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May 26, 2009

RECEIVED

VIA OVERNIGHT MAIL

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

MAY 27 2009

PUBLIC SERVICE
COMMISSION

Re: BellSouth Telecommunications, Inc.'s Notice of Intent to Disconnect
SouthEast Telephone, Inc. for Nonpayment
PSC 2005-00519

SouthEast Telephone, Inc., Complainant v. BellSouth
Telecommunications, Inc., Defendant
PSC 2005-00533

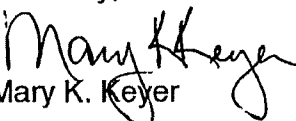
Dear Mr. Derouen:

Enclosed for filing in the above-referenced cases is a Joint Filing of Agreed Damages Calculation by BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky, and SouthEast Telephone, Inc.

Highlighted information in the Joint Filing contains confidential, commercial, or proprietary information. AT&T filed similar information along with a Confidentiality Petition with the Commission on May 19, 2009, and is requesting confidentiality of the highlighted information in the Joint Filing pursuant to that Petition as well. The Commission previously granted confidentiality to similar information by Order dated March 31, 2006, and letter dated April 30, 2008.

One copy of the proprietary information is being filed and ten (10) copies of the edited version of the filing are provided for the public record. The proprietary information is also provided to parties of record.

Sincerely,


Mary K. Keyer

cc: Parties of Record

Enclosures

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EDITED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.'S NOTICE OF INTENT TO DISCONNECT SOUTHEAST TELEPHONE, INC. FOR NONPAYMENT)	CASE NO. 2005-00519
)	
AND)	
)	
SOUTHEAST TELEPHONE, INC.)	
)	
COMPLAINANT)	CASE NO. 2005-00533
)	
V.)	
)	
BELLSOUTH TELECOMMUNICATIONS, INC.)	
)	
DEFENDANT)	

**JOINT FILING OF AGREED DAMAGES CALCULATION BY
BELLSOUTH TELECOMMUNICATIONS, INC., D/B/A AT&T KENTUCKY AND
SOUTHEAST TELEPHONE INC.**

BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky ("AT&T Kentucky") and SouthEast Telephone Inc. ("SouthEast"), by counsel, submit this joint filing notifying the Kentucky Public Service Commission ("Commission") that the Parties have agreed on the updated current amount of damages, including late payment and interest charges, due in this matter to AT&T Kentucky from SouthEast in accordance with the second remand Order issued on May 1, 2009, by the United States District Court for the

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Eastern District of Kentucky.¹ The Court in its *Remand II Order* directed the Commission to calculate by June 30, 2009, the damages owed by SouthEast to AT&T Kentucky “based on the resale rate contained in the interconnection agreement, minus the amount actually paid by SouthEast, along with any applicable late charges, penalties, and interest as specified under the interconnection agreement.” *Remand II Order* at 7.

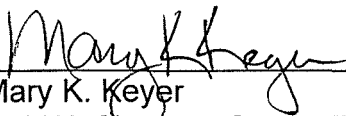
Pursuant to the Commission’s Intra-Agency Memorandum dated May 6, 2009 (“*Informal Conference Memorandum*”), SouthEast filed a statement with the Commission on May 12, 2009, providing written comments on the amount that AT&T Kentucky submitted on November 9, 2007. In its filing, SouthEast did not dispute the accuracy of the principal amount listed in AT&T Kentucky’s November 9, 2007, filing, but stated its review of the manner in which AT&T Kentucky computes late payment and interest charges was ongoing. SouthEast then filed a statement on May 19, 2009, indicating that it had no dispute with the manner in which AT&T Kentucky calculated late payment and interest charges in AT&T Kentucky’s November 9, 2007, filing.

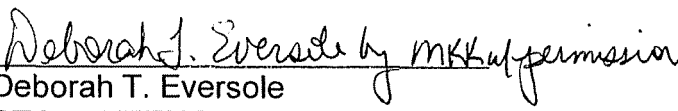
On May 19, 2009, AT&T Kentucky submitted an updated filing to reflect its current damages calculation, including late payment and interest charges. The Parties have discussed that updated filing, and have reached agreement that the damages calculation in this matter should be adjusted to \$ [REDACTED]. Accordingly and pursuant to the Commission’s *Informal Conference Memorandum*, SouthEast hereby notifies the Commission that it does not believe a hearing is necessary in this matter and waives any such hearing.

¹ Opinion and Order, *BellSouth Telecommunications, Inc. v. Kentucky Public Service Commission, et al.*, Civil Action No. 08-33-DCR, United States District Court, Eastern District of Kentucky (May 1, 2009). (“*Remand II Order*”)

In conclusion, the Commission should issue an Order determining the amount of damages owed by SouthEast to AT&T Kentucky in this case to be \$ [REDACTED] as agreed to by the Parties.

Respectfully submitted,


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