

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE)	ADMINISTRATIVE
INTRASTATE SWITCHED ACCESS RATES)	CASE NO.
OF ALL KENTUCKY INCUMBENT AND)	2010-00398
COMPETITIVE LOCAL EXCHANGE)	
CARRIERS)	

THE RLECS' INITIAL DATA REQUESTS TO AT&T

The RLECs¹ by counsel, and pursuant to the March 10, 2011 procedural order (the “Order”) entered by the Public Service Commission of the Commonwealth of Kentucky (the “Commission”) in this matter, hereby propound the following initial data requests upon AT&T.² These initial data requests shall be answered in accordance with the Commission's Order.

In light of the abbreviated procedural schedule in this matter, in the event AT&T believes a complete answer to any of these initial data requests will require the disclosure of confidential data, is otherwise objectionable, or that a request requires clarification due to alleged ambiguity, please notify counsel to the RLECs immediately so that appropriate interim arrangements can be made pending Commission ruling upon any motion for confidential treatment or motion for protective order that AT&T may believe is necessary.

¹ Ballard Rural Telephone Cooperative Corporation, Inc., Brandenburg Telephone Company, Duo County Telephone Cooperative Corporation, Inc., Foothills Rural Telephone Cooperative, Inc., Gearhart Communications Co., Inc., Highland Telephone Cooperative, Inc., Logan Telephone Cooperative, Inc., Mountain Rural Telephone Cooperative, Inc., North Central Telephone Cooperative Corporation, Peoples Rural Telephone Cooperative, Inc., South Central Rural Telephone Cooperative Corporation, Inc., Thacker-Grigsby Telephone Company, Inc., and West Kentucky Rural Telephone Cooperative Corporation, Inc. (collectively the “RLECs”).

² BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky, AT&T Communications of the South Central States, LLC, BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service, and TCG Ohio (collectively, “AT&T”).

REQUEST NO.1: Please provide a list of all of AT&T's domestic affiliates that provide telecommunications services, information services, and CMRS services to retail and/or wholesale customers, identifying for each affiliate listed whether it: (i) is an ILEC; (ii) provides telecommunications services, information services, or CMRS services; and (iii) serves retail end-users, wholesale end-users, or both.

RESPONSE:

REQUEST NO.2: Has AT&T produced, assessed, reviewed or analyzed any elasticity of demand information, including but not limited to cross-elasticity of demand information, (whether produced by AT&T or obtained from other sources by AT&T) to determine how much any increase to local retail wireline rates will affect customer subscription or line counts related to wireline service? If so, please provide in detail the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.3: For each calendar year 2005 through 2010, please identify in detail the total number of revenue-producing access lines (separately both for wholesale and retail) that AT&T provides in Kentucky for the following:

- a. Standalone basic local residential service;
- b. The total number of residential lines of all kinds;
- c. Standalone basic local business services; and
- d. The total number of business lines of all kinds.

RESPONSE:

REQUESTNO.4: For each calendar year 2005 through 2010, how many of AT&T's customers in Kentucky, by number and percentage of its total Kentucky customer base, purchased or are purchasing bundles of services? For purposes of this question, "bundles of services" is defined as local service plus any other type of telephone or information service.

RESPONSE:

REQUESTNO.5: For each calendar year 2005 through 2010, please provide in detail the following information:

- a. Volume of intraMTA calls that AT&T terminated in Kentucky on behalf of all wireless carriers;
- b. Volume of minutes and dollars that AT&T billed wireless carriers in Kentucky for reciprocal compensation;
- c. Volume of minutes and dollars that AT&T billed wireless carriers in Kentucky for intrastate access;

- d. Volume of minutes and dollars that AT&T billed for intrastate wireline access services
 - i. Terminating; and
 - ii. Originating;
- e. Volume of minutes and dollars that AT&T was billed for intrastate wireline access services
 - i. Terminating; and
 - ii. Originating.

RESPONSE:

REQUEST NO. 6: Please provide separate estimates of the percentage of terminating intercarrier traffic AT&T and any of the entities identified in response to Request No. 1 above receive both in Kentucky and nationwide that lack sufficient call detail or signaling information to either:

- a. Identify the carrier financially responsible for intercarrier charges; or,
- b. Apply the proper compensation regime for interstate access, intrastate access, and reciprocal compensation (such traffic is generally and collectively known as “phantom traffic”).

RESPONSE:

REQUEST NO. 7: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) regarding the so-called “subsidy” the RLECs receive in providing Kentucky intrastate access service? If so, please provide in detail the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 8: Does AT&T or any of the entities identified in response to Request No. 1 above that operate in any other state mirror their interstate and intrastate access rates or any individual rate elements? If so:

- a. Please list all states where the appropriate AT&T entity mirrors these rates or rate elements;
- b. Please describe the proceedings or legislation that led the AT&T entity to mirror these rates and list the applicable docket numbers or code citations;
- c. Please state whether the affected AT&T entity appealed any order of any State commission or challenged any statute involved in (a) or (b) above. If yes, please identify each appeal or challenge; and,
- d. If the response to (c) is anything other than an unqualified no, please describe the disposition of each appeal or challenge.

RESPONSE:

REQUEST NO. 9: Please indicate when AT&T Kentucky began to mirror its interstate rates for intrastate access rates or any individual rate elements.

RESPONSE:

REQUESTNO.10: With respect to AT&T's response to Request No. 9 above, did AT&T produce, assess, review or analyze any information (whether produced by AT&T or obtained from other sources by AT&T) estimating or calculating the financial impact of mirroring prior to its decision to mirror its rates? If yes, please provide in detail the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.11: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) comparing or contrasting the cost methodology used by the RLECs in providing Kentucky intrastate access service with the cost methodology used by the RLECs in providing interstate access service as regulated by the Federal Communications Commission (the "FCC")? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.12: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) quantifying the nature, methodology, and calculation of how to ensure reductions in access rates are reflected in rates paid by long distance service end users? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.13: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) quantifying

the nature, methodology, calculation, and level of retail rate benchmarks for Kentucky? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 14: Has AT&T produced, obtained, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) quantifying the impact of access rate arbitrage in Kentucky? For purposes of this request, “access rate arbitrage” means the intentional or erroneous rating of a telephone call that masks its actual point of origination in order to take advantage of a lower access rate (whether interstate or intrastate). If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 15: Has AT&T produced, obtained, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) quantifying the nature, methodology, and the appropriate rate to be paid for the use of excess capacity on a network? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 16: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) that would support a finding that the intrastate rates of all ILECs in Kentucky, including those operating in rural areas, will be just and reasonable if their intrastate access rates are required to mirror

interstate access rates? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 17: In those states where AT&T or any of the entities identified in response to Request No. 1 above operate, has AT&T produced, assessed, reviewed or analyzed any evidence (whether produced by AT&T or obtained from other sources by AT&T) of consumer benefits in the form of lower longer distance rates or other service benefits as a result of the adoption of intrastate access reform measures similar to the ones AT&T proposes here? If so, please identify the specific consumer benefit that resulted, and please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 18: In AT&T's plan, it proposes a five year glide path for intrastate access reform to be implemented in Kentucky. Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) that would support a finding that five years is the appropriate glide path for intrastate access reform in Kentucky? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.19: In those states that have implemented intrastate access reform where AT&T or any of the entities identified in response to Request No. 1 operate, please provide the following:

- a. The cost savings per state, per year that AT&T has experienced as a result of intrastate access reform. Cost savings is defined for purposes of this question (including b., c., and d. below) as the dollar amount saved as a result of the reduction in other ILECs' intrastate access rates;
- b. An accounting for how its alleged cost savings per state, per year have been allocated—to its subscribers in the form of reduced rates, to its shareholders in the form of profits, or to investment in broadband, other advanced network technologies, or otherwise;
- c. How any alleged or expected cost savings would be allocated (between subscribers, shareholders, and broadband investment) under the AT&T Plan in Kentucky; and
- d. If AT&T has invested cost savings from reduced intrastate access rates into broadband or other advanced network technologies, please explain in detail in what broadband or advanced network technologies in which it has invested.

RESPONSE:

REQUESTNO.20: In Section 6.1 of the plan, AT&T proposes that “[a]ll providers having Kentucky retail intrastate telecommunications revenues would contribute to the KUSF, including wireline ILECs, CLECs, wireless carriers and IXCs. ”Please explain in detail AT&T’s

position in Section 6.1 as it relates to whether VoIP providers should also be required to pay into a proposed KUSF.

RESPONSE:

REQUEST NO. 21: In those states that have implemented intrastate access reform where AT&T or any of the entities identified in response to Request No. 1 above operate, have AT&T or any of the entities identified in response to Request No. 1 above increased their interstate access toll rates even after intrastate access reform had been implemented? If so, please provide the names of these states and the amount of the increase(s).

RESPONSE:

REQUEST NO. 22: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) regarding the average per line cost of providing service in the RLECs' service territories in Kentucky? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 23: Please provide AT&T's company-wide return on equity percentage for the years 2005 through 2010.

RESPONSE:

REQUESTNO.24: Explain in detail why AT&T's plan does not propose that cost studies or earnings tests be required in order for ILECs to provide their costs of providing service in their respective service territories.

RESPONSE:

REQUESTNO.25: Explain in detail how AT&T proposes that the Commission make a factual determination that current intrastate access rates are unjust or unreasonable when compared to an ILEC's actual cost of providing service if the Commission does not have resort to cost studies or earnings tests.

RESPONSE:

REQUESTNO.26: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) that would support the assumption in Section 2 of its plan that the KUSF will be fully funded within 180 days after final Commission order? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.27: Explain in detail how AT&T proposes that the KUSF will be applied or funded after AT&T's proposed five-year glide path is complete. Include in this explanation a particular discussion as to how the KUSF will continue to support the high cost of

providing service experienced by the RLECs and assist them in maintaining their carrier of last resort obligations on a continuing basis.

RESPONSE:

REQUEST NO. 28: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) that would identify all states that have implemented intrastate access rate reform specifically by requiring that intrastate access rates mirror interstate access rates? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUEST NO. 29: Has AT&T produced, assessed, reviewed or analyzed any information (whether produced by AT&T or obtained from other sources by AT&T) that would identify all states that have required intrastate access rates mirror interstate access rates where AT&T or any of the entities identified in response to Request No. 1 above operate? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.30: Explain in detail what the result was for AT&T or any of the entities identified in response to Request No. 1 above as it relates to basic local, broadband, intrastate long distance, and interstate long distance rates in those states identified in response to Request No. 28 above, including specifically whether rates went up, down or remained the same and, if they went up or down, by how much, and over what time period.

RESPONSE:

REQUESTNO.31: Identify the glide path followed and benchmark used (exclusive of line charges and USF or USF-related charges) in the states that AT&T identified in response to Request No. 28 above.

RESPONSE:

REQUESTNO.32: How, specifically, does AT&T plan to invest the access savings it anticipates through intrastate access reform in order to improve broadband infrastructure or advanced network technologies? Include specifically the economic model that AT&T relies upon to support its proposal.

RESPONSE:

REQUESTNO.33: Has AT&T produced, assessed, reviewed or analyzed any information or evidence (whether produced by AT&T or obtained from other sources by AT&T) that would support its position that the RLECs' intrastate access rates are unjust, unreasonable or otherwise out of line with their costs? If so, please provide the results of such review/analysis and the documents reviewed.

RESPONSE:

REQUESTNO.34: With respect to AT&T's proposed acquisition of T-Mobile, identify all of the conditions relating to or involving backhaul, special access, and facility deployment that AT&T has proposed to the Department of Justice and/or the Federal Trade Commission in order to obtain approval of the proposed acquisition.

RESPONSE:

REQUESTNO.35: Explain in detail how AT&T's acquisition of T-Mobile, if approved, will affect broadband deployment, development, and availability in rural areas of Kentucky?

RESPONSE:

REQUESTNO.36: Identify the areas in Kentucky, by county and/or exchange, where there is more than one provider delivering broadband at the FCC's proposed target of 4Mbps or above.

RESPONSE:

REQUESTNO.37: Identify the areas in Kentucky, by county and/or exchange, where AT&T provides broadband at an average level of 4Mbps or above.

RESPONSE:

REQUESTNO.38: Provide the annual amount, in dollars, that AT&T has invested in its broadband infrastructure in Kentucky, broken down by county and/or exchange, since 2005. Explain in detail how the investment identified in each year was spent.

RESPONSE:

REQUESTNO.39: Identify the percentage of AT&T's subscribers in Kentucky, by county and/or exchange, that had access to broadband prior to 2005.

RESPONSE:

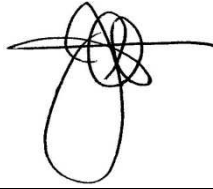
REQUESTNO.40: Identify the percentage of AT&T's subscribers in Kentucky, by county and/or exchange, that as of January 1, 2011 had access to broadband. (If data is not available for that date, then specify the closest contemporaneous date and provide the data requested for that date.)

RESPONSE:

REQUESTNO.41: Please provide updates to any responses provided herein that would materially change due to AT&T's receipt of new information, analysis, or any other action realized by AT&T during the course of these proceedings.

RESPONSE:

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized loop with a horizontal line crossing through it.

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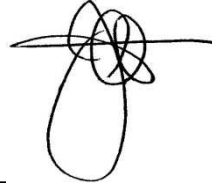
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Counsel to the RLECs

CERTIFICATE OF SERVICE

In accordance with Ordering Paragraph No. 5 of the Commission's March 10, 2011 Order, this is to certify that the RLECs' May 2, 2011 electronic filing is a true and accurate copy of the documents to be filed in paper medium; that the electronic filing has been transmitted to the Commission on May 2, 2011; that an original and one copy of the filing will be delivered to the Commission on May 2, 2011; and that, on May 2, 2011, electronic mail notification of the electronic filing will be provided through the Commission's electronic filing system.



Counsel to the RLECs