



Ernie Fletcher
Governor

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

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

Mark David Goss
Chairman

John W. Clay
Commissioner

July 10, 2007

PARTIES OF RECORD

Re: Case No. 2007-00215

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so by July 17, 2007. If you have any questions, please contact Tiffany Bowman at 502/564-3940, Ext. 465.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: File

FROM: Tiffany Bowman
Staff Attorney

DATE: July 10, 2007

RE: Case No. 2007-00215
Memorandum for Informal Conference held on June 29, 2007

On June 29, 2007, Commission Staff held an informal conference in this case in the Commission's offices in Frankfort, Kentucky. Present were members of Commission Staff and representatives for AT&T Kentucky.

AT&T Kentucky discussed the purpose of its "automatic migration" plan and why the corporation was seeking Commission approval. Commission Staff asked AT&T Kentucky a number of questions regarding the transfer of AT&T of the South Central States' local residential customer base to AT&T Kentucky, primarily to determine how local customers will be protected from unauthorized charges, the return of deposits and the ease of the transfer of service. Approximately 8,000 customers will be affected by the transfer of local residential customers.

Mr. Taylor stated that, based on AT&T, Inc.'s experiences with "automatic migration" processes within other regions within its larger corporate structure, as a subsidiary, AT&T Kentucky anticipates an overall loss of 2,000-3,000 customers. AT&T Kentucky anticipates that these customers will make the active decision to choose other providers for their local residential service instead of being automatically transferred from AT&T of the South Central States to AT&T Kentucky. On a national scale, AT&T, Inc. is seeking to streamline the provision of local residential services within all of its corporate subsidiaries. AT&T Kentucky stated that this "automatic transfer" process will occur in every state within AT&T, Inc.'s Southeast Region.

Commission Staff asked AT&T Kentucky whether the drafts of the written notices designed to make customers aware of the migration process could be revised so as to provide a list of all local residential service providers within the state of Kentucky, instead of simply referring customers to the local telephone book to research alternate providers. AT&T Kentucky responded that, due to the large number of local providers in

the state, it would be concerned that the company would inadvertently leave a provider off the list, thus resulting in complaints by that provider that the company deliberately intended to commit commercial or competitive harm against it.

Commission Staff also posed questions regarding the deposit policies for customers once they are transferred to AT&T Kentucky. The company explained that current customers with AT&T of the South Central States who made deposits as a requirement for the provision of service will have the deposit returned to them by check after the migration process begins. A deposit customer who does not contact AT&T Kentucky to make changes to his or her service plan prior to or after the start of the migration process may be required to submit a new deposit if AT&T Kentucky deems it necessary based on that customer's credit record and payment history. A deposit customer who does not seek to change to a different service plan prior to or after the start of the migration process will not be required to submit a new deposit, unless, during the course of service with AT&T Kentucky, that customer begins to develop routine difficulties in submitting timely payments to his/her account.

AT&T Kentucky stated that it would be responsible for addressing any unresolved local residential customer complaints filed with AT&T of the South Central States after the migration begins. Also, AT&T Kentucky stated that it does not anticipate any number portability problems for current and active local residential customers.

AT&T Kentucky stated that, ultimately, it is requesting a waiver from the Commission as to KRS 278.535(2) and KRS 278.542(h), Kentucky's "slamming" and "cramming" statutes. AT&T Kentucky stated that a waiver from these particular statutes is necessary as related to those local residential customers who do not actively seek to make changes to their service plans or change their local service provider. That portion of the customer base would likely see unauthorized service charges on their monthly bills; however, those charges would be offset by automatic credits from AT&T Kentucky, thereby relieving the customer of a potential for a higher monthly bill.

Commission Staff stated that it would likely recommend that AT&T Kentucky's request be granted. Commission Staff stated that it would review the Federal Communications Commission's ("FCC") rules and procedures regarding the "bulk transfer" of a carrier's customer base when customer authorization has not been obtained, as outlined in 47 C.F.R § 64.1120(e). Commission Staff stated that if it believes the proposed automatic migration plan adheres to those particular procedures, it may likely recommend that the plan be approved.

Commission Staff stated that it expected that the Commission could issue an Order in this matter by July 23, 2007, and that AT&T Kentucky would be notified as soon as possible if the Commission cannot meet that date.

Intra-Agency Memorandum
July 10, 2007
Page 3

The conference was then adjourned. In addition to the conference attendance roster, copies of orders from the public service commissions in the states of Florida, North Carolina and Louisiana regarding AT&T's petitions for waiver from certain requirements due to automatic migration plans are attached to this memo.

Attachments

cc: Parties of Record
Attorney General – Office of Rate Intervention

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2007-00215

NOTICE OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES,
LLC AND BELL SOUTH TELECOMMUNICATIONS, INC., D/B/A AT&T
KENTUCKY, OF PARTIAL DISCONTINUATION OF LOCAL RESIDENTIAL
SERVICE AND WAIVER REQUEST

SIGN IN

June 29, 2007

<u>PERSON</u>	<u>REPRESENTING</u>
Tiffany Bowman	PSC
Tony Taylor	AT&T Kentucky
Mary Keyer	ART Kentucky
Jean Duncan	AT&T Kentucky
Jeff Smith	PSC
Jim Stevens	PSC
Kyle Willard	PSC - Engineering
Eric Bowman	u 4
J. E. T. T. T. T.	PSC
Jacob K. Michael	PSC

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 27, 2007

TO: Office of Commission Clerk (Cole)

FROM: Division of Competitive Markets & Enforcement (M. Watts)
Office of the General Counsel (R. Mann)

RE: Docket No. 070367-TP – Joint petition for waiver of carrier selection requirements of Rule 25-4.118, F.A.C., for migration of residential local service customers from AT&T Communications of the Southern States, LLC, holder of AAV Certificate No. 4037, to BellSouth Telecommunications, Inc. d/b/a AT&T Florida, holder of ILEC Certificate No. 8, and request for expedited treatment.

AGENDA: 07/10/07 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\070367.RCM.DOC

Case Background

On June 8, 2007, AT&T Communications of the Southern States, LLC (AT&T-C) and BellSouth Telecommunications, Inc. d/b/a AT&T Florida (AT&T Florida), a competitive local exchange telecommunications company (CLEC) and an incumbent local exchange telecommunications company (ILEC), respectively, submitted a joint request for a waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code for the transfer of residential local customers from AT&T-C to AT&T Florida.

Docket No. 070367-TP

Date: June 27, 2007

AT&T Florida seeks the rule waiver so that it will not have to obtain each customer's authorization. With the waiver, AT&T Florida can protect itself from possible complaints of unauthorized carrier changes (slamming). Residential customers will benefit because they will not be subject to a loss of service during the transfer.

The Commission is vested with jurisdiction in this matter pursuant to Sections 364.02, 364.051, 364.08, 364.09, 364.336, 364.337, and 364.603, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

Discussion of Issues

Issue 1: Should the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of AT&T Communications of the Southern States, LLC's residential local customers to BellSouth Telecommunications, Inc. d/b/a AT&T Florida?

Recommendation: Yes, the Commission should approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code. (M. Watts/R. Mann)

Staff Analysis: This is a petition for a waiver of Rule 25-4.118, Florida Administrative Code. Under Section 120.542, Florida Statutes, and Rule 28-104, Florida Administrative Code, a person affected by a Commission Rule may petition the Commission for a waiver of that rule. Thus, the Commission has general statutory authority to grant this petition.

Pursuant to Rule 25-4.118(l), Florida Administrative Code, a customer's carrier cannot be changed without the customer's authorization. Rule 25-4.118(2), Florida Administrative Code, provides that a carrier shall submit a change request only if one of the following has occurred:

- (a) The provider has a letter of agency (LOA) . . . from the customer requesting the change;
- (b) The provider has received a customer-initiated call for service . . . ;
- (c) A firm that is independent and unaffiliated with the provider . . . has verified the customer's requested change. . .

AT&T Florida has attested that it will provide for a seamless transition while ensuring that the affected customers understand available choices with the least amount of disruption to the customers. Staff has reviewed the notice that will be sent to AT&T-C's customers and found it to be adequate. The customers should not experience any interruption of service, rate increase¹, or switching fees.

Neither AT&T-C nor AT&T Florida has any outstanding regulatory assessment fees, penalties, or interest associated with its respective CLEC or ILEC certificate. AT&T Florida has agreed to resolve all outstanding AT&T-C consumer complaints after the customer migration.

¹ AT&T-C will cease providing residential local exchange service to its current customers in the former BellSouth territory. Those AT&T-C residential customers who currently have a bundle of local and long distance service will be placed on the equivalent AT&T-C long distance plan and will be migrated to local service provided by AT&T Florida. To ensure that there is not a rate increase between a customer's current AT&T-C local and long distance bundled plan and the customer's new AT&T Florida stand-alone local plan and AT&T-C stand-alone long distance plan, the customer will be made whole through a credit. In a footnote in its petition, AT&T acknowledged that in some circumstances a credit would raise a concern about discrimination issues. This is not the case here, however, because the credit is directly linked to an approved prior economic bargain effected pursuant to a price list and is being applied to ensure that all similarly situated customers will see no price increase as a result of the migration.

Docket No. 070367-TP
Date: June 27, 2007

AT&T-C has nine open consumer complaints as of June 26, 2007, which Commission staff is processing.

Staff believes that in this instance it is in the public interest to waive the carrier selection requirements of Rule 25-4.118, Florida Administrative Code. If prior authorization is required in this process, customers may be disconnected should they fail to take required action.

Therefore, staff recommends that the Commission approve the request for waiver of the carrier selection requirements of Rule 25-4.118, Florida Administrative Code, in the transfer of AT&T Communications of the Southern States, LLC's residential local exchange customers to BellSouth Telecommunications, Inc. d/b/a AT&T Florida.

Docket No. 070367-TP
Date: June 27, 2007

Issue 2: Should this docket be closed?

Recommendation: The Order issued from this recommendation will be a proposed agency action. Thus, the Order will become final and effective upon issuance of the Consummating Order if no person whose substantial interests are affected timely files a protest within 21 days of issuance of this Order. **(R. Mann)**

Staff Analysis: The Order issued from this recommendation will be a proposed agency action. Thus, the Order will become final and effective upon issuance of the Consummating Order if no person whose substantial interests are affected timely files a protest within 21 days of issuance of this Order.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-55, SUB 1705

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Joint Request by AT&T Communications)
of the Southern States, LLC, and BellSouth)
Telecommunications, Inc., d/b/a AT&T North)
Carolina for Approval of Bulk Migration of)
Customers and Discontinuance of Service)
	ORDER ALLOWING MIGRATION
	OF AT&T CUSTOMERS

BY THE COMMISSION: On June 4, 2007, the Public Staff provided, pursuant to Commission Rule R21-2, comments on the joint request filed by AT&T Communications of the Southern States, LLC (AT&T Communications), and its affiliate, BellSouth Telecommunications, Inc., d/b/a AT&T North Carolina (AT&T North Carolina) (collectively Joint Petitioners), for approval of the bulk migration of customers from AT&T Communications to AT&T North Carolina and discontinuance of service by AT&T Communications.

1. On July 16, 1996, the Commission issued AT&T Communications a Certificate of Public Convenience and Necessity to provide local exchange and exchange access telephone service as a competing local provider (CLP).

2. On May 22, 2007, the Joint Petitioners filed a request for approval of the migration of AT&T Communications' local residential customers to AT&T North Carolina and the discontinuance of AT&T Communications local residential service on or after October 29, 2007. According to the filing, AT&T Communications plans to begin migrating customers to AT&T North Carolina on October 29, 2007, and finish migration on or before December 28, 2007. AT&T Communications currently serves approximately 14,200 local residential customers in North Carolina and anticipates that 8,800 of these customers will be remaining when migration begins.

3. Under the migration plan described in the filing, in cases where the migration would increase a customer's rates for the same type of service, AT&T North Carolina will issue special credits so that the customer's total bill will remain at or below the pre-migration amount. In addition, customers can contact the Joint Petitioners before the migration and request a different type of service with AT&T North Carolina or request a different local provider. The Public Staff believed that the filing meets the requirements of Commission Rule R21-2(a).

4. The Parties' filing included a copy of their customer notice. The Public Staff believed that the notice meets the requirements of Commission Rule R21-2(b) and (c).

5. The Joint Petitioners also requested that the Commission grant them a limited waiver of Commission Rule R20-1 in order to migrate customers under Section 64.1120(e) of the FCC's rules. The Commission created Rule R20-1 to prevent a process known as "slamming" in which a telecommunications provider changes a customer's preferred provider without the customer's consent. Rule R20-1 allows no exceptions. Section 64.1120(e) of the FCC's rules allows a provider to acquire another provider's customer base without obtaining each customer's authorization. As a safeguard against slamming, Section 64.1120(e) requires, in part, that the providers notify the FCC of the planned migration and give the customers advance notice. The Public Staff noted that the Joint Petitioners will meet the requirements of Section 64.1120(e) and that customers will be adequately protected.

6. Accordingly, the Public Staff recommended that:

- (a) The Commission allow the migration of local residential customers from AT&T Communications to AT&T North Carolina under the plan described in the filing;
- (b) The Commission allow AT&T Communications to discontinue local residential service on or after October 29, 2007, when the migration is complete;
- (c) The Commission allow a limited waiver of Commission Rule R20-1 for this specific docket; and
- (d) AT&T Communications be required to notify the Commission when the proposed discontinuance of service is complete.

WHEREUPON, the Commission concludes that good cause exists to allow the migration of local residential customers from AT&T Communications to AT&T North Carolina subject to the provisions of Numbered Paragraph 6(a) through (d) above.

ISSUED BY ORDER OF THE COMMISSION.

This the 12th day of June, 2007.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

Pb060507.03

Chairman Edward S. Finley, Jr. did not participate in this docket.



Louisiana Public Service Commission

POST OFFICE BOX 91154
BATON ROUGE, LOUISIANA 70821-9154

Telephone: . . . (225) 342-9888

COMMISSIONERS

Jack A. "Jay" Blossman, Chairman
District I
Lambert C. Boissiere III, Vice Chairman
District III
Jimmy Field
District II
C. Dale Sittig
District IV
Foster L. Campbell
District V

RECEIVED

JUN 11 2007

LEGAL DEPT. June 5, 2007
N.O. LA.

LAWRENCE C. ST. BLANC
Secretary

(MRS.) VON M. MEADOR
Deputy Undersecretary

EVE KAHAO GONZALEZ
General Counsel

Deborah V. Canale
Director-Regulatory
AT&T Communications of the Southeast, LLC
and BellSouth Telecommunications, Inc.
d/b/a AT&T Louisiana
365 Canal St.
Suite 3000
New Orleans, LA 70130

**Re: (Docket No. S-30142)- Joint Request for a Letter of Non-Opposition for
Approval of Bulk Transfer of Local Residential Service Customers**

Dear Ms. Canale:

This letter is in response to your correspondence dated and received in my office on May 11, 2007, in which you request the Louisiana Public Service Commission's ("Commission") non-opposition to the bulk transfer of local residential service customers from AT&T Communications to its Affiliate, AT&T Louisiana (together, "Applicants"), Via Limited Waiver of Section III Requirements of LPSC General Order dated April 30, 2002.

The Commission Staff has reviewed the following with regard to this matter:

- 1) Your correspondence notifying the Commission of the request, dated May 11, 2007;
- 2) Notice of publication of the request in the Commission's Official Bulletin dated May 18, 2007;
- 3) Proposed customer notice, attached as **Exhibit A** to the request dated May 11, 2007;
- 4) Information concerning AT&T Louisiana's services, rates, terms and conditions, attached as **Exhibit B** to the request dated May 11, 2007;

Ms. Deborah V. Canale
June 5, 2007
S-30142 Letter of Non-Opposition

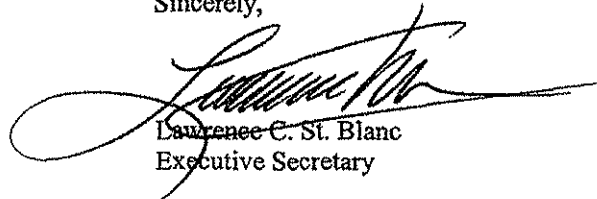
The request was published in the Commission's Official Bulletin dated May 18, 2007, to provide an opportunity for interested persons opposed to the transaction to file opposition thereto. The 15-day publication period elapsed with no opposition to the transaction being filed with the Commission.

After a review of the above-listed items, Staff finds that Applicants are entitled to a limited waiver of Section III of the Commission's General Order dated April 30, 2002. Applicants are in compliance with Title 47 C.F.R. Section 64.1120, which provides streamlined procedures for the transfer of customers. Staff further finds that compliance with Title 47 C.F.R. Section 64.1120 is sufficient under the circumstances to provide notice to customers of the Applicants and that the Commission's concerns its General Order dated April 30, 2002, have been adequately addressed by the Applicants. Therefore, Staff hereby issues its non-opposition to the proposed transaction.

This statement of non-opposition of the Commission is done without prejudice to the authority of the Commission to make investigations and require any reasonably necessary change it may legally find to be in the public interest.

Thank you for your cooperation in this matter. Please do not hesitate to contact me should you need anything further.

Sincerely,



Laurence C. St. Blanc
Executive Secretary

LCSt.B:mav