a); 807 KAR 5:001 § 7. The highlighted portions of Moreland's Testimony contain customer specific information of dPi regarding promotional credits applied for and denied. The documents provided in Moreland Exhibit 3 contain end user customer specific information, specifically the names, telephone numbers and addresses of dPi's end user customers. The information identified in these documents is personal information the disclosure of which would "constitute a clearly unwarranted invasion of personal privacy," and should be protected as confidential.

To qualify for the commercial information exemption and, therefore, keep the information confidential, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors if openly discussed. KRS 61.878(1)(c)1; 807 KAR 5:001 § 7. The Commission has taken the position that the statute and rules require the party to demonstrate actual competition and the likelihood of competitive injury if the information is disclosed.

All of the information for which AT&T Kentucky seeks confidentiality in this petition contains customer-specific information, specifically, information regarding customer specific account information, or commercial information for which the disclosure of such would permit an unfair advantage to competitors. Specifically, the documents being provided in Moreland Exhibit 3 contain end user customer specific

¹ Kentucky Bd. Of Examiners v. Courier-Journal, 826 S.W.2d 324, 327 (Ky. 1992).

information, specifically the names, telephone numbers and addresses of dPi's end user customers.

The highlighted information in Moreland's Testimony and the information provided in Moreland Exhibit 3 is considered confidential business information related to the competitive interests of dPi and AT&T Kentucky that is proprietary and confidential to both Parties. This information is not publicly available and disclosure of this data would impair the competitive business and cause harm to dPi and AT&T Kentucky. Public disclosure of the identified information would provide competitors, namely CLECs and other CMRS Providers, with an unfair competitive advantage.

The Commission should also grant confidential treatment to the information for the following reasons:

- (1) The information for which AT&T Kentucky is requesting confidential treatment is not known outside of AT&T;
- (2) The information is not disseminated within AT&T Kentucky and is known only by those of AT&T Kentucky's employees who have a legitimate business need to know and act upon the information;
- (3) AT&T Kentucky seeks to preserve the confidentiality of this information through appropriate means, including the maintenance of appropriate security at its offices; and
 - (4) By granting AT&T Kentucky's petition, there would be no damage to any public interest.

In addition, information provided to the Commission in Moreland Exhibit 3 regarding specific customers is customer proprietary network information ("CPNI") and

should not be publicly disclosed without the approval of the individual customers. Disclosure of customer-specific information is subject to obligations under Section 222 of the Communications Act of 1937 as amended by the Telecommunications Act of 1996. Federal law imposes the obligation to maintain the confidentiality of such information from public disclosure when the disclosure of such information or records is prohibited by federal law or regulation. Therefore, because CPNI is protected from disclosure by federal law, this information should be afforded proprietary treatment.

For the reasons stated herein, the Commission should grant AT&T Kentucky's request for confidential treatment of the identified information.

Respectfully submitted,

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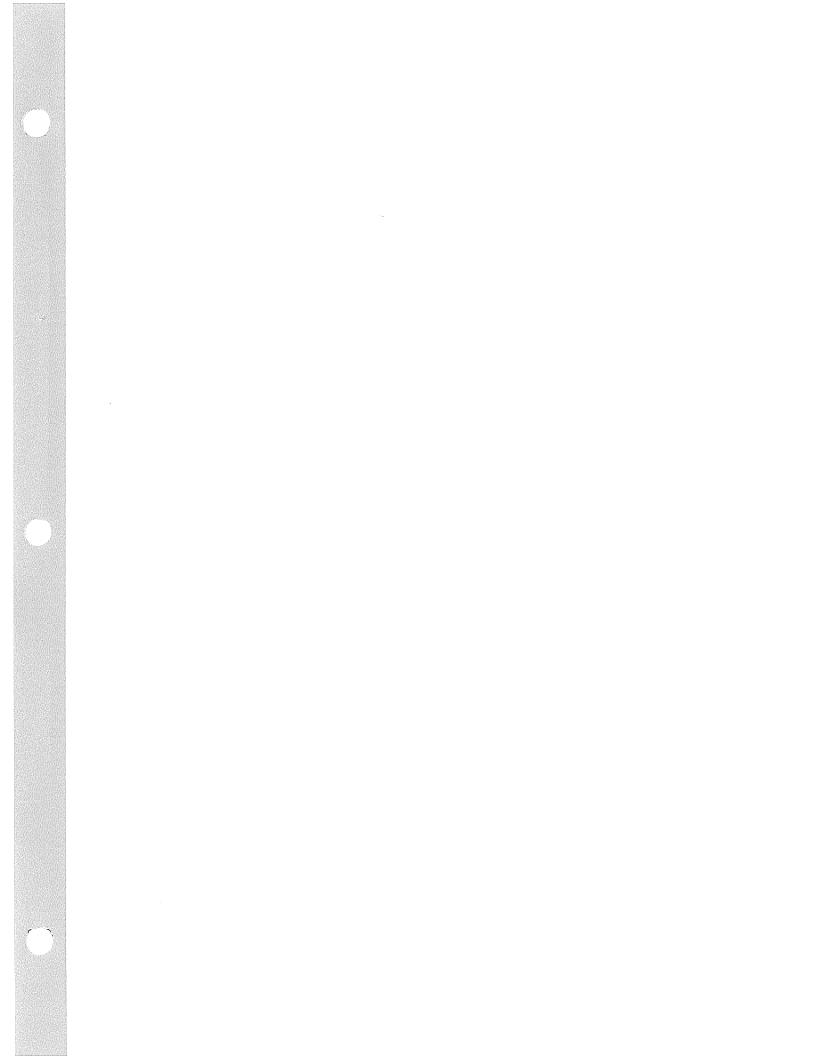
CERTIFICATE OF SERVICE - 2005-00455

It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by mailing a copy thereof, this 1st day of May, 2008.

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

Steven Tepera Christopher Malish Foster Malish Blair & Cowan, L.L.P. 1403 West Sixth Street Austin, TX 78703 chrismalish@fostermalish.com

Mary K. Keyer J



KENTUCKY PUBLIC SERVICE COMMISSION

COUNTY OF Longlas STATE OF Ceorge

Elizabeth Moreland

Elabeth M Morehand

SWORN TO AND SUBSCRIBED BEFORE ME

THIS THAY OF MAY, 2008 ~

sle + Defention Public

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

I		AT&T KENTUCKY
2		DIRECT TESTIMONY OF ELIZABETH M. MORELAND
3		BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION
4		DOCKET NO. 2005-00455
5		MAY 1, 2008
6		
7	Q.	PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T
8		OPERATIONS, INC. ("AT&T"), AND YOUR BUSINESS ADDRESS.
9		
10	A.	My name is Elizabeth Moreland. I am employed by AT&T Operations, Inc.
11		as an Associate Director - Wholesale Regulatory Policy. My business
12		address is 675 West Peachtree Street, Atlanta, Georgia 30375.
13		
14	Q.	PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.
15		
16	A.	I received a Bachelor of Arts in Political Science with a minor in
17		Economics from Hollins University in 1993, and next month, I will receive a
18		Masters in Business Administration from Coles College of Business at
19		Kennesaw State University.
20		
21		I have over 10 years of experience in telecommunications, with my
22		primary focus in regulatory policy development and implementation. I
23		joined BellSouth Telecommunications, Inc., now doing business as AT&T
24		Southeast and AT&T Kentucky ("AT&T"), in 1997 as an FCC Paralegal in
25		the BellSouth Legal Department. In 2001, I moved to the Regulatory and

External Affairs organization as a Legislative Analyst. In 2003, I became a witness support manager responsible for testimony preparation, witness support and issues management. My primary focus includes wholesale regulatory proceedings, such as Section 251/252 arbitrations under the Telecommunications Act of 1996, complaint proceedings and the TRO/TRRO/Change of Law proceedings. In March 2007, I moved into the Wholesale Organization and assumed my current role.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

11 A. The purpose of my testimony is to address the issues raised in the
12 Complaint filed by dPi Teleconnect, L.L.C. ("dPi") with the Kentucky Public
13 Service Commission ("Commission") on November 9, 2005, and explain
14 why dPi is not entitled to the promotional credits that it is seeking in this
15 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.

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.

l		
2	Q.	IN ITS COMPLAINT, DPI ALLEGES THAT AT&T REFUSES TO
3		ISSUE DPI PROMOTIONAL DISCOUNT CREDITS. IS THE DPI
4		COMPLAINT ACCURATE WITH RESPECT TO THOSE
5		ALLEGATIONS?
6		
7	A.	Absolutely not. As of April 15, 2008, AT&T has issued approximately
8		promotional credits to dPi for resale accounts applicable to
9		dPi's end user customers in the nine-state Southeast region.
10		Specifically, AT&T has issued approximately promotional
11		credits to dPi for the LCCW promotion and promotional
12		credits for other promotions (including the Secondary Service Charge
13		Waiver ("SSCW") promotion, the Two Features for Free ("TFFF")
14		promotion and other promotions not at issue in this proceeding). The
15		Kentucky-specific portion of credits includes approximately
16		promotional credits for the LCCW promotion and approximately
17		promotional credits for the other promotions identified above.
18		In most instances, AT&T processes promotional credits that it receives
19		from competitive local exchange carriers ("CLECs"), such as dPi,
20		within 45 days of receipt of the credit requests.
21		

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

1	A.	No. AT&T's objective is to pay the correct and proper promotional
2		credit amounts in accordance with the provisions of the parties'
3		Interconnection Agreement ("ICA") and in compliance with the
4		eligibility criteria which qualify service requests for each promotion.
5		When a request qualifies, AT&T pays the requisite credit. When a
6		request does not qualify, AT&T does not pay.
7		
8	Q.	WHAT ARE THE SPECIFIC PROVISIONS IN THE ICA BETWEEN
9		AT&T AND DPI THAT GOVERN THE ISSUANCE OF
10		PROMOTIONAL CREDITS?
11		
12	A.	The parties' ICA states: "Where available for resale, promotions will
13		be made available only to End Users who would have qualified for the
14		promotion had it been provided by BellSouth directly." See ICA,
15		Attachment 1, Exhibit A, a copy of which is attached as Exhibit EMM-
16		1.
17		
18		Per the clear language in the ICA, dPi is entitled to promotional credits
19		only for dPi end users that meet the same promotion criteria that
20		AT&T retail end users must meet in order to receive the benefits of a
21		promotion.
22		
23	Q.	IS THIS LANGUAGE OR SIMILAR LANGUAGE STANDARD IN
24		AT&T'S INTERCONNECTION AGREEMENTS WITH OTHER
25		COMPETITIVE LOCAL EXCHANGE CARRIERS ("CLECS")

1		THROUGHOUT AT&T'S NINE-STATE SOUTHEAST REGION
2		(FORMERLY THE BELLSOUTH REGION)?
3		
4	A.	Yes.
5		
6	Q.	PLEASE DESCRIBE THE PROCESS BY WHICH CLECS CLAIM
7		AND RECEIVE PROMOTIONAL DISCOUNT CREDITS.
8		
9	A.	Each month, reseller CLECs submit Credit Request Forms to AT&T
10		with accompanying spreadsheets detailing end user account
11		information for the accounts which the CLEC claims qualify for a
12		designated promotion. By submitting the request for credit, the CLEC
13		is representing to AT&T that its end users meet the same criteria that
14		AT&T's end users must meet to receive the same promotional credit.
15		
16		When AT&T (which, at the time of dPi's complaint, was BellSouth)
17		began processing requests for promotional credits, AT&T believed
18		that CLECs would submit valid credit requests for qualifying accounts.
19		In the fall of 2004, however, AT&T discovered some of the requests
20		made by several CLECs did not appear to be valid. After working
21		through a number of issues regarding the specific qualifiers for
22		promotions and ensuring that parity requirements were met, AT&T
23		implemented a sampling process in early 2005 to validate CLEC
24		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.

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

22

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 EMM-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 THE25 PROMOTIONS AT ISSUE?

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

1		purchased the requisite number of qualifying features, in addition to
2		the basic local service, in order to qualify for this promotion.
3		
4	Q.	PLEASE EXPLAIN WHY CERTAIN DPI ACCOUNTS DID NOT
5		QUALIFY FOR THE REQUESTED PROMOTIONAL CREDIT(S).
6		
7	A.	Depending on the promotional credit for which dPi applied, dPi's non-
8		qualifying requests throughout the Southeast region generally fell into
9		five categories:
10		 Less than the required number of features were purchased;
11		• The promotion only applies to new customers and the credit
12		request was submitted for an existing dPi customer;
13		 The promotion only applies to existing customers and the credit
14		was submitted for a new customer;
15		• The request for credit extended beyond the term of the
16		promotional offer; and
17		 The request was a duplicate request where dPi requested
18		credits for the same earning telephone number in the same
19		month under both the LCCW and the SSCW promotions.
20		
21		The majority of customers for whom dPi requested credits based on
22		the LCCW promotion, and for whom AT&T denied credits, did not
23		qualify because the end user did not subscribe to the required number
24		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 EMM-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.

2		REQUESTS SHOULD BE GRANTED HAVE MERIT?
3		
4	A.	No. As I explained above, some of dPi's promotional credit requests
5		did not meet the qualifications of the promotions for which it applied.
6		
7	Q.	WHAT IS THE SPECIFIC PROBLEM WITH DPI'S CREDIT
8		REQUEST UNDER THE LCCW PROMOTION?
9		
10	A.	In almost all of the disputed instances, dPi has submitted orders for
11		basic local service and two calling blocks, but no features. These
12		credit requests are invalid for three reasons:
13 14 15 16 17 18 19 20 21 22 23 24 25		 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; dPi, and thus dPi's customers, only paid for a basic residential line and did not purchase any additional features; and 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.
26	Q.	PLEASE EXPLAIN WHY CALLING BLOCKS ARE NOT CONSIDERED
27		FEATURES.
28		
29	A.	Calling blocks allow AT&T's end users to prevent the activation of certain
30		features that have a per-use charge. Specifically, calling blocks prevent a

1 Q. DOES DPI'S CLAIM THAT THEIR PROMOTIONAL CREDIT

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 EMM-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?

Α.

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

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.

Alternatively, if a customer wants to ensure that these features are <u>not</u> 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 EMM-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 EMM-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

1 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." 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.

15 Q. SO, BASED UPON THE ABOVE TESTIMONY, SHOULD DPI OR DPI'S
16 END USER CUSTOMERS QUALIFY FOR THE PROMOTIONS AT
17 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.

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

1 2

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

1		in Kentucky that had originally been subject to the sampling
2		methodology.
3		
4	Q.	WHAT WAS THE RESULT OF THIS REVIEW?
5		
6	A.	There are three distinct outcomes. First, the review of the service
7		orders validated the outcome of our initial sample. Second, it appears
8		that AT&T overpaid credits to dPi. Third, the review establishes that
9		dPi did not have any checks and balances in its process to ensure
10		only valid requests were submitted.
11		
12	Q.	HOW DID THE REVIEW VALIDATE THE OUTCOME OF AT&T'S
13		INITIAL SAMPLE OF DPI'S PROMOTIONAL CREDIT REQUESTS
14		FOR KENTUCKY CUSTOMERS?
15		
16	A.	When the data from AT&T's recent review was combined with the data
17		from AT&T's initial sample review, 77% of dPi's requested credit for
18		February 2004 through March 2006 did not meet the qualifications for
19		the applicable promotion. In fact, from the recent review, it appears
20		that AT&T overcredited dPi approximately
21		
22	Q.	WHAT WERE THE RESULTS SPECIFICALLY FOR THE LCCW
23		PROMOTIONAL CREDIT REQUESTS FOR KENTUCKY
24		CUSTOMERS?

1 A. Again, combining the data from AT&T's review, which in total is a 2 100% review of dPi's requests for credit for the period from February 3 2004 through March 2006, AT&T determined that 83% of dPi's requests for the LCCW credit did not qualify for the LCCW promotion. 4 5 AT&T initially denied 77% of dPi's LCCW requests for the same time 6 period using the sample process and, thus, over-paid dPi 7 approximately for the LCCW promotion during this time period.

8

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

11

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.

18

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

21

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

1		promotion, it appears that dPi received more credit than it should have
2		received.
3		
4	Q.	WHAT DO YOU CONCLUDE FROM THE MOST RECENT
5		EVALUATION OF THE PROMOTIONAL CREDITS SUBMITTED BY
6		DPI FOR KENTUCKY CUSTOMERS?
7		
8	A.	First, and importantly, AT&T's most recent examination of the
9		promotion credit requests submitted by dPi validates AT&T's previous
10		actions in response to dPi's inflated requests for promotional credits.
11		Second, it confirms that dPi seemingly systematically inflated its
12		requests for promotional credit by submitting duplicate claims for
13		credit, as well as requesting billing credit under particular promotions
14		for elements not included in the promotions. Further, it is apparent
15		that dPi neglected to apply the most basic qualification tests on the
16		accounts it submitted to AT&T for credit.
17		
18	Q.	WHY DO YOU CONCLUDE THAT DPI MADE LITTLE OR NO
19		ATTEMPT TO ENSURE THAT THE CREDITS IT REQUESTED
20		COMPLIED WITH THE CRITERIA TO QUALIFY FOR A
21		PROMOTIONAL CREDIT?
22		
23	A.	Based on dPi's promotional credit requests, it appears to AT&T that
24		dPi represented that all of its "new" end user accounts were eligible for
25		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?

Α.

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.

2 Q HAS AT&T EXPRESSED ITS CONCERNS TO DPI ABOUT THE 3 HIGH NUMBER OF ACCOUNTS SUBMITTED FOR CREDIT THAT

WERE FOUND TO BE INELIGIBLE?

5

4

1

6 A. Yes. AT&T was in contact with dPi on numerous occasions about the 7 large number of accounts submitted by dPi for credit that were 8 determined by AT&T to not be in conformance with the qualifying 9 criteria for AT&T's promotions and the reasons that the accounts were 10 denied by AT&T for payment to dPi.

11

12

13

14

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

15

16

17

18

19

21

On June 7, 2006, the North Carolina Commission issued a Α. 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 20 LCCW promotion. The Commission found in AT&T's favor on all counts in its Order Dismissing Complaint [NCUC Order Dismissing 22 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 23 Order is attached as Exhibit EMM-6. In this Order, the North Carolina 24 Utilities Commission ("NCUC") highlighted that AT&T and dPi had 25

1		jointly agreed to the methodology for determining the limits of any
2		promotion in their voluntarily-negotiated ICA.
3		
4		On page 7 of its Order Dismissing Complaint, the NCUC referenced
5		Attachment 1, Exhibit A of the ICA (as provided in Exhibit EMM-1 to
6		this testimony) and stated:
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21		 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.
2223		The NCUC further found that dPi end user accounts that only had the
24		zero-charge usage blocks are not eligible for LCCW promotional
25		credits because similarly situated BellSouth end users are not entitled
26		to such credits.
27		
28	Q.	WHAT IS THE CURRENT STATUS OF THE NORTH CAROLINA
29		CASE?
30		

Α. 1 Following the NCUC's denial of dPi's Motion for Reconsideration and 2 dPi's Motion for Emergency Relief (Temporary Restraining Order and 3 Temporary Injunction) and/or Stay of Effective Date of the 4 Commission's Order, dPi appealed the case. On September 25, 5 2007, the United States District Court for the Eastern District of North 6 Carolina, Western Division, issued its Order denying dPi's request for 7 summary judgment and granting the NCUC's and BellSouth's motion for summary judgment upholding the NCUC's Order. 8 dPi 9 subsequently appealed to the Fourth Circuit Court of Appeals and 10 shortly thereafter, filed a Motion for Reconsideration with the NCUC. 11 Both the Appeal and the Motion are currently pending.

12

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

16

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

22

23 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

24

25 A. Yes.

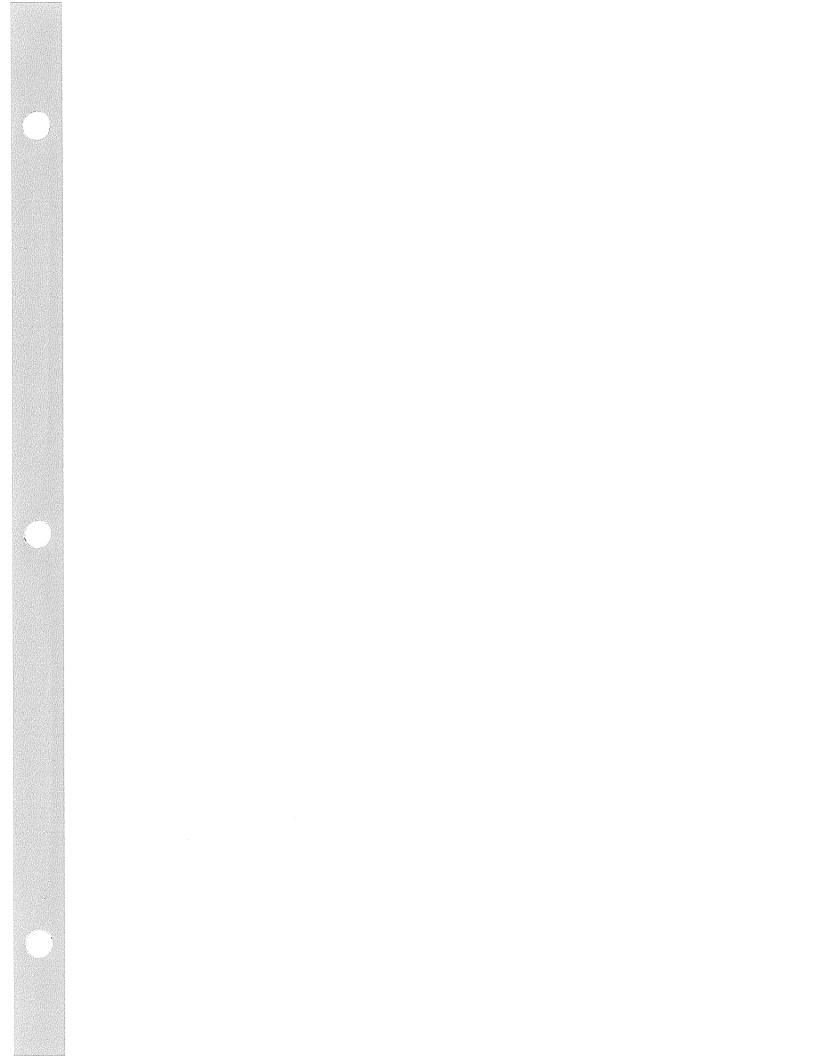


Exhibit EMM-1

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

Type of Service			FL		GA		KY		LA		MS		NC		SC		1	TN
		AL Discount				Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resale	Discount	Resalc	Discount	Resale	Discount
1 Grandfathered	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Services (Note 1) 2 Promotions - > 90 Days(Note 2)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Services 5 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6 N11 Services 7 MemoryCall®Service		No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
8 Mobile Services 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
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 No	tes:	<u>, </u>		<u></u>														
		ces can be	resold (only to exi	sting su	bscribers c	of the gr	andfather	ed servi	ce.							(1 1	-41
2. Where availab	le for re	sale, pron	notions	will be ma	ide avai	lable only	to End	Users who	would	nave quan	fied for	the promo	otion ha	d it been p	rovided	by BellSo	outh dire	ctiy.
3. Some of BellSo	outh's lo	cal exchai	nge and	toll teleco	mmuni	cations ser	vices a	re not avai	lable in	certain ce	ntral of	nces and a	reas.					

Exhibit EMM-2

LCCW Promotions





Paul E. Patton, Covernor

Janie A. Miller, Secretary Public Protection and Regulation Cabinet

Thomas M. Dorman Executive Director Public Service Commission COMMONWEACH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
WWW.psc.state_ky_us

www.psc.state.ky us (502) 564-3940 Fax (502) 564-3460 Martin J. Hueismann 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,

Dennis Brent Kirtley

Tariff Review Branch Manager

Enclosure pan



BeilSouth Telecommunications, Inc. 4º Floor 601 W. Chestnut Street 502-582-2164 FAX 502-582-8667 Tony Taylor Director Regulatory & External Alfairs

Tony Taylor@belisouth.com

Louisville, KY 40203

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,

APE not

PURSUANT TO SELECT 5 GHT SECTION 9 19 1



Emie Fletcher Governor LaJuana S. Wilcher Secretary

Commonwealth of Kentucky Environmental and Public Protection Cabinet Public Service Commission 211 Sower Blud

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,

Dennis Brent Kirtley

Tariff Review Branch Manager

bunt Kirtley 1,405

Enclosure pan

@ BELLSOUTH

BellSouth Telecommunications, Inc. #h Floor 601 W. Chestnut Street 502-582-2164 FAX 502-582-8667 Tony Taylor Director Regulatory & External Affairs

Louisville, KY 40203

Tony Taylor@bellsouth.com

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** RENTUCK**

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

SECTION OF SECTION OF

Thomas M. Dorman December 17, 2003 Page 2 of 2

- 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,

Juni Tyston for

Tony Taylor

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Laduana S. Wilcher Secretary

Commonwealth of Kentucky

Environmental and Public Protection Cabinet

Public Service Commission

211 Sower Blvd P.O. Box 615 Frankfort, Kentucky 40602-0515 Felephone (502) 564-3940 Fax. (502) 564-3460

Strong H

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,

Dennis Brent Kirtley

Tariff Review Branch Manager

@ BELLSOUTH

BellSouth Telecommunications, Inc. 4= Floor 601 W. Chastnut Street Louisville, KY, 40203

502-582-2164 FAX 502-582-8667 Tony Taylor
Director
Regulatory & External Affairs

Tony Taylor@bellsouth.com

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)

020170170 (1)



BellSouth Telecontmunications, Inc. 4ª Floor 601 W. Chestnut Street Louisville, KY, 40203

502-582-2164 FAX 502-582-8657 Tony Taylor Director Regulatory & External Affairs

Tony Taylor@belisouth.com

December 14, 2004

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

Ref 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.

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PUBLIC SERVICE COMMISSION Intellectual Property Gorpogation

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12/26/2004

PURSUANT TO 807 KAR 5 011 SECTION 9 (1)

Elizabeth O'Donnell December 14, 2004 Page 2 of 2

- 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® PreferredPackSM 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,

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 12/26/2004

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



Erme Freigher Gavernor LaJuana S. Wilcher Secretary

Commonwealth of Kentucky

Environmental and Public Protection Cabinet Public Service Commission

211 Sower Bivd 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

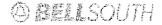
Dear Tony Taylor:

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

Sincerely,

Dennis Brent Kirtley

Tariff Review Branch Manager



SerSouth Telecomous periors inc. 502 582-2184 27 F 501 80° W. Chasmut Street Counside FY 49703

FAX 509 582-9667

Director Regulatory & External Affairs

Kiy Taylor@jbetsoum com

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 could be the from MISSION place the order at the new address.

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All BellSouth marks contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and Contained herein are owned by BellSouth Intellectual Property of Graph and C

By Sales **Executive Director** Elizabeth O'Donnell December 7, 2005 Page 2 of 2

- 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 BeliSouth 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.

Tony Taylor

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 12/27/2005

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

Ernie Fietcher Gusamer



Teresa J. Hill Secretary

Commonweath of Heraccky Environmental and Public Protection Cabinet Public Service Commission 211 Sover Food P.O. Box 615 Frontict, Henturky 40602-0615 Temptone (500) 554-3040 Fee (502) 564-8460

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,

Dennis Brent Kirtley

Tariff Review Branch Manager



BellSouth Telecommunications, Inc. 502-582-2164 601 W. Chestnut Street Louisville, KY 40203

FAX 502-582-8667

Tony Taylor Regulatory & External Affairs

Tony Taylor@beltsouth.com

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

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Elizabeth O'Donnell December 14, 2006 Page 2 of 2

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.

Topy Taylor y



BellSouth Telecommunications, Inc. 4® Filcor 601 W. Chostnut Street Louisville, KY, 40203 502-582-2164 FAX 502-582-8667 Tony Taylor Director Regulatory & External Affairs

Tony Taylor@bellsouth.com

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 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.

Tony Taylor

Exhibit EMM-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

Gary W. Gillîs Vice Chairman

Martin J. Huelsmann

Chairman

Robert E. Spurlin Commissioner

September 15, 2003

Fax (502) 564-3460

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,

Bunt Kulley 2 (no)
Dennis Brent Kirtley

Tariff Review Branch Manager

Enclosure pan



@ BELLSOLUTH VED

ReflSouth Telecommunications, Inc. 4° Floor

502-582-2164 FAX 502-582-8667

601 W. Chestnut Street Louisville, KY 40203

Tony. Taylor@bellsouth.com

Tony Taylor
Director
Regulatory & Energy Affairs
COMMISSION

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
Custom Calling Service RingMaster® Ser
BellSouth® Privacy Director® Service
Prestige® Communications Service
Voice Mail Companion Services Package

Grouping Service

RingMaster® Service

Service

Customized Code Restriction

Message Waiting Indication AMPRICATE

Designer Listings TELECTIVE

SEP 0 3 200:

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® BellSouth is a registered trademark of BellSouth Intellectual Property Corporation

Mr. Thomas M. Dorman August 12, 2003 Page 2 of 2

(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,

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PURSUANT TO 807 KAR 5 GHT SECTION 9 HT

Registered Service Mark of BellSouth Intellectual Property Corporations & Spanish

® BellSouth is a registered trademark of BellSouth Intellectual Property Corporation

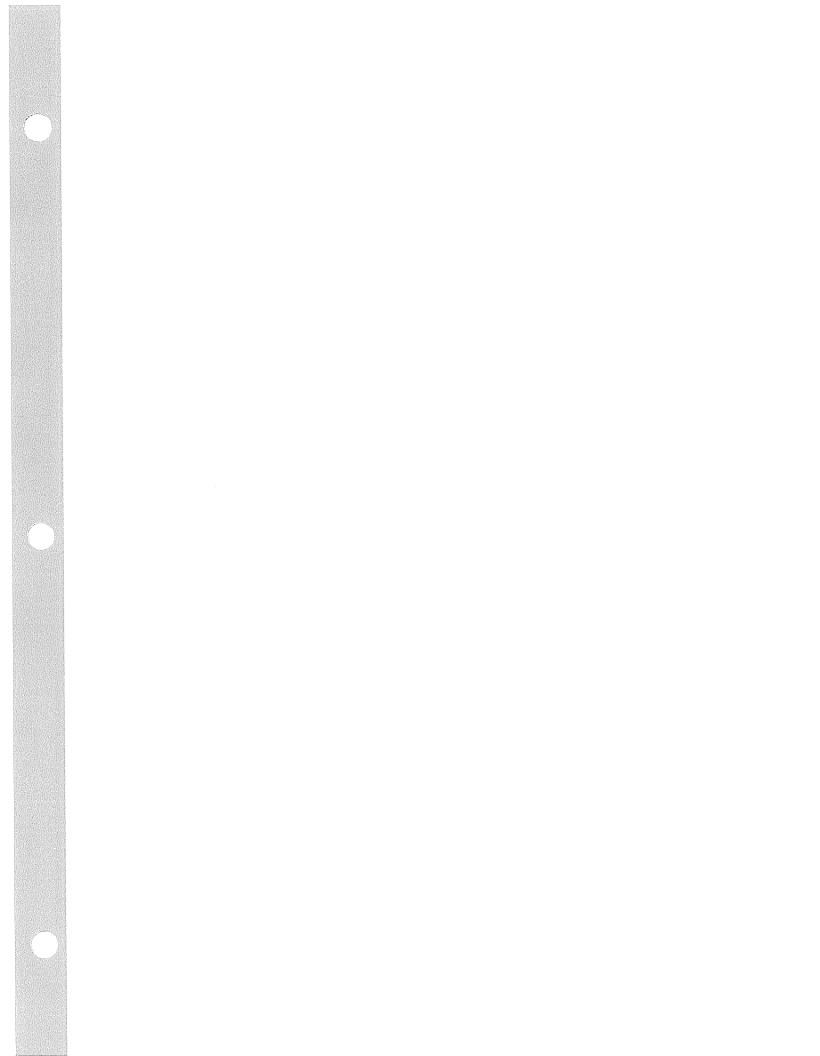


Exhibit EMM-2

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,

Dennis Brent Kirtley

Tariff Review Branch Manager

Brent Kurtley LCS

Enclosure pan



1182 ## OF 1 4 2003

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

502-582-2164 FAX 502-582-8667 Tony Taylor Director Regulatory & External Affairs

Tony Taylor@bellsouth.com

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 or KENTUCK
- 7. This offer is valid for only one (1) service line at the intended local service address.

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BY Charles Leading

Thomas M. Dorman October 14, 2003 Page 2 of 2

- 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,

Attachment

PUBLIC SERVICE COMMISSION OF RENTUCKY THE COVE

061 [5 200)

GRANGE CONTRACTOR OF SECTION OF THE SECTION OF THE

Lime Statcher Governor



LaJuana S. Wilcher Secretary

Commonwealth of Rentucky

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

HIBECELVED FOR 1 2 ADD

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,

Dennis Brent Kirtley

Tariff Review Branch Manager



BeilSouth Felaxommunications, Inc. 4# Floor 601 W. Chestnut Street Louisville, KY. 40203

502-582-2164 FAX 502-582-8667 Tony Taylor Director Regulatory & External Affairs

Tony Taylor@belsouth.com

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,

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

> 10/09/2004 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



Erme Fletcher Gavernor Laduana S. Wilcher Secretary

Commonwealth of Kentucky

Environmental and Public Protection Cabinet

Public Service Commission 211 Sower Blvd

Frankfort, Kentucky 45602-0615 Frankfort, Kentucky 45602-0615 Telephone (502) 564-3940 Fax (502) 564-3460

The American

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,

Dennis Brent Kirtley

Tariff Review Branch Manager



BellSouth Telecommunications Inc. 4h Floor 601 W. Chestnul Street Louisville, KY, 40203

502-582-2164 FAX 502-582-8667 Tony Taylor Director Regulatory & External Affairs

Tony Taylor@belsouth.com

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 IFR 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 IFR 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,

Tony Taylor

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





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,

Dennis Brent Kirtley

Tariff Review Branch Manager



BellSouth Telecommunications Inc. 4h Fibor 601 W. Chestriut Street Louisville, KY, 40203 502-582-2164 FAX 502-582-8567 Tony Taylor Director Regulatory & External Affairs

Tony Taylor@bellscuth.com

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 ENTUCKY

4. Customers must place their order through a BellSouth business office or Extremal telemarketing vendor or alternate channels as indicated.

2/1/2005

2/1/2005 PURSUANT TO 807 KAR 5.011

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Elizabeth O'Donnell January 14, 2005 Page 2 of 2

- 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,

om Taylor

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

2/1/2005 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

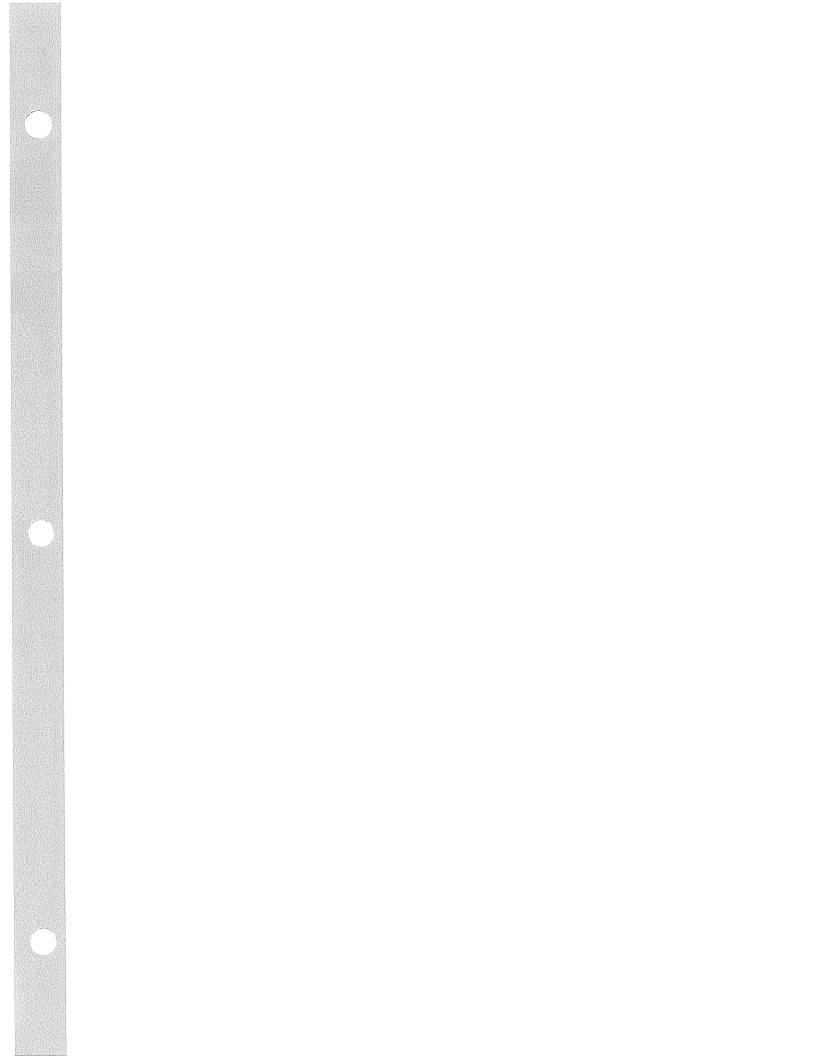


Exhibit EMM-3

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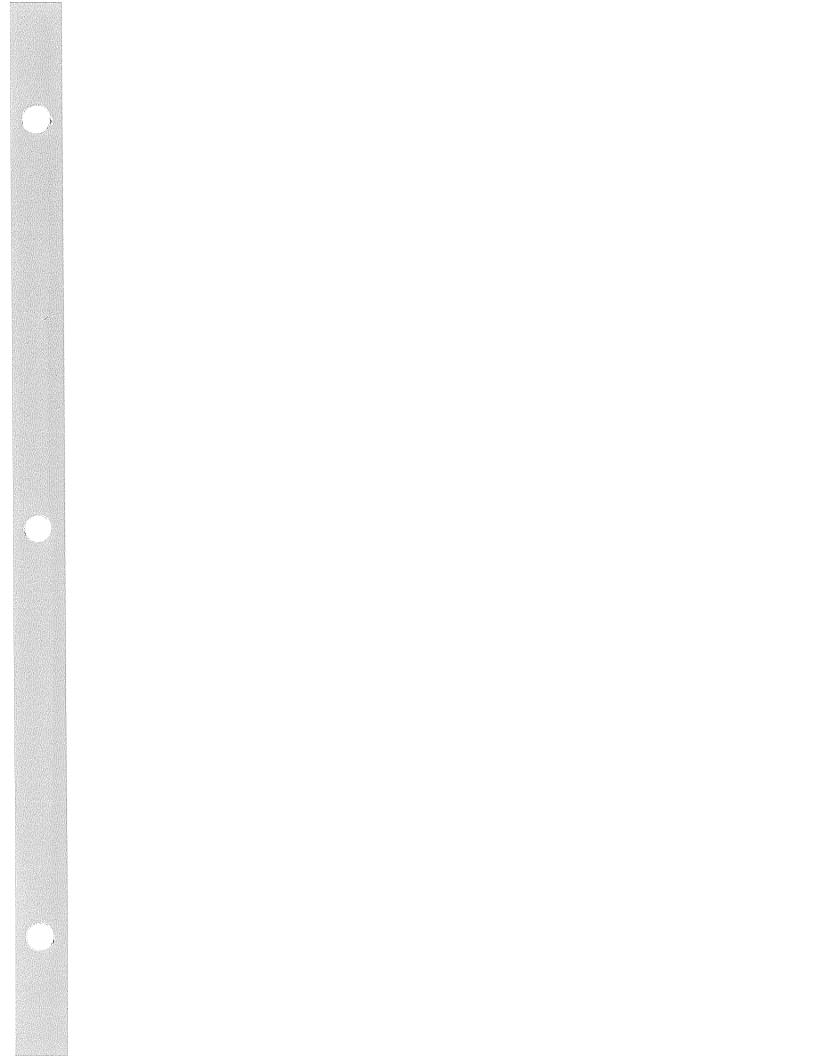


Exhibit EMM-4

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: November 16, 2006
BY: E.C. Roberts, Jr., President - KY
Louisville, Kentucky

PSC KY. TARIFF 2A Fifth Revised Page 14.1 Cancels Fourth Revised Page 14.1 EFFECTIVE: December 1, 2006

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.

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(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.

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.

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: October 17, 2007
BY: Joan A. Coleman, President - KY
Louisville, Kentucky

PSC KY. TARIFF 2A Second Revised Page 14.1.1 Cancels First Revised Page 14.1.1 EFFECTIVE: November 1, 2007

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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
Personalized Ring 6 provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone

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.

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.

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

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.

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: October 17, 2007
BY: Joan A. Coleman, President - KY

Louisville, Kentucky

PSC KY. TARIFF 2A Fifth Revised Page 14.2 Cancels Fourth Revised Page 14.2 EFFECTIVE: November 1, 2007

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(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)

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.

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.

All AT&T and BellSouth marks contained herein and as set forth in the trademarks and service marks section of the BellSouth Tariff are owned by AT&T Knowledge Ventures or AT&T affiliated companies.

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TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: October 17, 2007
BY: Joan A. Coleman, President - KY

Louisville, Kentucky

PSC KY. TARIFF 2A Ninth Revised Page 14.3 Cancels Eighth Revised Page 14.3 EFFECTIVE: November 1, 2007

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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)

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.

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).

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.

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.

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

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".

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TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: November 16, 2006

BY: E.C. Roberts, Jr., President - KY Louisville, Kentucky GENERAL SUBSCRIBER SERVICES TARIFF

PSC KY. TARIFF 2A Third Revised Page 14.3.0.1 Cancels Second Revised Page 14.3.0.1 EFFECTIVE: December 1, 2006

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).

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A13.19 TouchStar Service (Cont'd)

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.

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.)

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: October 17, 2007
BY: Joan A. Coleman, President - KY
Louisville, Kentucky

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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

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).

A service order is required to establish or discontinue Anonymous Call *Blocking*. Subsequent to establishment, the feature can 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.

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BELLSOUTH TELECOMMUNICATIONS, INC.

KENTUCKY

ISSUED: November 16, 2006 BY: E.C. Roberts, Jr., President - KY Louisville, Kentucky

GENERAL SUBSCRIBER SERVICES TARIFF

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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).

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A13.19 TouchStar Service (Cont'd)

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

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.1

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.

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.

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.

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

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)

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: October 17, 2007
BY: Joan A. Coleman, President - KY
Louisville, Kentucky

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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 PiBX 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.
 - 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.
 - 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.

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TELECOMMUNICATIONS, INC.
KENTUCKY
ISSUED: November 16, 2006
BY: E.C. Roberts, Jr., President - KY

Louisville, Kentucky

GENERAL SUBSCRIBER SERVICES TARIFF

PSC KY. TARIFF 2A Fourth Revised Page 14.3.3 Cancels Third Revised Page 14.3.3 EFFECTIVE: December 1, 2006

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).

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A13.19 TouchStar Service (Cont'd)

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
 - 11. TouchStar service features are not available on trunks except as specifically noted in A13.19.3.A.2 and 15 following.
 - 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.
 - 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.

BELLSOUTH
TELECOMMUNICATIONS, INC.
KENTUCKY

ISSUED: April 4, 2008 BY: Joan A. Coleman, President - KY

Louisville, Kentucky

GENERAL SUBSCRIBER SERVICES TARIFF

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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

	ז	Nonrecurring Charge	Monthly Rate	USOC	
(a)	Call Return (per line)	-	\$7.00	NSS	(1)
(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	
(1)	Caller ID - Basic (per line)		8.99	NSD	(1)
(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	9.99	NXMMN	
	Group arrangements)				
(o)	Anonymous Call Blocking (per line)		5.95	HBY	
(p)	Calling Number Delivery Blocking - Permanent ^{1,3} (Per Line) (Age	ncy)	-	NOB	
(q)	Calling Number Delivery Blocking - Per Call		-	NA	
(r)	Calling Number Delivery Blocking - Permanent Per Line (Non-Pu Listing Customers) ^{1.3}	blished	-	NOBNN	

B. Individual Features

Business

		Nonrecurring	Monthly		
		Charge	Rate	USOC	
(a)	Call Return (per line)	-	\$6.50	NSS	
(b)	Call Return (per activation)	\$.90	•	NA	
(c)	Call Return (denial of per activation)	-	-	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 EMM-5

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	ite with prompt p	ay discount \$2	29.99	Busy Redial *	\$7.00			
Upgrades	Logos gengi poliji i se			Call Waiting	\$7.00			
(1st month free) (\$3.00 Monthl) The dPi Club F v)	rogram	remove \$0.00] 3 Way Calling *	\$7.00			
(\$5 SO MORNINY)			Total Upgrades: \$0.00	Call Return *	\$7.00			
				Special Offers				
		í F	Grand Total: \$39.99 (Excluding Taxes and Fees)	THE OF LOUD FLORISH GOIGE NORMS LINES TO STATE OF STATE O) * \$8.00			
		(1)		(a) The dPi Club Program (First month free) *	\$3.00			
				Inside Wire Maintenance (First month free) *	\$5.00			
				Grace <u>Days/Extension (</u> First month free) ⁽¹ Listing	\$2.50			
				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			
				Call Feature Bonus Package	\$35.50			
				C/Call Feature Super Value *	\$27.00			
				Call Feature Saver	\$16.00			
				Lifeline				
				OLifeline Credit *	(\$10.00)			
				1st Month Lifeline Promotional Credit	(\$13.45)			
				5. H				

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Total

Call Us Toll-Free at: 1-877 JOIN DPI (564-6374) Home My Account Contact Us About Us Select Provider > Select Package > Select Services > Order Summary > Address / Customer Info > Make Payment > Account Summary ZipCode: 40203 BellSouth Order Summary Month 2 Charges Modify Remove Price Package and Features Selected Basic Service \$39,99 \$39.99 Modify (\$23.45) 1st Month Promotional Credit Prompt Pay Discount (\$10.00) Conversion Credit (\$10.00) 1st Month Promotional Credit (\$10.04) \$3.50 \$3.50 A.A.M. Fee Modify The dPl Club Program \$3.00 Remove Debt and Credit Counseling Grocery Coupon Savings Book Involuntary Unemployement Insurance \$36.49 \$0.00 **Product Total** Taxes \$12.89 Sales Tax \$0.00 \$0.00 \$49.38 Total Amount Due Mo.1 Mo.2 Mo.3 No.4 Mo.5 Mo.6 Mo.7 Mo.8 Mo.9 Product Name 39.99 39.99 39.99 39.99 39,99 39.99 39.99 39.99 39.99 Basic Service -23.45 1st Month Promotional Credit -10.00 -10.00 -10.00 -10.00 -10.00 -10.00 -10.00 **Prompt Pay Discount** Conversion Credit -10.00 -10.00 -10.04 1st Month Promotional Credit 3.50 3.50 3.50 3.50 3.50 3.50 3.50 3.50 3.50 A.A.M. Fee 3.00 3.00 3.00 3.00 The dPi Club Program 3.00 3.00 3.00 3.00 **Debt and Credit Counseling** Grocery Coupon Savings Book Involuntary Unemployement Insurance 36.49 36.49 0 36.49 36.49 36.49 36.49 36.49 36,49 Subtotal Product 12.89 12.89 12.89 12.89 0 12.89 12.89 12.89 12.89 Taxes, Fees and Surcharges 49.38 49.38 49.38 49.38 49.38 0 49.38 49.38 49.38

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Exhibit EMM-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 peruse 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.

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.... 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 <u>only</u> 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 <u>not</u> 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

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