COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF ALLTEL KENTUCKY FOR AN) CASE NO.INCREASE IN RATES) 2004-00193

<u>ORDER</u>

ALLTEL Kentucky, Inc. ("ALLTEL Kentucky") has filed its responses to the Commission's inquiry regarding the regulatory issues associated with a proposed rate increase. ALLTEL Kentucky has argued that it complied with the statute, KRS 278.516, at the time that it opted into this alternative regulation process for small telephone utilities. According to ALLTEL Kentucky, the only means for withdrawal of this alternative process is by a vote of its board of directors, which has not occurred.

The Commission finds that ALLTEL Kentucky should have 20 days from the date of this Order to submit any additional legal arguments or other comments, if any. Moreover, by that date ALLTEL Kentucky shall request a hearing and describe what information it would present at such a hearing if requested. If there is no such request for a hearing, then this matter will stand submitted to the Commission for decision on the record of this proceeding.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 22nd day of November, 2004.

By the Commission

Commissioner W. Gregory Coker did not participate in the deliberations or decision concerning this case.

ATTEST:



Executive Director