

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

RESPONSES AND OBJECTIONS OF
LESLIE COUNTY TELEPHONE COMPANY, LEWISPORT
TELEPHONE COMPANY AND SALEM TELEPHONE COMPANY
TO SPRINT NEXTEL'S DATA REQUESTS

In accordance with the Procedural Schedule contained in Appendix A to the Commission's March 10, 2011 Order, Leslie County Telephone Company, Lewisport Telephone Company and Salem Telephone Company (collectively "TDS Telecom" or the "TDS Companies") hereby provide their responses and objections to the Data Requests served by Sprint Communications Company L.P., Sprint Spectrum, L.P. and SprintCom, Inc. d/b/a Sprint PCS, Nextel West Corp., Inc., and NPCR, Inc., d/b/a Nextel Partners (collectively, "Sprint Nextel") on August 5, 2011.

GENERAL OBJECTIONS

1. The TDS Companies object to the Data Requests of Sprint Nextel to the extent they purport to impose upon the TDS Companies any different or additional obligations from those imposed under Kentucky Revised Statutes and Kentucky Public Service Commission (“Commission”) regulations. In responding to this discovery, the TDS Companies intend to and will respond in accordance with standard and accepted Commission practice.

2. The TDS Companies object to each request to the extent that it seeks documents or information equally available through public sources or records because such requests subject the TDS Companies to unreasonable and undue annoyance oppression, burden and expense. The TDS Companies will refer the propounder to publicly available documents on record at the Commission, or to any other publicly available source.

3. The TDS Companies object to each request to the extent that it seeks to impose an obligation on the TDS Companies to respond on behalf of subsidiaries, affiliates, or other persons that are not subject to the jurisdiction of the Commission or are not parties to this proceeding on the grounds that such discovery is overly broad, unduly burdensome, oppressive, irrelevant and not likely to lead to the discovery of relevant or admissible evidence, and not permitted by applicable discovery rules.

4. The TDS Companies object to each request to the extent it seeks information that requires complex responses. The function of interrogatories is to pose simple questions relating to a particular subject matter that may be answered by a brief categorical statement.

5. The TDS Companies have interpreted each request to apply to the TDS Companies’ regulated intrastate operations in Kentucky and will limit their responses accordingly. To the extent any request is intended to apply to matters that take place outside of

the Commonwealth of Kentucky and which are not related to Kentucky intrastate operations subject to the jurisdiction of the Commission and are not the subject of this proceeding, the TDS Companies object to each such request as irrelevant, overly broad, unduly burdensome, not likely to lead to the discovery of relevant or admissible evidence, and oppressive.

6. The TDS Companies object to each request to the extent it seeks information not reasonably calculated to lead to the discovery of admissible evidence and not relevant or material to the subject matter of this proceeding.

7. The TDS Companies object to each request to the extent it is duplicative and overlapping, cumulative of another request, overly broad, and/or seek responses in a manner that is unduly burdensome, expensive, oppressive, or excessively time consuming to the TDS Companies to produce.

8. The TDS Companies object to each request to the extent it seeks to obtain "all," "each," or "every" document, item, customer, or other such piece of information because such discovery is overly broad and unduly burdensome.

9. The TDS Companies object to each request as overly broad and unduly burdensome to the extent such request seeks to have the TDS Companies create documents not in existence at the time of the request, or to produce documents not in the TDS Companies' possession, custody or control. The TDS Companies further object to each request to the extent it seeks an analysis, calculation, or compilation which The TDS Companies has not performed previously.

10. The TDS Companies object to each request as overly broad and unduly burdensome to the extent it is not limited to any stated period of time, or it pertains to a stated period of time that is longer than is relevant for purposes of the issues in this proceeding.

11. The TDS Companies object to each request to the extent that it seeks to require information regarding “all persons.” Such a request is unduly burdensome.

12. To the extent that any requested information is confidential and/or contains proprietary information, the TDS Companies will only produce it pursuant to a Protective Agreement. Any and all confidential and/or proprietary information produced by the TDS Companies in this proceeding is subject to a Protective Agreement.

13. The TDS Companies object to the extent that any request seeks information subject to the attorney/client privilege, attorney work-product exemption, or other applicable privileges or immunities from disclosure, as contrary to the laws and rules governing privilege and exemption.

14. The objections, responses, and documents produced in response to each request are not intended nor should be construed in any manner to waive the TDS Companies right to object to any and all requests as to their competency, relevancy, materiality, privilege and admissibility as evidence for any purpose, in or at the hearing of this or any other proceeding.

15. The TDS Companies object to the extent that the Instructions seek to place a continuing obligation upon the TDS Companies to update each response. To the extent that Sprint seeks updated information, Sprint should update its data requests.

RESPONSES TO DATA REQUESTS

Request No. 1: Referring to Mr. Mottern's discussion of affordable local service rates at pages 9-10 his Direct Testimony, please provide any and all studies developed by or on behalf of the TDS Companies that:

- a. Demonstrates what constitutes affordable local service.
- b. Demonstrates that line losses will increase with local rate increases.

Responsible Person: Bruce Mottern

Objections: The TDS Companies' General Objections are incorporated by reference.

Response for Leslie County Telephone Company, Lewisport Telephone Company Salem Telephone Company:

- a. TDS Telecom has not undertaken a formal study regarding affordability of local rates. A study is unnecessary in this case to demonstrate that, were access rates driven to parity and the resulting revenue loss rebalanced against local rates, the resulting local rates would be unaffordable to TDS' rural customers.
- b. TDS Telecom has not undertaken a study of customer migration a various levels local service pricing. A study is unnecessary in this case to demonstrate that line losses would accelerate were access rates driven to parity and the resulting revenue loss rebalanced against local rates. Based on the possibility of significant rate increases, it is TDS' belief that the current access line losses would accelerate with customers electing alternate service providers where available. Customer exit interviews indicate that customers are increasingly price sensitive where intermodal competition exists.

Request No. 2: Referring to page 10, lines 14-19 of Mr. Mottern's Direct Testimony:

- a. Can customers in the TDS Companies' service areas purchase cable telephony service?
- b. Can customers in the TDS Companies' service areas purchase wireless service?
- c. Can customers in the TDS Companies' service areas purchase voice service from other service providers?
- d. What portion of the population in the TDS Companies' service areas are currently served by each of these technology alternatives?
- e. What percentage of the access lines in the TDS Companies' service areas are currently served by each of these technology alternatives?

Responsible Person: Bruce Mottern

Objections: The TDS Companies' General Objections are incorporated by reference.

Response for Leslie County Telephone Company, Lewisport Telephone Company

Salem Telephone Company:

- a. Yes, in portions of the service territory.
- b. Yes, in portions of the service territory.
- c. Yes, in portions of the service territory.
- d. TDS Telecom does not know the percentage of population served by other service providers and is not aware of any data base that provides this information.
- e. TDS Telecom does not know the percentage of access lines served by other service providers and is not aware of any data base that provides this information. Other service providers do not have the COLR obligation and, in TDS Telecom's experience, will only extend facilities where a business case can be made, generally town centers but not surrounding countryside. TDS Telecom estimates that there is no competition in 30% of its Kentucky operating areas for this reason.

Request No. 3: Referring to page 11 of Mr. Mottern's Direct Testimony:

- a. Are the TDS Companies' broadband services provided on the local loop?
- b. Do the TDS Companies collect any local loop cost in the prices of their retail broadband service?
- c. Do the TDS Companies collect any local loop cost in the prices of their wholesale broadband service?
- d. If an ILEC provisions video services over the local loop using such technology as IPTV, should those services recover some portion of the cost of the local loop?

Responsible Person: Bruce Mottern

Objections: The TDS Companies' General Objections are incorporated by reference.

Response for Leslie County Telephone Company, Lewisport Telephone Company Salem Telephone Company:

- a) Yes, DSL broadband utilizes the local loop.
- b) Yes.
- c) Yes.
- d) Not applicable. TDS Telecom does not offer IPTV service and the question is, therefore, speculative.

Request No. 4: Referring to Mr. Mottern's Direct Testimony at page 11, line 8-10, please explain how other carriers being forced to support ILEC services costs through state universal service funding would be "competitively neutral" in comparison to the ILECs receiving the funds.

- a. Are the ILECs going to offset some of the operating costs of the cable telephony providers trying to compete with the ILECs?
- b. Are the ILECs going to offset some of the operating costs of the wireless service providers trying to compete with the ILECs?

Responsible Person: Bruce Mottern

Objections: The TDS Companies' General Objections are incorporated by reference.

Response for Leslie County Telephone Company, Lewisport Telephone Company Salem Telephone Company Response:

a) No. The cable telephony providers do not have universal service obligations of providing voice service to any requesting customer since they do not have carrier of last resort obligations. The cable telephony providers are able to pick the customers that they want to serve and can deny voice service to any customer if they determine it is uneconomical to provide voice service to the requesting customer. In the TDS Companies' experience, the cable companies do not build out their facilities in the more rural areas.

b) No. The wireless service providers do not have universal service obligations of providing voice service to any requesting customer since they do not have carrier of last resort obligations. The wireless service providers are able to pick the customers that they want to serve and can deny voice service to any customer if they determine it is uneconomical to provide voice service to the requesting customer. In the TDS

Companies' experience, the wireless companies do not build out their facilities in the more rural areas.

Request No. 5: Please refer to the following statement by Mr. Mottern in his Direct Testimony at page 11, line 16 to page 12, line 2: “All of these carriers utilize the PSTN and the network provided by the TDS Companies...”

- a. Do the TDS Companies “utilize” the networks of the cable telephony providers to complete their customers’ calls to cable telephony customers?
- b. Do the TDS Companies “utilize” the networks of the wireless service providers to complete their customers’ calls to wireless customers?
- c. Do the TDS Companies continue to define the PSTN as the ILECs’ networks only?
- d. Haven’t the various competitive carriers also built networks that now allow customers to communicate nearly anywhere they are located, not just in their homes?

Responsible Person: Bruce Mottern

Objections: The TDS Companies’ General Objections are incorporated by reference.

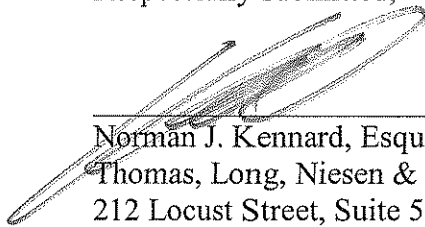
Response for Leslie County Telephone Company, Lewisport Telephone Company

Salem Telephone Company Response:

- a) Yes, to the extent that their networks have been developed and when a call is exchanged intercarrier compensation applies.
- b) Yes, to the extent that their networks have been developed and when a call is exchanged intercarrier compensation applies.
- c) Yes. TDS Telecom believes that the conventional use of that term means the traditional, incumbent switched network and is using the term with that meaning because it is only the traditional incumbents that have had and continue to have the obligation to build a ubiquitous network.

d) No, not to my knowledge. While various competitive carriers have built networks, they are not ubiquitous and the competitive carriers do not have universal service and carrier of last resort obligations to protect the public interest.

Respectfully submitted,



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