



S T O L L · K E E N O N · O G D E N
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December 13, 2006

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

RECEIVED
DEC 15 2006
PUBLIC SERVICE
COMMISSION

RE: Case No. 2006-00492

Dear Ms. O'Donnell:

Enclosed for filing in the above referenced case are an original and 10 copies of Acorn Telephone, LLC's Response to the Commission's December 4, 2006 Order.

Please file-stamp the extra copy and return to me via the enclosed, self-addressed postage paid envelope.

Very truly yours,

STOLL KEENON OGDEN PLLC

Douglas F. Brent

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE)	
OF CERTAIN UTILITIES TO FILE)	ADMINISTRATIVE
GROSS OPERATING REPORTS)	CASE NO. 2006-00492
REQUIRED PURSUANT TO KRS 278.140)	

RESPONSE OF ACORN TELEPHONE, LLC

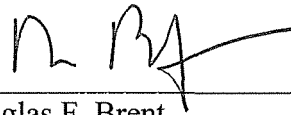
Acorn Telephone, LLC (“Acorn”), for its response to the Commission’s order dated December 4, 2006 in the captioned proceeding, responds as follows.

The Commission’s Order requires Acorn to show cause why it should not be penalized for failing to file a gross operating report for 2005. As shown in the attached Exhibit, Acorn timely filed a report for 2005 and should not be penalized.

Acorn is registered in Kentucky as both a CLEC (Utility ID 22251718) and an IXC (Utility ID 5171800). On or about March 30, 2006 Acorn filed a combined gross operating revenue report which included all assessable revenues for local and toll services provided in Kentucky. Acorn also filed a single annual report which referenced interLATA minutes of use as well as information about local lines in service.

Insofar as all assessable revenues were included in the combined gross operating revenue report, Acorn is in compliance with KRS 278.140. Acorn respectfully requests that the Commission issue an order finding that Acorn is in compliance and dismissing Acorn as a party to this investigation.

Respectfully submitted,



Douglas F. Brent
STOLL, KEENON OGDEN PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 333-6000

LOU 106681/120240/455919.1

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20 05

LOCAL EXCHANGE CARRIERS and COMPETITIVE LOCAL EXCHANGE CARRIERS

Name of Utility Reporting Acorn Telephone LLC

FEIN # (Federal Employer Identification Number)
41-2156050

Address of Utility 2219 Bonnie Butler Way

City Charlotte State NC Zip Code 28270

Telephone Number of Utility 704-887-1340

Fax Number of Utility (if applicable) 704-525-2129

Officer/Contact Person James Bellina President
(Name) (Title)

ASSESSABLE REVENUES OF TELEPHONE UTILITY.....\$ 754,956
(to agree with assessable revenues figure on the back of this page)

OATH

State of North Carolina)

County of Mecklenburg) ss.

James Bellina being duly sworn, states that he/she
(Officer)

is President of the Acorn Telephone LLC
(Official Title) (Utility Reporting)

that the above report of gross revenues is in exact accordance with

Acorn Telephone LLC, and that such books accurately show the gross
(Utility Reporting)

revenues of: Acorn Telephone LLC, derived from Intra-Kentucky
(Utility Reporting)

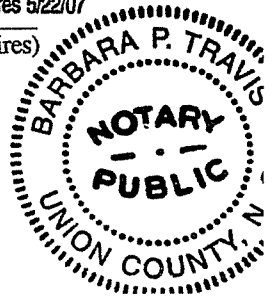
business for the calendar year ending December 31, 20 05.

[Signature] President
(Officer) (Title)

This the 30th day of March, 20 06

Barbara P. Travis Union My Commission Expires 5/22/07
(Notary Public) (County) (Commission Expires)

**NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS
REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT
APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE
REVERSE OF THIS REPORT**



LOCAL EXCHANGE CARRIERS and COMPETITIVE LOCAL EXCHANGE CARRIERS

TELECOMMUNICATIONS UTILITIES RECONCILIATION FORM

Total Operating Revenues (Schedule VI, page 1 of 5) \$ 962,249

Additions:

Intrastate Uncollectibles (Account 5300) \$ -0-

Total Additions \$ -0-

Deductions:

Non-Regulated Revenue (Account 5280) \$ _____

Interstate Billing/Collection Revenues (Acct 5200) \$ 28,083

End User Revenue (Account 5081) \$ _____

Interstate Switched Access Revenue (Acct 5082) \$ 119,783

Interstate Special Access Revenue (Acct 5083) \$ _____

Any Miscellaneous Interstate Revenues (Explain Below) \$ 59,427

Total Deductions.....\$ 207,293

RECONCILED ASSESSABLE REVENUES \$ 754,956

Explanations/Comments: Miscellaneous interstate revenues
are full interstate revenues.

Do Not Write Below This Line

COMPETITIVE LOCAL EXCHANGE CARRIERS (CLEC)

ANNUAL REPORT

OF

Acorn Telephone LLC

Exact Legal Name of Reporting Utility

2212 Bonnie Butler Way

Charlotte NC 28270

Address of Utility

TO THE

PUBLIC SERVICE COMMISSION

OF THE

COMMONWEALTH OF KENTUCKY

FOR YEAR ENDED DECEMBER 31, 2005

ANNUAL REPORT

OF

Aorn Telephone LLC

Exact Legal Name of Reporting Utility

*2219 Bonnie Butler Way
Charlotte NC 28270*

(Address of Utility)

TO THE
PUBLIC SERVICE COMMISSION
OF THE
COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2005

TELEPHONE UTILITIES - ANNUAL REPORT

Please furnish the following information, for KENTUCKY OPERATIONS only:

BASIC SERVICE:

* Average Residential Basic Service Monthly Bill \$ 38.61
* Not Including Taxes/Nonregulated Services

NAMES OF COUNTIES IN WHICH YOU FURNISH TELEPHONE SERVICE:

(If additional space is required, add additional sheet)

See attached

OFFICER OR OTHER PERSON TO WHOM CORRESPONDENCE SHOULD BE ADDRESSED CONCERNING THIS REPORT:

Name James Bellina Title President
Address 2219 Bonnie Butler Way city Charlotte
state NC zip code 28270 Telephone Number 704-887-1340

This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.

ACCESS LINES IN SERVICE BY TECHNOLOGY

Schedule I
Page 1 of 1
KPSC FORM T (Revised 2/01)

Company *Arcon Telephone*

Period Ended *12-31-05*

State or Territory (a)	Number of Central Office Switches (b)	ISDN 16 kh/sec D channels (Divided by 4) (c)	Main Digital Access Lines 64kh/s or Equivalent (ISDN B Channels Except to PBX's) (d)
1. <i>TX</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			

Line Number (a)	Main Analog Access Line 4khz or Equivalent (e)	Digital DS-1 Access Lines to PBS's and Centrex (Times 24) (f)	Analog PBX and Centrex Access Trunks (g)	Analog Centrex Extensions (h)	Other (i)
1.	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>	<i>-0-</i>
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
TOTAL					

Schedule II
BY
KPSC FORM T (Revised 2/01)

ACCESS LINES IN SERVICE
CUSTOMER INSTRUCTIONS

1. This schedule shall be filed annually on March 31 of each calendar year for the results of the preceding calendar year.

ACCESS LINES IN SERVICE BY CUSTOMER

Schedule II
Page 1 of 1
KPSC FORM T (Revised 2/01)

Company Arora Telephone
Period Ended 12-31-05

	State or Territory (a)	Business Access Lines	
		Single Line (b)	Multiline (c)
1.	KY	290	58
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL		290	58

Line Number (a)	Public Access Lines (d)	Residential Access Lines (e)	Mobile Access Lines (f)	Special Access Lines (Non-Switched) (g)	Total Access Lines (Switched and Special) (h)
1.	-0-	4043	-0-	-0-	4391
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
TOTAL	-0-	4043	-0-	-0-	4391

TELEPHONE CALLS

Schedule III
Page 1 of 1
KPSC FORM T (Revised 2/01)

Company *Acorn Telephone*
Period Ended *12-31-05*

State or Territory (a)	Local Calls (Total Local Calls) (b)	Intralata Toll Calls (c)
1. <i>KY</i>	<i>Not available</i>	<i>Not available</i>
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
TOTAL		

Line No. (a)	INTERLATA TOLL CALLS (Completed)					
	Interstate		Intrastate		Total Toll Calls	
	Number (d)	Billed Minutes (e)	Number (f)	Billed Minutes (g)	Number (h)	Billed Minutes (i)
1.	<i>358,593</i>	<i>2474293</i>	<i>71669</i>	<i>494514</i>	<i>430262</i>	<i>2968807</i>
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
TOTAL	<i>358593</i>	<i>2474293</i>	<i>71669</i>	<i>494514</i>	<i>430262</i>	<i>2968807</i>

Anderson
Bell
Bourbon
Boyle
Breckinridge
Butler
Calloway
Christian
Clark
Clay
Crittenden
Davies
Franklin
Fulton
Graves
Hancock
Hardin
Harlan
Harrison

Henderson
Henry
Hickman
Johnson
Knox
Laurel
Letcher
Livingston
Logan
Lyon
Madison
Marion
Marshall
Martin
Mason
McCracken
McLean
Mercer
Montgomery

Nelson
Nicholas
Ohio
Oldham
Pendleton
Perry
Pike
Powell
Pulaski
Scott
Shelby
Simpson
Spencer
Todd
Trigg
Union
Warren
Webster
Whitley