

January 10, 2007

HAND DELIVERED

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

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
movers tree@stites.com

RE: P.S.C. Case No. 2005-000482

Dear Ms. O'Donnell:

This is in response to Touchtone Communications, Inc. d/b/a ALEC, Inc.'s ("ALEC") letter of January 8, 2007. To clarify the statements in ALEC's letter, Windstream agrees only that it owes some amount for toll traffic. Windstream always has contended and continues to contend that the parties' interconnection agreement does not provide for any compensation being due on local or ISP-bound traffic.

ALEC also references a 2004 letter from Stephen Weeks setting forth a balance amount. That amount was estimated several years ago based on the facts available to Windstream at that time and without agreement by the parties as to issues such as the correct amount of terminating toll minutes or ALEC's lawful tariffed rates. In late 2006, ALEC certified to Windstream that its applicable tariffed rate to be applied for the periods at issue in this proceeding is \$0.01402. Windstream then used that rate to calculate the amount of toll charges due through September 2006. That amount is \$52,421.56.

As noted in Windstream's prior communication to the Commission on December 8, 2006, Windstream is willing to remit to ALEC a check in that amount in satisfaction of the toll amounts due through September 2006. However, Windstream sought the Commission's assistance in this settlement process due to concerns about ALEC's attempts to re-collect monies already paid by Windstream.

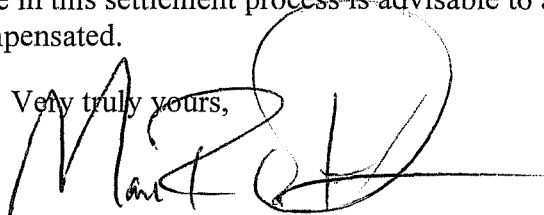
ALEC's assertions that no payments have been made to it over the course of this matter are inaccurate. Windstream paid toll charges to, and settled all traffic disputes through November 2002 with, the applicable party in interest during the interconnection period. Windstream withheld further payment for toll charges due to ALEC's subsequent attempt to re-collect these monies, ALEC's failure to provide sufficient billing records or rates from which Windstream

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could validate ALEC's invoices, and the parties' inability to reach agreement on the proper billing provided for in the parties' interconnection agreement.

As noted in our December 8, 2006 letter to the Commission, Windstream is willing to satisfy toll charges through September 2006 in the amount of \$52,421.56. Windstream agrees with ALEC that the Commission's assistance in this settlement process is advisable to avoid any further claims that the incorrect party is compensated.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', written over a horizontal line.

Mark R. Overstreet

cc: Jonathon A. Amlung
Kristopher E. Twomey