



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

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

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

July 30, 2008

PARTIES OF RECORD

Re: Case No. 2008-00126

Attached is a copy of the memorandum which is being filed in the record of the above-referenced cases. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Amy Dougherty at 502/564-3940, Extension 257.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".


Stephanie Stumbo,
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: The File

FROM: Amy Dougherty 

DATE: July 30, 2008

SUBJECT: Case No. 2008-00126
South Central Telcom, LLC v. Windstream Kentucky East, Inc.

On July 17, 2008, those persons whose names appear on the attached sign-in sheet met to discuss this formal complaint. Windstream Kentucky East ("Windstream") began the conference by discussing the amended formal complaint, especially the billing for the 5 circuits involved. South Central Telcom, LLC filed this complaint regarding the billing for 3 circuits which South Central Telcom asserts are mutually beneficial and should have no charges associated with them. In addition, South Central Telcom asserts that there should be no entrance charges associated with these circuits. The three circuits in question are 101 GLSG, 102 GLSG and 103 GLSG.

South Central Telcom continued its presentation by discussing circuit 101 SMGV. According to South Central Telcom the rate for that circuit should be \$161.17 per month. The circuit carries traffic from the CLEC to Windstream. By function of a Letter of Agreement between the companies the price was set. For this circuit, entrance fees are also being charged. The parties agreed to submit to the Commission, the Letter of Agreement.

South Central Telcom next discussed circuit 101EZTW. That circuit has a charge of \$509.69 per month. It includes 48 miles of transport and one facilities termination charge.

Windstream then responded, discussing first the 3 circuits. Windstream agrees that these 3 circuits carry traffic both ways. Windstream admitted that an e-mail exists which agrees that these circuits are 2 way facilities. South Central Telcom asserts that these 2 way facilities should be net-billed, with no monies exchanged between the parties. In response to this agreement, Windstream asserts that Sarbanes-Oxley law requires that monies be exchanged. Windstream then agreed to pay back 2 years. The parties are in the process of agreeing to an appropriate amount, which will include entrance charges and a multiplexing fee.

The parties agree that there is a balance of traffic and that if Windstream bills and if South Central Telcom bills, the money exchange will be net-zero. Moreover, the parties agree that they have resolved the past issues and the future issues.

Regarding circuit 101 SMGV, Windstream says that it has been paid \$161.17, including imputed netting entrance fees. Payments for this circuit are a wash also. This facility is a 2 way facility and includes an extended area service (EAS) arrangement over a LATA boundary. The parties have a Letter or Agreement regarding this circuit and it is being correctly billed at this time.

Regarding circuit 101 EZTW, Windstream asserts that it should include only one facility termination charge, and that the rate is \$553.78 per month. The termination charge is \$44.09 per month. Windstream believes that 2 entrance facilities should be charged. South Central Rural, the ILEC, and Windstream jointly provision this circuit, which South Central Telcom, the CLEC, is leasing. The parties agreed to get information back to the Commission regarding this circuit. If Windstream is billing South Central Rural, the ILEC, then it should not be billing South Central Telcom, the CLEC.

According to South Central Telcom there are 3 other issues:

First, reciprocal compensation per the parties' interconnection agreement. According to the interconnection agreement, the rate should be .0036192 per minute of use. South Central Telcom assumes this rate is being corrected, but asserted that it is a moving target. According to South Central Telcom, Windstream is billing Tomkinsville incorrectly. The billing for this circuit is correct on a going-forward basis.

Second, gross receipts tax issue according to South Central Telcom. A rate of 1.3% is the statutory rate, but Windstream is currently billing at 2.6%. This surcharge has been assessed from January, 2006 to the present. According to Windstream, by January, 2009, the surcharge will end. South Central Telcom believes that as of January, 2008, the rate should have been settled, with no surcharge. On the utility's bills, this occurs as a line-item and is titled "Gross Receipt Surcharge".

Third, South Central Telcom wants to know whether Windstream would agree to waive late charges on its bills. The amount in dispute in this issue is less than \$1,000.00. Windstream has agreed to recalculate based on the correct charges.

There are two additional issues which Windstream presented:

First, the number of non-disputed invoices, according to Windstream, should be paid as soon as possible. South Central Telcom says it is cutting checks as soon as it can verify the accuracy of the bills rendered.

Intra-Agency Memorandum
July 30, 2008
Page 3

Second, Windstream requests that the correct entity assigned to the bands should be identified so that Windstream can correctly bill these charges. In response, South Central Telcom says that its ILEC and CLEC bills are co-mingled and requests that Windstream separate them prior to mailing them to South Central Telcom. Windstream asserts that the billing issue will be fixed by the rendering of the August bills.

Both parties agreed that a status report covering all issues would be submitted to the Commission by July 31, 2008. This status report would include proposals for future procedures for this complaint. In addition to the sign-in sheet, also attached is a depiction of the interconnection facilities which are the subject of this complaint.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL TELECOM, LLC VS
WINDSTREAM KENTUCKY EAST, INC.

) CASE NO.
) 2008-00126

SIGN IN

July 17, 2008

PERSON

REPRESENTING

Amy E Dordherly
David Stites
Mark R. Overstreet
Joyce Latham
Scott Teery
Dan Logsdon
John Select
Tip Depp
Max Phipps
Denise Bennett
Eileen Berdamer
Kyle Wilbur

PSC - legal
STITES - MARSHALL FOR WINDSTREAM
STITES - MARSHALL FOR WINDSTREAM
WINDSTREAM
" "
" "
Disinure 4 Stoll - for South Central Telecom
"
South Central Telecom
"
Consultant to South Central Telecom
PSC - Engineering

PERSON

REPRESENTING

Jim STEVENS

KPSC

INTERCONNECTION FACILITIES

between
South Central Telecom CC & Windstream

