Ernie Fletcher Governor

LaJuana S. Wilcher, Secretary Environmental and Public Protection Cabinet

Christopher L. Lilly Commissioner Department of Public Protection

Honorable Mark R. Overstreet Attorney at Law Stites & Harbison 421 West Main Street P. O. Box 634 Frankfort, KY 40602-0634



Commonwealth of Kentucky **Public Service Commission** 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

September 29, 2006

RE: Case No. 2006-00407

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact Jim Stevens at (502) 564-3940 ext. 238.

Sincerely,

Beth O'Donnell Executive Director

BOD/jc Enclosure



Teresa J. Hill Vice Chairman

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GEARHEART)COMMUNICATIONS, INC. D/B/A)COALFIELDS TELEPHONE COMPANY)FOR AN ORDER AND CERTIFICATE OF)PUBLIC CONVENIENCE AND)NECESSITY AUTHORIZING APPLICANT)TO BORROW \$4,000,000 TO)REFINANCE EXISTING)INDEBTEDNESS)

CASE NO. 2006-00407

INITIAL DATA REQUEST OF COMMISSION STAFF TO GEARHEART COMMUNICATIONS, INC. D/B/A COALFIELDS TELEPHONE COMPANY

Gearheart Communications, Inc. d/b/a Coalfields Telephone Company ("Coalfields"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 6, 2006. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Provide an amortization schedule for each loan listed on Exhibit B of the application.

2. Provide a detailed schedule of closing costs and fees that will be payable and due at closing, including any interest payments.

3. Provide a calculation of the Annual Percentage Rate for the proposed loan.

4. How is the remaining balance of the loan going to be paid at the end of the 5-year period?

5. Provide any other additional information, calculations, or justification to support the proposed refinancing and demonstrate the savings to Coalfields.

6. Provide an analysis of the legal issues regarding the applicability of KRS 278.544(4) to this application.

7. Has Coalfields determined an allocation of the financing between "basic local exchange service" and "non-basic service" as defined by KRS 278.541(1) and (5)? If so, what is it? If not, why not?

Beth O Donnell Executive Director Public Service Commission P.O. Box 615 Frankfort, Kentucky 40602

DATED September 29, 2006

cc: Parties of Record

Case No. 2006-00407