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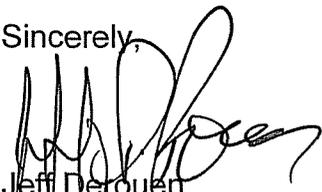
May 3, 2010

## PARTIES OF RECORD

Re: Case No. 2007-00503

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 within seven days of receipt of this letter. If you have any questions, please contact Tiffany Bowman at 502/564-3940, Extension 465 or by email at [TiffanyJ.Bowman@ky.gov](mailto:TiffanyJ.Bowman@ky.gov).

Sincerely,



Jeff Derouen  
Executive Director

JD/tb

Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File  
**FROM:** Tiffany Bowman  
Staff Attorney  
**DATE:** May 3, 2010  
**SUBJECT:** Case No. 2007-00503

MCI Communications Services, Inc., Bell Atlantic Communications, Inc., Nynex Long Distance Company, TTI National, Inc., Teleconnect Long Distance Services & Systems Company, and Verizon Select Services, Inc. vs. Windstream Kentucky West, Inc., Windstream Kentucky East, Inc. -- Lexington, and Windstream Kentucky East, Inc. -- London

Informal Conference Memorandum

An informal conference ("IC") was held in this matter on Wednesday, April 28, 2010. A copy of the conference attendance list is attached. The purpose of the IC was to discuss Windstream's motion to hold the proceeding in abeyance, discussing potential hearing dates, reviewing and adjusting the current procedural schedule, and discussing Windstream's motion to compel.

During the course of the IC, the parties and Commission Staff addressed the following issues:

- I) Windstream's motion to hold the proceeding in abeyance
  - Verizon asked for the opportunity to put its arguments in writing; says PSC already covered this ground in prior order; says FCC plan only reinforces Verizon argument that rate rebalancing and access reform are linked; Verizon has no concern on inconsistency of final PSC decision in this case with any future FCC decisions
  - AT&T agrees with Verizon; wants to submit arguments in writing; says National Broadband Plan encourages action by the states on intercarrier compensation reform
  - Sprint says intrastate access issues belongs to the states and says FCC acknowledges this; says Nat. BB Plan is only a plan at this

point and is not a call for imminent action; agrees with statements by AT&T and Verizon

- Windstream notes its continuing objection to the continuance of this proceeding – says proceeding violates its rights as an alternatively regulated carrier; says PSC should allow parties to brief this issue before moving forward on the procedural schedule; says the other parties' objection to this motion differs from the arguments made previously regarding ICC reform.
- Commission Staff stated that the Parties will be given time to submit arguments on the motion in writing (but do not have to submit briefs, per se). Commission Staff issued this schedule:
  - Responses by Verizon, AT&T and Sprint due by May 12<sup>th</sup>
  - Reply by Windstream due May 26<sup>th</sup>.

II) Windstream's motion to compel DR responses by Verizon

- Commission Staff noted that Verizon has submitted a response and Windstream has submitted a reply on the motion
- Commission Staff asked Windstream why it framed certain questions to Verizon to include responses for Verizon Wireless. Windstream stated that it will help establish that wireless is one the chief competitors to landline long distance in Kentucky and gives broad view of Verizon's competitive nature in the state
- Verizon stated that it agrees there is competition in the market, but the LD market is certainly not as competitive as it could be due to the artificially high level of Windstream's access rates; stated that Windstream does not purchase services from Verizon in any way; states that just because Verizon is competing in the market does not mean Windstream can set its rates at artificial levels.
- Verizon stated that its does not need to submit a sur-reply to the motion; says motion can be submitted for Commission decision.

III) AT&T's Petition and Complaint seeking reduction of Intrastate Switched Access Rates

- Commission Staff stated that the number assigned to this pleading is 2010-00162; said PSC has not made decision on the next procedural steps for addressing this filing, but the public and utilities are free to submit comments at any time; said PSC is actively reviewing AT&T's filing; said although the pleading is styled as a

complaint, none of the named LECs or CLECs have been instructed to do a "Satisfy or Answer"; said when it is time to make such filings, the named LECs and CLECs will be formally instructed to do so by the PSC.

- Windstream said the harm to its company has grown because of this Petition; says the risk exists because this case would qualify as a "restart" of the review of access charges and engaging in another review would add more expense to the company; however, on a corporate level, Windstream is generally supportive of any large-scale administrative review.
- Verizon asked if Windstream will have jurisdictional objections to an administrative case stemming from AT&T's petition; Windstream stated that its objections to reviews of its intrastate wholesale access rates have already been outlined and do not need to be addressed again, but is generally supportive of large administrative reviews.
- Verizon says that due to the age of case no. 2007-00503 and the energy already put forth by the parties in this proceeding, it is leery of having the PSC start another large case of this nature.
- Verizon says when AT&T's access rates were reduced several years ago, the PSC did so without creating a large administrative case and focused solely on one company.
- AT&T stated that it prefers the PSC have a large administrative case and move in an expedited fashion.
- Sprint states that it agrees with Verizon and says KY has risks in continuing to delay the issue of access charge reform

#### IV) The FCC's National Broadband Plan

- Windstream stated that the FCC has issued NOPR pleading schedules specifically on ICC reform for the 4<sup>th</sup> quarter of 2010 and into 2011; says FCC is moving forward without waiting for Congressional action, as the FCC believes it has the authority to implement the plan without the need for additional federal statutes.
- Verizon says the KY Legislature set the stage in 2006 for ICC reform through additional retail de-regulation and by preserving PSC authority over wholesale pricing issues; says just because there are parallel ICC proceedings with the FCC, does not mean that the KY PSC should stop moving forward with its review.

- Windstream noted that Pennsylvania placed its large access charge reform review case in abeyance 2 years ago in anticipation that the FCC would act to create reform in its own proceeding; Windstream noted that Georgia passed new legislation in 2010 centering on access charge reform – HB 168; Sprint stated that this law has been signed by GA's governor. Sprint and Windstream stated that they were actively engaged in crafting this legislation; Windstream agreed to provide Commission Staff with a copy of the new bill.
- Verizon provided a short overview of the Pennsylvania case
- AT&T and Verizon discussed the opening of a large administrative case in KY and including the record for 2007-00503 into the larger case; Commission Staff stated that such a procedural step would be a possibility and Staff may make that recommendation to the PSC if the PSC decides to move towards creating a large admin action (so as to prevent unnecessary duplication of utility efforts and time); Staff stated that no decisions on AT&T's filing has been rendered by the PSC yet.

V) Amending the Procedural Schedule

- Verizon stated that it did not believe the schedule needed to be adjusted.
- Commission Staff stated that as the Commission will need to issue orders on the motion to compel and the motion for an abeyance, pushing the schedule back by a short time may be in the best interest of the proceeding.
- Staff noted that a formal hearing will not likely occur before mid-August or September due to the availability of dates with the PSC
- Windstream asked to push back the dates by 30 days each.
- Commission Staff stated that the new testimony dates will be:
  - July 14<sup>th</sup>, 2010 – direct testimony
  - August 13<sup>th</sup>, 2010 – rebuttal testimony
- Staff stated it will ask the Commission to memorialize these dates by PSC Order

The informal conference then adjourned.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2007-00503

MCI COMMUNICATIONS SERVICES, INC., BELL ATLANTIC COMMUNICATIONS, INC., NYNEX LONG DISTANCE COMPANY, TTI NATIONAL, INC., TELECONNECT LONG DISTANCE SERVICES & SYSTEMS COMPANY, AND VERIZON SELECT SERVICES, INC. VS. WINDSTREAM KENTUCKY WEST, INC., WINDSTREAM KENTUCKY EAST, INC. -- LEXINGTON, AND WINDSTREAM KENTUCKY EAST, INC. -- LONDON

SIGN IN

April 28, 2010

PERSON

REPRESENTING

Tiffany Bowman

PSC Staff

Kerry Smith

Wstream - phone

Cesar Caballeros

Wstream - phone

Kim Bennett

Wstream - phone

David Haga

Verizon - phone

J.S.B. Tunney

PSC Staff

Jim Stevens

PSC

Doug Brent

SKO - Verizon

JIM TIPTON

ATT

Mary Keyer

ART

Jack Keyer

Spout

Case No. 2007-00503  
April 28, 2010

PERSON

Doug Nelson  
James White  
KOB MOORE  
Jeanne Shearer  
Bill Atkinson  
Bob Davis

REPRESENTING

Sprint  
Windstream  
WINDSTREAM  
Wstream - phone  
Sprint - phone  
Verizon - phone