

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTHEAST TELEPHONE, INC.)	
)	
COMPLAINANT)	
)	
V.)	CASE NO.
)	2008-00279
BELLSOUTH TELECOMMUNICATIONS, INC.)	
D/B/A AT&T KENTUCKY)	
)	
DEFENDANT)	

O R D E R

On February 2, 2010, SouthEast Telephone, Inc. ("SouthEast") and BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky ("AT&T Kentucky") submitted an Agreed Order to stay this complaint proceeding. By Order dated October 21, 2009, the Commission adopted an Agreed Order of the parties to stay this proceeding until December 8, 2009. By Order dated December 16, 2009, the Commission adopted a second Agreed Order of the parties to stay this proceeding until January 29, 2010.

The parties state that they have agreed to a continuation of the stay in light of the Chapter 11 bankruptcy petition filed by SouthEast with the United States Bankruptcy Court for the Eastern District of Kentucky. The bankruptcy petition was filed on September 28, 2009 and is identified by case number 09-70731. The bankruptcy petition is still pending and the parties have not reached an agreement.

The parties have agreed to a continuation of the stay in this proceeding, and all deadlines related to this proceeding, until February 28, 2010. The parties state that they have agreed that, after that date, either of them shall have the right to seek a decision from the Bankruptcy Court as to the application and the scope of the automatic stay and the impact on the Commission's proceeding. The parties' Agreed Order is provided in the Appendix to this Order.

The Commission has carefully reviewed the provisions of the bankruptcy code's automatic stay statute, 11 U.S.C. § 362, as well as the statements of the parties in the Agreed Order.¹ Having reviewed this information and having given serious consideration to the effect of SouthEast's Chapter 11 petition on this proceeding, the Commission finds that the Agreed Order should be adopted and followed.

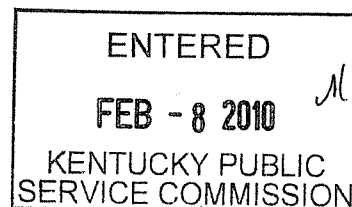
Having reviewed the filing and the law applicable to the issues outlined therein, the Commission HEREBY ORDERS that the parties' Agreed Order is adopted and this proceeding shall continue to be stayed until February 28, 2010.

By the Commission

ATTEST



Executive Director



¹ The Commission notes that, although SouthEast and AT&T Kentucky are each signatories to the Agreed Order, Competitive Carriers of the South, Inc. ("CompSouth"), which is an intervenor to this proceeding, did not sign the Order agreeing to the continuation of the stay. To date, the Commission has not received any comment from CompSouth indicating that it disagreed with the original stay or will disagree with a continuation of the stay in this proceeding.

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00279 DATED FEB - 8 2010

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PUBLIC SERVICE
COMMISSION

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COMPLAINANT)
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BELLSOUTH TELECOMMUNICATIONS, INC.,)
D/B/A AT&T KENTUCKY)
)
DEFENDANT)

CASE NO. 2008-00279

**AGREED ORDER TO STAY PROCEEDING IN LIGHT OF
BANKRUPTCY FILING**

On September 28, 2009, SouthEast Telephone, Inc. ("SouthEast Telephone") filed a voluntary chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Eastern District of Kentucky (Case No. 09-70731). In light of this development, SouthEast Telephone and BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky ("AT&T Kentucky") filed with the Public Service Commission of Kentucky ("Commission") agreed orders to stay the above-captioned case and all deadlines until December 8, 2009, and subsequently to January 29, 2010. The Commission entered orders on October 21, 2009, and on December 16, 2009, adopting the Parties' agreed orders and staying the above-captioned proceeding until December 8, 2009, and until January 29, 2010, respectively.

SouthEast Telephone's bankruptcy petition is still pending before the Bankruptcy Court, and the Parties have not reached an agreement. The Parties, therefore, have

agreed to stay the above-captioned case and all deadlines therein until February 28, 2010. If the parties are unable to reach agreement by that date, either of them may seek further orders of the Bankruptcy Court as to the application of, scope of, and/or relief from the automatic stay of 11 U.S.C. § 362 and its impact on this action, and the parties expressly reserve all rights in this regard pending further orders of the Bankruptcy Court.

The Commission being so advised, IT IS HEREBY ORDERED that this proceeding is stayed until February 28, 2010.

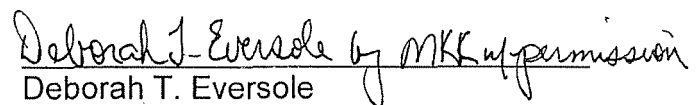
By the Commission

Agreed To:



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