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STITES & HARBISON PLLC

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September 29, 2006

RECEIVED

SEP 29 2006

**PUBLIC SERVICE
COMMISSION**

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

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

RE: *Touchtone d/b/a Alec, Inc. v. Windstream Communications, P.S.C. Case No. 2005-00482*

Dear Ms. O'Donnell:

This is in response to the requests made by Commission staff and agreed to by Windstream at the September 26, 2006 informal conference in this matter.

1. Windstream will not be seeking confidential treatment for any of the information contained in the green binder provided by ALEC at the informal conference. I have informed Mr. Amlung of this fact by e-mail today.

2. During the pendency of this dispute, Mandy Jenkins, Stephen Weeks and John Bratton, on behalf of Kentucky Alltel/Windstream, and John Dodge and Richard McDaniel on behalf of ALEC have discussed the charges. For example, on March 4, 2003 Windstream indicated it would process Windstream's invoice once ALEC provided the PLU used to determine jurisdiction, the rate applied and the records supporting the minutes of usage. On April 14, 2004. On April 14, 2004, Many Jenkins advised the Commission that the parties were attempting to resolve the dispute. On December 1, 2004, the parties again discussed resolution. The communications attached are only a small sample of the communications between Alltel/Windstream and ALEC. (See Tab 1)

3. As requested by Staff, Windstream is willing to continue discussions with ALEC to resolve the parties' dispute. Mr. Weeks of Windstream will call Mr. Hayes of ALEC no later than October 6, 2006 to schedule a meeting. Windstream will file a status report concerning the discussions no later than November 6, 2006. I have informed Mr. Amlung of this fact by e-mail message today.

4. Exhibits C and D to Windstream's Motion to Dismiss and Answer were inadvertently omitted when the motion and answer were filed earlier this year. They are enclosed with this letter as Staff requested. (See Tab 2)

Ms. Beth O'Donnell

September 29, 2006

Page 2

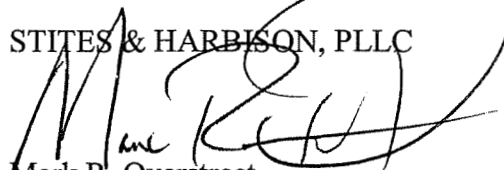
5. As requested, I am including a brief explanation of Windstream's position along with certain supporting documents. (See Tab 3).

Windstream anticipates making an additional filing on October 6, 2006 as requested by staff.

Please do not hesitate to contact me if you have any questions.

Sincerely yours,

STITES & HARBISON, PLLC

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', is written over the typed name and firm name. The signature is stylized and somewhat cursive.

Mark R. Overstreet

cc: Jonathon Amlung (with enclosures)
Amy E. Dougherty



ALLTEL Communications, Inc.

One Allied Drive • P.O. Box 1299 • Little Rock, Arkansas 72203-1299
(501) 905-8000

March 4, 2003

Travis Jones
Revenue Accounting
(501) 905-5361
(501) 905-6878 (FAX)

Touchtone dba ALEC, Inc.
Attn: Stephanie Anderson
250 W. Main Street Suite 710
Lexington, KY 40507

Dear Ms. Anderson,

This letter is in regards to ALLTEL's dispute of invoice numbers TU200208-1 through TU200301-1. ALLTEL will not pay the Intrastate Local Interconnection charges due to the fact that this is ISP traffic and, per FCC 01-131, is interstate in nature and not subject to compensation. In order to process payment for the Intrastate Intralata Toll, ALLTEL requests the PLU used to determine the jurisdiction, the rate applied, and the records supporting the minutes of use.

Regards,


Travis Jones

ALLTEL COMMUNICATIONS, INC.

One Allied Drive
Little Rock, AR 72202



Mandy S. Jenkins
Staff Manager - Wholesale Product Management

501-905-8590
501-905-6299 fax
mandy.s.jenkins@alltel.com

April 14, 2004

Mr. Tom Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602

RE: Request for meeting between Commission Staff, Volaris Telecom and Kentucky ALLTEL, Inc.

Dear Mr. Dorman:

Representatives from ALLTEL and Volaris had a conference call yesterday afternoon to discuss the issues in dispute with regard to bills submitted to Kentucky ALLTEL, Inc. by Volaris Telecom. J.T. Meister, Jimmy Dolan, Greg Coker and Mandy Jenkins represented ALLTEL and Richard McDaniel represented Volaris.

Both Parties seemed to believe that the issues in dispute can be resolved amicably without having to take up Commission Staff time and resources. Because the parties are continuing to work on this matter informally in hopes of resolving their disagreement, we are not seeking any assistance from the Commission at this time and agree with Volaris that a meeting including the Commission is not necessary.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Mandy S. Jenkins". The signature is written in a cursive, flowing style. Below the signature, the name "Mandy S. Jenkins" is printed in a standard font.

cc: Richard McDaniel

Weeks, Stephen

From: John Dodge [jdodge@crblaw.com]
Sent: Friday, December 03, 2004 4:45 PM
To: Weeks, Stephen
Cc: Smith, Kerry C; Fuller, Anthony; Bratton, John; Mark Hayes; Mark Elliott
Subject: RE: ALEC - ALLTEL Dispute

Steve --

By this email I am introducing you to Mark Hayes and Mark Elliott of ALEC, Inc. They constitute ALEC, Inc.'s SMEs.

I agree that a SME call is a good way to proceed. We hope to have an updated invoice and annual summaries to you on Monday the 6th via email and attachments. I hope these new data will go a long way toward addressing some of the MOU and rate element concerns you raised with me in our initial call and I anticipate we can quickly reach closure on the various MOU issues.

We should also make time in our call or otherwise to discuss another issue to which you alluded on our call, namely, A/R claims by Richard McDaniel on behalf of an ALEC, Inc. predecessor. Since our discussion Mark and Mark have filled in certain gaps for me that I mentioned to you, and I think I now have a clearer understanding of the entities and timeframes involved. It is our hope to present you a sensible workaroud to any confusion between ALEC, Inc.'s A/R claims and anyone else's.

We are generally available next week for a call, and I will propose specific days and times on Monday. If there are days/times next week your team is unavailable, please let me know.

As always, I'm happy to entertain any questions.

Have a nice weekend.

john

-----Original Message-----
From: Stephen.Weeks@alltel.com [mailto:Stephen.Weeks@alltel.com]
Sent: Wednesday, December 01, 2004 2:57 PM
To: John Dodge
Cc: Kerry.C.Smith@alltel.com; Anthony.Fuller@alltel.com;
John.Bratton@alltel.com
Subject: ALEC - ALLTEL Dispute

John,

As you suggested, let's get our billing/records subject matter experts on the phone together to ensure we are all starting from the same place. I see this happening in two steps: first, we need to be sure both companies are on the same page regarding the nature of the actual calls and the associated records. Second, once we are all in agreement as to the traffic we are discussing, then you and I can move on to discussion of the appropriate application of the interconnection agreement.

The call with the billing/records SMEs would be limited to item one above. Do you agree with this approach? If so, please provide some times your clients' SMEs are available.

Thanks
Steve

The information contained in this message, including attachments, may contain privileged or confidential information that is intended to be delivered only to the person identified above. If you are not the intended recipient, or the person responsible for delivering this message to the intended recipient, ALLTEL requests that you immediately notify the sender and asks that you do not read the message or its attachments, and that you delete them without copying or sending them to anyone else.

This electronic mail transmission may contain confidential or privileged information. If you believe that you have received the message in error, please notify the sender by reply transmission and delete the message without copying or disclosing it.

ALLTEL COMMUNICATIONS

One Allied Drive
P.O. Box 2177
Little Rock, AR 72203-2177
501-905-8000
501-905-6878 fax



June 2, 2005

ALEC, Inc.
ATTN: Stephanie Anderson
250 West Main Street
Suite 1920
Lexington, KY 40507

RE: ALEC, Inc. invoice no TU200503-1

Dear Ms. Anderson:

This letter serves as ALLTEL's official dispute for the above referenced invoice number.

Reasons for dispute are as follows -

- ISP traffic is not compensable under our interconnection agreement.
- Studies of ALEC's traffic indicate that a PLU of 99% is a more accurate percentage. Only 1% of traffic should be compensable as intralata toll.
- Article III, Section 10.1 of our interconnection agreements states that, "Neither Party will bill the other Party for previously unbilled charges that are for more than one-year prior to the current billing date."

Based on these factors, ALLTEL does not intend to remit payment for the above referenced invoice.

If you have any questions or concerns, please contact Stephen Weeks, Director of Wholesale Product Management, at 501-905-4619.

Sincerely,

A handwritten signature in black ink, appearing to read 'John W. Bhatton'.

John W. Bhatton
Supervisor - Wireline Revenue
ALLTEL Communications, Inc.

Cc Stephen Weeks

ALEC, Inc.
 250 W. Main Street Suite 1920
 Lexington, KY. 40507
 Bus: (859) 258-2537
 Fax: (859) 258-2880

Invoice No. TU200412-1
 Account No. 000010

INVOICE

Customer

Alltel
 Karen Ketchum
 1 Allied Drive
 Little Rock, AR 72202-2177
 Mailstop: 1269-B4F05-NA

Invoice Date 01/05/05
 Due Date 01/31/05
 Begin Date 12/01/04
 End Date 12/31/04

QTY	DESCRIPTION	UNIT PRICE	TOTAL
PLU 95% -- Quantities reflect 95% total MOU			
40,562,771	Intrastate Local Interconnection - JUNE 03 TO PRESENT Rate per FCC ISP Remand Order	\$0.000700	\$28,393.94
QTY	DESCRIPTION	RATE	TOTAL
PIU 5% -- Quantities reflect 5% total MOU			
2,134,883	Intrastate Intralata Toll - JULY 04 TO PRESENT Rate per Tarriff	\$0.029000	\$61,911.60

Payment Details

Remit Payment To:
 ALEC, Inc.
 ATTN: Stephanie Anderson
 250 W. Main Street Suite 1920
 Lexington, KY 40507

SUB TOTAL \$90,305.54

TOTAL \$90,305.54

OFFICE USE ONLY

Balances not paid by the due date will be subject to late fees.

ALEC / Windstream Kentucky East, Inc. f/k/a Kentucky Alltel, Inc.
(Case No. 2005-00482)

1. ALEC's first claim is that Windstream owes ALEC compensation for **ISP-bound traffic** from June 14, 2001 to August 2005.
 - ALEC chose to adopt and is bound by the August 26, 1999 Interconnection Agreement, Resale and Unbundling Agreement with GTE South Incorporated (Windstream's predecessor).
 - ALEC's Interconnection Agreement provides explicitly that neither party shall bill the other for ISP-bound traffic. Specifically, Article V, Section 3.2.3. states that "until the FCC enters a final, binding, **and** nonappealable order ("Final Order"), the Parties shall exchange and each Party may track ESP/ISP Traffic but **no compensation shall be owed for ESP/ISP Traffic exchanged between the Parties, and neither party shall bill the other for such traffic.**" (Emphasis supplied.)
 - The FCC continues to evaluate one-way ISP-bound traffic in the FCC's ongoing proceedings. (See, e.g., *ISP Remand Order* and *ISP-Bound Traffic, Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68.*)
 - **ALEC agreed in its October 17, 2005 agreement with Brandenburg Telephone Company that the FCC has not fully resolved ISP compensation.** Attachment A contains Sections 3.2 and 3.5 of the ALEC/Brandenburg agreement that explicitly exclude any traffic associated with ISP services and also state that treatment of traffic directed to ISPs is unresolved and the subject of industry-wide controversy.
 - Additionally, the FCC's *ISP Remand Order* provides that for year 2001 a local exchange carrier may receive compensation for ISP-bound traffic up to a ceiling based on compensation received during the first quarter of 2001 plus a growth factor. Volume for subsequent years is based on the initial cap for the prior year. **Windstream's predecessors (GTE and Verizon) and ALEC did not bill each other for ISP-bound traffic in 2001, and ALEC was not entitled to ISP compensation during the first quarter of 2001 as evidenced by its complaint which seeks ISP compensation only from the second quarter of 2001 forward.**
 - ALEC's claim for compensation for ISP-bound traffic explicitly is contrary to the interconnection agreement which it adopted and applicable FCC authorities which result in zero compensation being due to ALEC.
 - Additionally, ALEC's invoices from August 2000 to May 2001 seek compensation at the rate of \$0.004929 per minute for **Local Traffic** despite the fact that Article V, Section 3.2.2 of the interconnection agreement clearly provides that Local Traffic is subject to bill and keep. All claims for compensation for Local Traffic prior to May 2001 should be denied.

2. ALEC's second claim is that Windstream owes ALEC compensation for **intra-LATA toll charges** from August 2000 to August 2005.

- With respect to toll traffic from August 2000 to July 2002, Windstream's predecessor already paid ALEC over \$160,000.
- With respect to toll traffic from August 2002 to November 2002, Windstream already paid ALEC over \$115,000.
- With respect to toll traffic from December 2002 forward, Windstream discussed with ALEC on numerous occasions the proper calculation of and support for charges associated with such toll traffic. ALEC refused to provide requested records and continued to insist on calculation of charges in a manner contrary to the parties' agreement. Additionally, ALEC's tariffed rate of \$0.01402 (See Attachment B) is different than that contained in ALEC's invoices and created confusion as to the proper calculation of intra-LATA toll charges.
- Attachment C and the accompanying Notes contain an itemization of the minutes of use provided by ALEC, the appropriate compensation due for each category of traffic, and the associated interconnection agreement provisions.

3. Claims for **all traffic** from August 2000 to November 2002 are resolved with the proper party in interest and should be dismissed.
 - On December 6, 2004, John Dodge acknowledged that Kentucky Alltel (now Windstream) should not be presented with competing claims from different ALEC entities.
 - On February 3, 2005, Richard McDaniel (who consistently represented ALEC before the Kentucky Commission and in negotiations) notified Kentucky Alltel (now Windstream) that ALEC receivables up to December 2002 were purchased by Duro ALEC Settlement Group.
 - Attached to Windstream's Answer was a check with respect to payment of intra-LATA toll charges from Kentucky Alltel (now Windstream) to Duro ALEC Settlement Group dated March 9, 2005.

AGREEMENT

RECEIVED

for the

OCT 17 2005

PUBLIC SERVICE
COMMISSION

TRANSPORT AND TERMINATION OF
EXTENDED AREA SERVICE (EAS) TRAFFIC

Effective as of _____, 20____

Between

Brandenburg Telephone Company, Inc.

and

ALEC, Inc.

Violating Party") provides written notification to the Violating Party of a suspected Violation(s), or if the Violating Party discovers the Violation(s) itself, the Violating Party will, unless otherwise mutually agreed to by the Parties, within five (5) days following such notification or discovery, correct and/or remove the specific service arrangement that has resulted in the Violation(s). In addition, the Non-Violating Party may request a study or other such demonstration of available switch data or other information that the Violation(s) has been corrected and/or removed. It will constitute a default of this Agreement if a Party does not correct and/or remove the Violation after notification or discovery. It will constitute a default of this Agreement for repeated Violations.

3.2 EXCLUDED TRAFFIC

This Agreement does not cover any traffic originating or terminating in areas other than the Local Service Exchange Areas set forth in Exhibit 1. This Agreement does not apply to any traffic that both originates and terminates within the same Local Service Exchange Area. Except as provided in Section 3.4, below, the terms and conditions of this Agreement are not applicable to IntraLATA toll traffic; switched access traffic; InterLATA toll traffic; or any other traffic that is not specifically identified in Section 3 as subject to this Agreement. Except as provided in Section 3.3 below, this Agreement is not applicable to traffic originated, terminated, or carried on third party networks not Parties to this Agreement or any traffic originated or terminated by users of Commercial Mobile Radio Services licensees. Subject to the provisions of Subsection 3.5 below, the Parties specifically exclude traffic terminating to Internet Service Providers, traffic terminating to other information service providers, and any traffic associated with ISP services. The Parties specifically exclude verification traffic and 911 traffic.

3.3 INTERMEDIARY EAS TRAFFIC FUNCTIONS

Neither Party will provide an intermediary function for the other Party's connection of its end users to the end users of a third party telecommunications carrier without the consent of all parties and without the establishment of mutually agreeable terms and conditions governing the provision of the intermediary function.

3.4 ACCESS TRAFFIC

Notwithstanding the requirements, warranties and representations set forth in this Section 3, whenever the originating Party delivers traffic to the terminating Party for termination on the terminating Party's network, if the originating Party cannot determine, because of the manner in which the terminating Party has utilized its NPX-NXX codes to serve End Users and information service providers, whether the traffic is between End Users in different geographic areas between which EAS calling is exchanged between the Parties pursuant to this Agreement or whether the traffic is interexchange toll or access traffic, the originating Party will charge the terminating Party originating intrastate exchange access charges for the originating usage pursuant to the access charge terms, conditions, and rates that the appropriate Party applies to other intraLATA toll providers. For traffic in the other direction, if either Party deploys NPA-NXX codes in such a manner that the terminating Party cannot determine whether the traffic delivered to the terminating Party's network by the originating Party is EAS traffic or whether the traffic is interexchange toll or access traffic, the terminating Party will charge the originating Party terminating intrastate access charges for the originating usage pursuant to the access charge terms, conditions, and rates that the appropriate Party applies to other intraLATA toll providers.

3.5 TREATMENT OF INFORMATION SERVICE PROVIDER TRAFFIC

3.5.1 The Parties recognize that the network treatment of traffic directed to ISPs is unresolved and the subject of industry wide controversy. The Parties further recognize that the long term resolution of issues related to ISP Traffic will affect both Parties and will likely necessitate modification to this Agreement. In recognition of these factors, the Parties agree to transport and switch ISP Traffic in the manner described below in this Subsection 3.5 subject to amendment upon written agreement of the Parties.

3.5.2 The Parties acknowledge that under current network and service arrangements, some ISP Traffic may be switched and transported as if this ISP Traffic were actual EAS Traffic. The Parties may treat ISP Traffic under these conditions until such time as a regulatory authority, court, or legislative body addresses the proper treatment of this traffic. The switching and transport of ISP Traffic over EAS facilities by either Party, however, will not be construed as either agreement or acknowledgment by the Parties that this arrangement is proper or required. In the event that the manner in which ISP Traffic is or may be treated is determined by an appropriate regulatory or legal body, or in the event that any action or decision of an appropriate regulatory or legal body results in a determination that the interim treatment of ISP Traffic pursuant to this Subsection is unlawful or improper, the Parties will negotiate in good faith immediate modification and/or replacement language to this Agreement to effect new terms and conditions consistent with any such lawful action or determination. Any new or modified terms will be effective with the effective date of any such lawful action or determination regarding the treatment of ISP Traffic between the Parties.

3.5.3 The Parties agree that the mutual provisions and relative obligations pursuant to this Section 3.5, including the compensation provisions set forth in Section 3.5.4, represent good and valuable consideration, the sufficiency of which between the Parties is acknowledged, and except for the compensation pursuant to Section 3.5.4, neither Party will owe a net due amount to the other Party for terminating ISP Traffic.

3.5.4 Notwithstanding any other provision of this Agreement that would otherwise apply to EAS Traffic that is not ISP Traffic, the Parties agree to the following terms and conditions with respect to this Agreement and ISP Traffic: (1) to the extent not offset by equal exchange of ISP Traffic, the Party with which an ISP is connected ("ISP Serving Party") will be responsible for providing compensation to the other Party for the cost of additional trunking facilities provided by the other Party to originate calls to ISPs connected to the ISP Serving Party, and (2) if one Party decides to provide services solely to ISPs, then the Party with which the ISPs are connected ("ISP Serving Party") will provide compensation to the other Party for any and all trunking facilities that the other Party may install to originate traffic to the ISPs connected to the ISP Serving Party.

3.5.5 At the request of one Party, the other Party will cooperate fully in identifying ISPs and ISP Traffic exchanged between the Parties.

3.6 TRUNK GROUPS

3.6.1 The Parties agree to interconnect their respective networks for the purpose of allowing each Party to deliver EAS Traffic to the other Party. The Parties agree to establish the Point(s) of Connection as set forth in Exhibit 1. Each Party will make available to the other Party, at the POC(s), trunks over which the originating Party can terminate EAS Traffic to the End Users of the terminating Party.

3.6.2 The Parties agree to work cooperatively to forecast trunk requirements for the exchange of EAS Traffic between the respective End Users of the Parties. The Parties

SECTION 10-RATES AND CHARGES

10.2 Switched Access Service (Cont'd)

10.2.3 End Office

(A) Local Switching

Premium

- Local Switching 1 Per Access Minute \$0.01402 (R)

Feature Groups A & B* (except:
(1) Feature Group B utilized for the provision of
MTS/WATS service
(2) Feature Groups A and B when utilized for the
Provision of terminating inward WATS and WATS-
Type services at an equal access WATS Service Office.

- Local Switching 2 Per Access Minute \$0.01402 (R)

Feature Groups C & D (including:
(1) Feature Group B when utilized for the provision of
MTS/WATS service, (2) Feature Groups A and B when
utilized for the provision of terminating inward WATS
and WATS-type services at an equal access WATS
Serving Office.

Non-Premium Per Access Minute \$0.0185


(B) Information Surcharge

- Premium Per Access Minute \$0.000895 (I)
- Non-Premium Per Access Minute \$0.000120

- Local Switching 1 when applied to Feature Group B with an ADA is multiplied by the ADA rate factor listed in 10.2.4 following.

ISSUED: July 14, 2004

Mark Hayes
205 West Main Street., Suite 1920
Lexington, KY 40507

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 08/15/2004 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) EFFECTIVE: August 15, 2004	
By	
	Executive Director

Attachment C

Total Minutes 8/00 - 8/05 (excludes Jul-Nov 02 which were not included by ALEC)	2,348,398,302		Total MOU provided by ALEC
August 2000 - June 2002		920,379,108	Fully compensated by Verizon
July 2002 - November 2002		not identified by ALEC	Fully compensated by Windstream
			ALEC Access Rate of \$0.0412
			(See Note 1) may apply to toll
December 2002 - July 2004		877,293,260	minutes included herein.
			ALEC Tariffed Access Rate of
			\$0.01402 may apply to toll minutes
August 2004 - August 2005		550,725,934	included herein.
		2,348,398,302	Total MOU provided by ALEC

Appropriate Compensation Calculations

December 2002 - July 2004 Total Minutes	877,293,260	Total Traffic
		Windstream used 96%
		factor determined via
		internal traffic study.
		ALEC refused to
		provide records.
Apply 96% Factor to remove non-Local (e.g., ISP traffic)/non-IntraLATA toll traffic	96%	
Non-Local (e.g., ISP traffic)/non-IntraLATA toll traffic to be excluded	842,201,530	ISP Traffic (See Note 2)
Remaining Traffic (4% of total)	35,091,730	
Apply 95% PLU to Remaining 4% of Traffic	95%	(See Note 3)
		Local Traffic (See Note
Local Traffic - Bill and Keep	33,337,144	4)
Apply 5% Exempt Factor to Remaining 4% of Traffic	5%	(See Note 3)
Toll Minutes	1,754,587	Toll Traffic
Apply ALEC Access Rate of \$0.0412	\$ 0.0412	(See Note 1)
Total Amount Due for Dec 2002 - July 2004	<u>\$ 72,288.96</u>	
August 2004 - August 2005	550,725,934	Total Traffic
		Windstream used 96%
		factor determined via
		internal traffic study.
		ALEC refused to
		provide records.
Apply 96% Factor to remove non-Local (e.g., ISP traffic)/non-IntraLATA toll traffic	96%	
Non-Local (e.g., ISP traffic)/non-IntraLATA toll traffic to be excluded	528,696,897	ISP Traffic (See Note 2)
Remaining Traffic (4% of total)	22,029,037	
Apply 95% PLU to Remaining 4% of Traffic	95%	(See Note 3)
		Local Traffic (See Note
Local Traffic - Bill and Keep	20,927,585	4)
Apply 5% Exempt Factor to Remaining 4% of Traffic	5%	(See Note 3)
Toll Minutes	1,101,452	Toll Traffic
Apply ALEC Access Rate of \$0.01402	\$ 0.01402	
Total Amount Due for August 2004 - August 2005	<u>\$ 15,442.36</u>	
Total Compensation Due from Dec 2002 - August 2005	\$ 87,731.32	(Subject to verification of ALEC's access rate as set forth in Note 1.)

Note 1: Attached is an unstamped page provided by ALEC that reflects a rate of \$0.0412. However, Windstream has been unable to verify whether this rate does in fact reflect ALEC's actual tariffed rate for that time period.

Note 2: Article II, Section 1.59 states that Local Traffic excludes Internet Service Traffic.

Note 3: Appendix A states that the initial Percent Local Usage ("PLU") is 95%. Appendix A also states that the Exempt Factor is 5%.

Note 4: Article V, Section 3.2.2 states that the parties will use a bill and keep arrangement with respect to termination of Local Traffic. Further, Article II, Section 1.11.1 defines bill and keep arrangements as those where the Parties do not render bills to each other for the termination of Local Traffic.