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***Via Electronic Filing***

August 1, 2006

Beth A. O'Donnell  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

Re: In The Matter of Joint Application for Approval of the Indirect Transfer of Control Relating to the Merger of AT&T Inc. and BellSouth Corporation, Case No. 2006-00136

Dear Ms. O'Donnell:

This is to acknowledge receipt of the Order of the Kentucky Public Service Commission (the "Commission") dated July 25, 2006 ("the merger approval Order") approving the merger of AT&T Inc. ("AT&T") and BellSouth Corporation ("BellSouth") (collectively referred to as "the Joint Applicants"), and to respond to the Commission's directive in Paragraph 3 of the ordering paragraphs of the merger approval Order that each of the Joint Applicants file "a written acknowledgement agreeing to be bound by each of the conditions contained herein."

As an initial matter, I want to thank this Commission and the staff for its hard work in bringing this matter to a swift and, we think, correct conclusion. I also want to recognize the hard work of the Attorney General of Kentucky and his staff, who carefully analyzed this transaction. AT&T looks forward to working with this Commission and to bringing the benefits of this merger to Kentucky.

In the merger approval Order, the Commission noted that the Attorney General of Kentucky "presented no witness [at the public hearing in this proceeding] but instead signed a joint stipulation of facts with the Joint Applicants." The Commission further noted that the Attorney General proposed that the joint stipulation "be adopted by the Commission into its final Order."

The Commission did, in fact, incorporate into Paragraph 1 of the ordering paragraphs of its merger approval Order, as "terms and conditions," a significant number of the stipulated facts contained in the Joint Stipulation of Facts and Evidence in the Record between the Attorney General and the Joint Applicants.

Thus, in compliance with Paragraph 3 of the ordering paragraphs and because they are facts in the record of this proceeding, AT&T agrees to be bound by each of the "terms and conditions" contained in paragraph 1a through 1i of the ordering paragraphs of the merger approval Order.

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Sincerely,

/s/ \_\_\_\_\_  
Wayne Watts  
Senior Vice President and  
Associate General Counsel  
AT&T Inc.

Agreed to by:

/s/ \_\_\_\_\_  
Eddy Roberts  
State President – Kentucky  
BellSouth Telecommunications, Inc.

CERTIFICATION FOR 2006-00136

I hereby certify that the electronic version of this filing made with the Commission this 2<sup>nd</sup> day of August 2006 is a true and accurate copy of the document filed herewith in paper form on August 2, 2006, and the electronic version of the filing has been transmitted to the Commission. An electronic copy of the Read 1st document (the acknowledgement) has been served electronically on parties. Parties of Record also can access the document (the acknowledgement) at the Commission's Electronic Filing Center located at <http://psc.ky.gov/efs/efsmain.apx>.

/s/ \_\_\_\_\_  
Cheryl R. Winn

**ELECTRONIC SERVICE LIST - KPSC 2006-00136**

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