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July 24, 2009

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PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602-0615

Re: In the Matter of Bellsouth Telecommunications, Inc. v. Brandenburg Telephone Company; Case No. 2006-00546.

Dear Mr. Derouen:

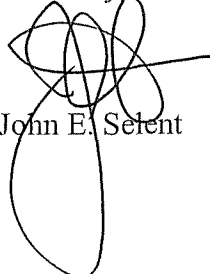
I have enclosed for filing in the above-styled case the original and eleven (11) copies of:

1. Prefiled Direct Testimony of Allison T. Willoughby on Behalf of Brandenburg Telephone Company; and
2. Petition for Confidential Treatment.

Please file-stamp one copy of each and return them to our delivery person.

Thank you, and if you have any questions, please call us.

Sincerely,



John E. Selent

JES/lb

cc: Mary K. Keyer, Esq.
John E. Selent, Esq.
Holly C. Wallace, Esq.

REDACTED

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

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JUL 24 2009

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.)

COMPLAINANT)

v.)

BRANDENBURG TELEPHONE COMPANY)

DEFENDANT)

**PUBLIC SERVICE
COMMISSION**

) CASE NO. 2006-00546

**PREFILED DIRECT TESTIMONY OF ALLISON T. WILLOUGHBY
ON BEHALF OF
BRANDENBURG TELEPHONE COMPANY**

July 24, 2009

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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2006-00546
)	
BRANDENBURG TELEPHONE COMPANY)	
)	
DEFENDANT)	

**PREFILED DIRECT TESTIMONY OF ALLISON T. WILLOUGHBY
ON BEHALF OF
BRANDENBURG TELEPHONE COMPANY**

INTRODUCTION

- 1 **Q. WHAT IS YOUR NAME?**
- 2 A. My name is Allison T. Willoughby.
- 3 **Q. WHO IS YOUR EMPLOYER?**
- 4 A. My employer is Brandenburg Telephone Company ("Brandenburg Telephone").
- 5 **Q. WHAT IS YOUR POSITION AT BRANDENBURG TELEPHONE?**
- 6 A. I am the Assistant General Manager of Brandenburg Telephone.
- 7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR**
- 8 **PROFESSIONAL EXPERIENCE.**

1 A. I am a graduate of the University of Kentucky where I received my B.S. in accounting. I am
2 a licensed certified public accountant in the Commonwealth of Kentucky. For the last twenty-two
3 years, I have held various positions with Brandenburg Telephone.

4 **Q. WHAT ARE YOUR DUTIES AND RESPONSIBILITIES AT BRANDENBURG**
5 **TELEPHONE?**

6 A. As Assistant General Manager, I am responsible for overseeing the technical, financial, and
7 managerial condition of the company so that it is able to continue providing the highest quality
8 telecommunications services to its customers. I report directly to the Board of Directors of the
9 Company with respect to these issues.

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?**

11 A. I am here to explain why the Commission should deny BellSouth's claims that Brandenburg
12 Telephone should reimburse BellSouth money which it alleges to have overpaid for Area Calling
13 Service ("ACS") and Commercial Mobile Radio Service ("CMRS") traffic.

14 **Q. CAN YOU PLEASE PROVIDE THE COMMISSION WITH SOME BACKGROUND**
15 **REGARDING THIS DISPUTE?**

16 A. Certainly. There are two separate billing issues in dispute. Both disputes concern
17 BellSouth's allegations that it overpaid Brandenburg Telephone for certain traffic that it delivered to
18 Brandenburg Telephone. The first disputed issue relates to what BellSouth designates as Area
19 Calling Service ("ACS") traffic. The second disputed issue relates to Commercial Mobile Radio
20 Service ("CMRS") traffic.

21 1.

22 **ACS TRAFFIC**

23 **Q. PLEASE EXPLAIN THE BACKGROUND REGARDING THE ACS TRAFFIC**
24 **DISPUTE.**
25

1 A. The ACS traffic dispute is ultimately a dispute entirely of BellSouth's own making. It
2 involves payments that BellSouth made to Brandenburg Telephone for traffic that only BellSouth is
3 able to identify, and for which only BellSouth had call detail records ("CDRs"). BellSouth destroyed
4 those CDRs even after it claimed to have discovered what it alleges were overpayments, and even
5 though Brandenburg Telephone requested that BellSouth provide these CDRs to substantiate its
6 claims. (See Timeline of Events attached as Exhibit A.) BellSouth now claims, incredibly, that it is
7 entitled to be reimbursed for its alleged, yet unsubstantiated, overpayments in the amount of
8 [REDACTED], including interest.

9 It is important from the outset, however, to keep three things in mind. First, when BellSouth
10 delivers intrastate traffic, ACS or otherwise, to Brandenburg Telephone, it can potentially do so over
11 one of two basic facilities: BellSouth's Toll Group ("BTG") trunk, or one of two Extended Area
12 Service ("EAS") trunk groups. (See BellSouth's Answer to Data Request #4 attached as Exhibit B.)

13 Second, BellSouth's choice of facility to deliver its ACS traffic will ostensibly determine how
14 BellSouth remits payment to Brandenburg Telephone. Thus, if BellSouth were to deliver ACS
15 traffic to Brandenburg Telephone over the EAS facilities, it should remit payment by way of a
16 settlement process that I will describe more fully below. If, however, BellSouth were to deliver that
17 traffic over the BTG, then BellSouth would be billed by Brandenburg Telephone as part of its
18 Carrier Access Billing System ("CABS").

19 Third, what BellSouth designates as ACS traffic is simply intrastate access traffic that, from
20 Brandenburg Telephone's perspective, is completely indistinguishable from any other type of
21 intrastate traffic it receives from BellSouth. In fact, "ACS" is simply a retail designation used by
22 BellSouth to identify intrastate access traffic originated by its customers who subscribe to its Area
23 Calling Service Plan and delivered to Brandenburg Telephone. Therefore, this traffic is to
24 Brandenburg Telephone entirely indistinguishable from any other intrastate traffic. As such,

1 Brandenburg Telephone is completely dependent upon BellSouth: (i) to identify which intrastate
2 traffic is ACS traffic; (ii) to identify over which facilities it was delivered; and (iii) to pay for it
3 accordingly.

4 Therefore, taking these three things into consideration, when BellSouth claims to have
5 "inadvertently" paid for what it alleges is the same ACS traffic through both the settlement process
6 and CABS, Brandenburg Telephone has no way of determining whether that is true without access to
7 BellSouth's CDRs – the same CDRs that BellSouth destroyed. Instead, BellSouth's claims raise
8 serious questions as to whether its CDRs reflected, in fact, that it should have been paying for ACS
9 traffic via both the Settlement Process and CABS because it was actually delivering that traffic over
10 either or both the BTG and EAS facilities.

11 **Q. SO WHAT IS AT THE HEART OF THIS DISPUTE WITH RESPECT TO THE ACS**
12 **TRAFFIC?**

13 A. At the heart of this dispute, lies the method by which BellSouth remitted payment to
14 Brandenburg Telephone for intrastate access traffic and the facilities over which it delivered that
15 traffic. For years, BellSouth compensated Brandenburg Telephone for terminating intrastate access
16 traffic pursuant to an Agreement for the Provision of Telecommunications Services and Facilities
17 ("Agreement"), effective January 1, 1985. (*See* Agreement attached as Exhibit C.) Pursuant to this
18 Agreement, BellSouth compensated Brandenburg Telephone through a settlement process whereby
19 BellSouth was to "net" amounts due to and from Brandenburg Telephone, based solely on
20 BellSouth's records, and remit payment accordingly (the "Settlement Process"). The Settlement
21 Process, consequently, left Brandenburg Telephone solely at the mercy of BellSouth for determining
22 amounts payable to Brandenburg Telephone.

23 To address this untenable situation, beginning in January 1995, prior to Brandenburg
24 Telephone even knowing the existence of ACS traffic, Brandenburg Telephone worked with

1 BellSouth to implement Brandenburg Telephone's CABS process. While the CABS process enables
2 Brandenburg Telephone to identify and bill intrastate access traffic that enters Brandenburg
3 Telephone's network over the BTG trunks, it cannot identify that traffic delivered by BellSouth that
4 it designates as ACS over those same trunk groups. Moreover, the CABS were not implemented for
5 the EAS trunks, meaning that if BellSouth were to continue to deliver traffic, ACS or otherwise, to
6 Brandenburg Telephone over the EAS trunks, Brandenburg Telephone would continue to be
7 dependent upon BellSouth to remit payment through the Settlement Process for that traffic.

8 **Q. WHAT HAPPENED IN DECEMBER OF 1997?**

9 A. In or about December 1997 (two years after the implementation of CABS on the BTG),
10 Brandenburg Telephone first received from BellSouth a payment through the Settlement Process for
11 what BellSouth labeled as ACS traffic. Upon receiving this payment from BellSouth for ACS traffic
12 through the settlement process, Brandenburg Telephone called Charlotte Lord (formerly
13 Youngblood) at BellSouth to inquire into the nature of the traffic and the purpose of the payment.
14 BellSouth did not respond to the inquiry. As a result, Brandenburg Telephone was left to assume
15 that BellSouth was paying Brandenburg Telephone for terminating the ACS traffic over the EAS
16 trunks. Otherwise, BellSouth would have had no reason to make payment for ACS traffic through
17 the Settlement Process, but would have, instead, made payment for this traffic through the CABS.

18 **Q. THEN WHAT HAPPENED?**

19 A. BellSouth continued this practice for six years. It reviewed its CDRs, it generated an invoice
20 to itself, and it paid Brandenburg Telephone through the settlement process. Then, in April 2004
21 BellSouth claimed that it was paying ACS traffic terminating charges through both the settlement
22 process and CABS, and thereby allegedly paying twice for the same service. BellSouth notified
23 Brandenburg Telephone of the alleged overpayment and discontinued paying ACS traffic charges
24 through the settlement process.

1 In a May 11, 2004 letter to Randall Bradley of Brandenburg Telephone, BellSouth formally
2 requested that Brandenburg Telephone make an adjustment for the alleged overpayments occurring
3 for the period of April 2002 through May 2004 in the amount of [REDACTED]. (See Letter to Randall
4 Bradley attached as Exhibit D.) During a conference call with BellSouth, Brandenburg Telephone
5 again requested call CDRs from BellSouth to verify BellSouth's claim that it had been double paying
6 for this traffic. The process would have been simple. BellSouth would merely have had to provide
7 CDRs associated with this ACS traffic, and Brandenburg Telephone could have easily verified that
8 this ACS traffic was embedded in the CABS bills issued by Brandenburg Telephone to BellSouth.
9 Only BellSouth possessed the CDRs in question, however. Yet it refused to provide them.

10 Although BellSouth would still have had relevant CDR in May 2004 when Brandenburg
11 Telephone first requested it, BellSouth failed to either provide the records or take steps to preserve
12 them. Then, after several unsuccessful further attempts to resolve the issue, BellSouth sent an e-mail
13 (on April 6, 2005) to Randall Bradley at Brandenburg Telephone containing a "traffic study"
14 allegedly showing that BellSouth made duplicate payments. (See Traffic Study attached as Exhibit
15 E.) The "traffic study," however, was nothing more than a BellSouth-generated summary of its
16 claims which, by BellSouth's own admission, varied by as much as 5.5% from Brandenburg
17 Telephone's CABS bills. Moreover, once again, BellSouth failed to provide Brandenburg
18 Telephone with the CDRs it had requested back in May 2004 to substantiate BellSouth's claims.

19 A year and a half later, on December 13, 2006, BellSouth filed the present Complaint against
20 Brandenburg Telephone seeking reimbursement for the then more than two year old alleged
21 overpayment for ACS traffic from April 2002 through March 2004, plus interest. On March 15,
22 2007, BellSouth, Brandenburg Telephone, and Commission staff participated in an informal
23 conference. During that conference, Brandenburg Telephone reiterated the need to verify the alleged
24 double-payment through CDR that could only be in the possession of BellSouth. This verification

1 was impossible, however, because, as BellSouth admits, it has destroyed the CDR that would show
2 whether its claim is true or not.

3 **Q. DID BELLSOUTH OVERPAY BRANDENBURG TELEPHONE FOR ACS TRAFFIC**
4 **DURING THE PERIOD IN QUESTION?**

5 A. Therein lies the heart of the problem. This is a question that only BellSouth had the ability to
6 substantiate. BellSouth had in its possession the CDRs that would have been able to definitively
7 resolve this issue and to substantiate its claim, yet it destroyed them rather than substantiate its claim
8 and bring this matter then and there to a conclusion. BellSouth destroyed these CDRs even after it
9 had identified what it alleged to be an overpayment and even after Brandenburg Telephone requested
10 the CDRs to verify BellSouth's claims. Without these CDRs, BellSouth has in essence asked
11 Brandenburg Telephone and the Commission simply to assume that BellSouth is correct when it
12 claims to have overpaid Brandenburg Telephone for ACS traffic. But, BellSouth has failed to
13 produce a single record to substantiate its claim. If BellSouth overpaid Brandenburg Telephone for
14 ACS traffic through the settlement process, then BellSouth was the only party in a position to prove
15 that it in fact did so.

16 By way of analogy, imagine for a moment a customer who had for the past two years
17 purchased a product from a store, and who suddenly believes that he had been overpaying for the
18 product during that time. Imagine further that the customer takes his complaint to the store and the
19 owner of the store tells the customer that if the customer can provide receipts showing where the
20 customer had overpaid, then the owner would be willing to reimburse the customer. However, the
21 customer then goes home, where he proceeds to destroy whatever receipts he has that would
22 substantiate his claim. He then returns to the store the next day saying that he had the receipts
23 yesterday when he discovered the alleged discrepancy, but decided to destroy them even though the
24 store owner had asked for the receipts as proof of the customer's claim. At this point, the customer

1 looks at the store owner and says, "I have overpaid you a substantial amount over the past two years
2 and you should reimburse me for it." Would you expect the store simply to reimburse the customer
3 under these circumstances? Obviously, this question is rhetorical, but fairly accurately reflects what
4 it is that BellSouth is attempting to do. Except in BellSouth's case, BellSouth itself determined the
5 amount it owed and caused itself to make the payments that it now says were in error.

6 Again, it is impossible for Brandenburg Telephone to determine whether BellSouth routed
7 ACS traffic to Brandenburg Telephone over the BTG and was billed access or over the EAS trunk
8 group subject to the settlement process. To Brandenburg Telephone, ACS traffic is indistinguishable
9 from other intrastate traffic routed over the BTG. As such, Brandenburg Telephone has no way of
10 verifying whether BellSouth actually routed the ACS traffic over the BTG trunk groups or over other
11 trunk groups such as the EAS trunks for which it uses the Settlement Process. As a result, not only
12 is Brandenburg Telephone unable to verify whether BellSouth overpaid for ACS traffic, but
13 Brandenburg Telephone is also without sufficient information to determine whether BellSouth has in
14 fact fully and fairly compensated Brandenburg Telephone for terminating ACS traffic. Thus, what
15 BellSouth claims to be an overpayment could just as well be an underpayment. Because BellSouth
16 no longer has CDRs, we will never know.

17 **Q. SHOULD BELLSOUTH HAVE DESTROYED THE CDRs?**

18 A. BellSouth has claimed that it is justified in destroying the CDRs in question after a certain
19 amount of time as part of its customary business practice because those records are so voluminous.
20 But if BellSouth had documents showing that Brandenburg Telephone received duplicate payments,
21 then it destroyed those records at its own risk.

22 **Q. WHAT WOULD HAVE CAUSED BELLSOUTH TO MAKE PAYMENT FOR ACS**
23 **TRAFFIC THROUGH THE SETTLEMENT PROCESS IN THE FIRST PLACE?**

1 A. Again, this is not a question that Brandenburg Telephone can answer. However, one would
2 imagine that BellSouth would only have made payment for ACS traffic through the Settlement
3 Process if its CDRs did indeed reflect that it delivered ACS traffic to Brandenburg Telephone over
4 trunks other than the BTG. Otherwise, BellSouth would have never had occasion to make such a
5 payment. This is at least partially why Brandenburg Telephone refuses to take BellSouth at its word
6 without CDRs showing that it has made an overpayment for ACS traffic. Something caused
7 BellSouth to make a payment for ACS traffic through the Settlement Process. Presumably, it was its
8 own CDRs. Now we will never be able to determine why, because BellSouth has destroyed the very
9 CDRs at issue.

10 This is a dispute entirely of BellSouth's own making. Only BellSouth could identify ACS
11 traffic delivered by BellSouth as part of the Settlement Process. Brandenburg Telephone did not
12 invoice BellSouth for the ACS traffic in question. Instead, BellSouth, at its own bidding, sent
13 payment to Brandenburg Telephone for ACS traffic as part of the Settlement Process based upon its
14 own CDRs. Thus, BellSouth's complaint is, at best, aimed at negligently invoicing itself and
15 allegedly paying twice for the same traffic – traffic for which it did not keep CDRs even after
16 Brandenburg Telephone repeatedly requested them. BellSouth's own actions in this matter have
17 caused the issue, and now BellSouth asks Brandenburg Telephone to resolve the problem by
18 reimbursing it for entirely unsubstantiated "overpayments," including interest.

19 **Q. YOU MENTIONED THAT BELLSOUTH PERFORMED A TRAFFIC STUDY IN**
20 **APRIL 2006 IN AN EFFORT TO SUBSTANTIATE ITS CLAIMS. CAN YOU EXPLAIN**
21 **WHY THIS TRAFFIC STUDY IS INADEQUATE?**

22 A. Yes. The April 2006 "traffic study" that BellSouth performed is flawed for at least two
23 reasons. First, this so called "study" was merely an Excel spreadsheet that summarized traffic data
24 from February 1 through 3, 2005, a period of time after that which is in dispute. As such, the "traffic

1 study" attempts to replace actual data (that BellSouth destroyed) from the time of the dispute with
2 traffic data from nearly a year later.

3 Second, the "traffic study," was really nothing more than a BellSouth-generated spreadsheet
4 summarizing MOUs which, by BellSouth's own admission, varied by as much as 5.5% from
5 Brandenburg Telephone's CABS bills. The inherent inaccuracy of BellSouth's "traffic study" alone
6 should be enough to illustrate that it is inadequate to substantiate BellSouth's claims.

7 **Q. BEFORE ADDRESSING THE CMRS TRAFFIC ISSUE, IS THERE ANYTHING**
8 **ELSE YOU WOULD LIKE TO SAY TO THE COMMISSION ABOUT THE ACS TRAFFIC**
9 **DISPUTE?**

10 A. I would simply like to reiterate that this entire dispute is solely of BellSouth's own making.
11 BellSouth caused itself to make the payments which it now disputes. BellSouth destroyed the only
12 evidence that would substantiate its claims, even after it had ample reasons for not doing so. Yet
13 now BellSouth has filed a complaint against Brandenburg Telephone because Brandenburg
14 Telephone rightfully refuses to take BellSouth at its word that Brandenburg Telephone should repay
15 BellSouth [REDACTED] (now over [REDACTED], including interest), in unsubstantiated claims. Any
16 sane business person would be entirely justified in refusing such a request, just as Brandenburg
17 Telephone is justified in this case.

18 2.

19 **CMRS TRAFFIC**

20 **Q. TURNING NOW TO THE SECOND ISSUE, THE CMRS TRAFFIC, CAN YOU**
21 **PLEASE EXPLAIN THE BACKGROUND REGARDING THE CMRS TRAFFIC DISPUTE?**

22 A. Certainly. BellSouth claims that Brandenburg Telephone owes it money for CMRS traffic
23 that it delivered to Brandenburg Telephone. However, BellSouth's claim essentially stands for the
24 indefensible proposition that Brandenburg Telephone must accept BellSouth's measurement of

1 MOUs and its CDRs for CMRS traffic no matter how verifiably erroneous those MOUs and CDRs
2 are. The underlying suggestion seems to be that Brandenburg Telephone somehow has no right,
3 other than to request a formal audit, to verify whether the bills sent to it by BellSouth are accurate.
4 This is preposterous. It should go without saying that Brandenburg Telephone always has a right to
5 verify whether or not it owes what a bill says that it owes. Brandenburg Telephone does not need to
6 be granted that right by an auditing provision in an agreement between the parties.

7 Indeed, Brandenburg Telephone's actions regarding the CMRS traffic in question amounted
8 to nothing more than a simple verification process to ensure that the traffic for which BellSouth
9 claimed it should be compensated was in fact traffic covered by the applicable agreement. Thus,
10 what BellSouth would like to frame as a dispute over whether Brandenburg Telephone
11 impermissibly audited BellSouth's MOUs and CDRs, is really a dispute over whether Brandenburg
12 Telephone should be forced to compensate BellSouth for traffic that is verifiably not covered by the
13 CMRS Agreement between the parties. Unquestionably, it should not.

14 **Q. CAN YOU TELL ME MORE ABOUT THE CMRS AGREEMENT WITH**
15 **BELLSOUTH?**

16 A. Yes. On April 24, 2004, certain rural independent local exchange carriers ("Rural LECs"),
17 including Brandenburg Telephone, and Commercial Mobile Radio Services ("CMRS") providers
18 entered into a CMRS Agreement with BellSouth ("CMRS Agreement"). (*See* CMRS Agreement
19 attached as Exhibit F.) The CMRS Agreement addressed BellSouth's provision of intermediary
20 tandem switching and transport services to Covered CMRS Providers for the delivery of Covered
21 CMRS Provider Traffic to Rural LEC networks.

22 According to Section 2.07 of the CMRS Agreement, "the Signatory CMRS Providers and
23 [Brandenburg Telephone] agree to accept BellSouth's measurement of minutes of use and industry
24 standard call detail records as the basis for billing from and compensation to [Brandenburg

1 Telephone] for Covered CMRS Traffic." Significantly, that same Section 2.07 also allows
2 Brandenburg Telephone to "request an audit of [BellSouth's measurement of MOUs and industry
3 standard CDRs] within twelve months of the applicable billing date."

4 In June 2004, Brandenburg Telephone and BellSouth implemented the CMRS Agreement,
5 and BellSouth began delivering its initial CMRS traffic to Brandenburg Telephone for which it was
6 to be reimbursed under the agreement. From the very beginning, however, the volume of traffic
7 claimed by BellSouth to be Covered CMRS Traffic was higher than Brandenburg Telephone
8 expected. As a result, Brandenburg Telephone verified the accuracy of BellSouth's MOUs and
9 CDRs by comparing them with its own switch records. In so doing, Brandenburg Telephone was
10 well within its rights because it believed that BellSouth was in breach of Sections 1.05 and 2.01 of
11 the CMRS Agreement. Brandenburg Telephone believed that BellSouth was in breach of Section
12 1.05 because BellSouth was delivering traffic that it characterized as Covered CMRS Traffic but
13 which appeared to be from CMRS providers who were not signatories to the CMRS Agreement and
14 from non-CMRS providers such as landline competitive local exchange carriers. In addition,
15 Brandenburg Telephone believed that BellSouth was in breach of Section 2.01 of the CMRS
16 Agreement because it was delivering non-signatory CMRS traffic to Brandenburg Telephone.

17 As a result, and as part of its verification process, Brandenburg Telephone compared the
18 measurement of MOUs and CDRs supplied to it by BellSouth with its own automatic message
19 accounting ("AMA") records, and found that the MOUs and CDRs supplied by BellSouth did not
20 correspond with its own records. After reconciling the records supplied by BellSouth with its own
21 AMA records, Brandenburg Telephone billed BellSouth according to its verified numbers.

22 Between June 2004 and June 2005, Brandenburg Telephone sent to BellSouth the CABS bills
23 based on its verified usage reports. BellSouth, in turn, paid these bills in full without dispute, even
24 though it was clear that the amount billed was different than what the records BellSouth sent to

1 Brandenburg Telephone would have required. In fact, BellSouth, itself, claims to have noticed
2 "discrepancies" between its own records and the invoices that Brandenburg Telephone sent to it, yet
3 BellSouth continued to pay the bills as calculated by Brandenburg Telephone for an entire year.

4 Then, in July 2005, BellSouth began withholding payment from Brandenburg Telephone for
5 the amounts of Covered CMRS Traffic billed to it. BellSouth began short-paying Brandenburg
6 Telephone based upon BellSouth's own MOUs. Between July 2005 and October of that same year,
7 the companies worked together to audit the CMRS records in question in an effort to resolve this
8 dispute. On October 31st, Brandenburg Telephone and BellSouth reached a settlement agreement, or
9 so Brandenburg thought, that would result in Brandenburg Telephone making a payment to
10 BellSouth for much of the traffic in question. When we attempted to document this settlement,
11 however, BellSouth demanded that Brandenburg waive all its rights to verify traffic delivered to its
12 network and execute a contract whereby Brandenburg Telephone would agree to be bound solely to
13 BellSouth's reported usage amounts. I was simply unwilling to do so. Frankly, I was shocked and
14 suspicious that BellSouth would expect that any company would cede to BellSouth its rights to
15 verify and bill for traffic delivered onto its network.

16 The December 13, 2006 Formal Complaint that BellSouth filed, thus, also alleged that
17 Brandenburg Telephone violated Section 2.07 of the CMRS Agreement by failing to use the MOUs
18 and CDRs supplied by BellSouth, notwithstanding Brandenburg Telephone's right its right to verify
19 those records as a simple matter of prudent business practice and to audit those records under the
20 CMRS Agreement. BellSouth now seeks reimbursement for alleged overpayment of Covered
21 CMRS Provider Traffic, plus interest.

22 **Q. CAN YOU EXPLAIN THE PROCESS BY WHICH BRANDENBURG TELEPHONE**
23 **RECEIVES AND THEN VERIFIES BELLSOUTH'S MEASUREMENT OF MOUs?**

1 A. It is a fairly simple process. It starts when Brandenburg Telephone identifies for CABS
2 billing to BellSouth all of the traffic that BellSouth has delivered to Brandenburg Telephone over the
3 BTG. BellSouth then provides Brandenburg Telephone with a weekly CDR that identifies which
4 traffic otherwise included in the CABS bill is in fact CMRS traffic. Under the CMRS Agreement,
5 Brandenburg Telephone uses the CDRs to issue a credit against its CABS bill to BellSouth for traffic
6 billed as access that is in fact Covered CMRS traffic. BellSouth then receives a "credit" from
7 Brandenburg Telephone for that CMRS traffic.

8 Each month, Brandenburg, then, verifies the accuracy of the requested credit by first polling
9 the BellSouth CDR files to extract records for the same period as that of the Brandenburg CABS
10 cycle. Then Brandenburg Telephone simply engages in a two step verification process. First,
11 Brandenburg Telephone makes sure that the traffic for which BellSouth has requested a CABS credit
12 was, in fact, billed by Brandenburg to BellSouth as CABS. Naturally, to the extent that no CABS
13 billing occurred, no CABS credit can be provided. Second, Brandenburg Telephone confirms that
14 the usage credit requested is for a company that is a Covered CMRS Provider under the CMRS
15 Agreement.

16 It is important, however, to note that under this simple verification process, for the last 19
17 months, 98.7 percent of the MOUs for which BellSouth has claimed a credit are correctly identified
18 as Covered CMRS Provider Traffic. And, we have credited BellSouth for that traffic. This is a
19 significant statistic because it underscores the fact that Brandenburg Telephone has no intent to act in
20 a nefarious manner when it verifies the CDRs that BellSouth delivers to it. On the contrary,
21 Brandenburg Telephone simply wants to make sure that the traffic that serves as the basis for
22 Brandenburg Telephone compensating BellSouth is in fact the traffic covered by the CMRS
23 Agreement. If the records indicate that the traffic is Covered CMRS Provider Traffic, then
24 Brandenburg Telephone has not, and will not, hesitate to give BellSouth its due credit for this traffic.

1 **Q. DID BRANDENBURG TELEPHONE BREACH THE CMRS AGREEMENT WITH**
2 **BELLSOUTH BY VERIFYING BELLSOUTH'S MOUs AND CDRs?**

3 A. No. BellSouth has no legitimate basis to claim that Brandenburg Telephone is in breach of
4 the CMRS Agreement because it exercised its unfettered right to verify BellSouth's MOUs and
5 CDRs. Although Section 2.07 of the CMRS Agreement provides that Brandenburg Telephone is to
6 "accept BellSouth's measurement of minutes of use and industry standard call detail records as the
7 basis for the billing from and compensation to [Brandenburg Telephone] for covered CMRS
8 Provider Traffic," this does not mean that Brandenburg Telephone must accept from BellSouth what
9 it knows to be inaccurate MOUs and CDRs relating to traffic outside the scope of the CMRS
10 Agreement.

11 In any event, Brandenburg Telephone did what Section 2.07 required. It accepted
12 BellSouth's measurements of MOUs as the basis for its billing as contemplated by the CMRS
13 Agreement. Then, after accepting them, Brandenburg Telephone exercised its prudent business
14 judgment to verify whether the CMRS traffic for which BellSouth was claiming credit was indeed
15 traffic covered by the CMRS Agreement. Consistent with its understanding of that CMRS
16 Agreement, Brandenburg Telephone worked with BellSouth to refine its verification process and
17 until discussion broke down in October 2005, believed that it had reached a good faith resolution to
18 the CMRS portion of the dispute.

19 In addition, although Brandenburg Telephone has, to date, simply verified the records
20 provided to it by BellSouth, the fact that section 2.07 of the CMRS Agreement gives Brandenburg
21 Telephone the additional right to formally audit BellSouth's MOUs and CDRs upon request serves to
22 further justify Brandenburg Telephone's decision to verify BellSouth's records on a less formal basis.
23 Specifically, Section 2.07 provides that "any party may request an audit of [BellSouth's measurement
24 of MOUs and industry standard CDRs] within twelve months of the applicable billing date" Thus,

1 the CMRS Agreement would have permitted Brandenburg Telephone to request a formal audit of
2 BellSouth's records anyway.

3 In any case, it is BellSouth who was likely in breach of the CMRS Agreement, and whose
4 own actions served as the catalyst for Brandenburg Telephone's decision to verify the records it was
5 receiving. As I mentioned before, BellSouth repeatedly violated Sections 1.5 and 2.01 of the CMRS
6 Agreement. Section 1.05 of the CMRS Agreement provides that "'Covered CMRS Provider Traffic'
7 is defined as CMRS Provider Traffic of a Signatory CMRS Provider for which BellSouth generates
8 and delivers to [Brandenburg Telephone] accurate industry standard call detail records . . . and
9 minutes of use." Section 2.01 goes on to provide that "BellSouth may deliver, for termination,
10 Signatory CMRS Provider Traffic to [Brandenburg Telephone]." Although BellSouth claims to have
11 delivered traffic to Brandenburg Telephone which it characterized as Covered CMRS Traffic subject
12 to the CMRS Agreement, some portion of it was, in fact, traffic from non-signatories to the CMRS
13 Agreement and / or competitive local exchange carriers ("CLECs") in violation of Sections 1.05 and
14 2.01.

15 Moreover, Section 2.04 required BellSouth to "establish mutually agreeable exchange of data
16 and administrative processes with [Brandenburg Telephone] to provide complete and accurate
17 documentation of [CMRS Provider Traffic] that will permit [Brandenburg Telephone] to track,
18 verify, and audit such CMRS Provider Traffic." Brandenburg Telephone attempted to do that but
19 failed to reach closure with BellSouth in this matter.

20 **Q. DOES BRANDENBURG TELEPHONE OWE BELLSOUTH ANY MONEY FOR**
21 **ALLEGED OVERPAYMENTS OF CMRS TRAFFIC?**

22 A. No. In fact, as of July 2009, due to BellSouth's continued withholding of payments from
23 Brandenburg Telephone for the amounts of Covered CMRS Traffic billed to it, BellSouth actually
24 owes Brandenburg Telephone a large amount in underpayments. While Brandenburg Telephone was

1 willing to pay BellSouth for the amount agreed to in their October 2005 settlement negotiations,
2 BellSouth has since that time continued to withhold payments greatly exceeding that amount.

3 As to the substance of BellSouth's claim, Brandenburg Telephone accepted BellSouth's
4 MOUs and CDRs as it agreed to do under the CMRS Agreement. However, because Brandenburg
5 Telephone was concerned about the accuracy of BellSouth's records, Brandenburg Telephone
6 verified whether the MOUs and CDRs provided to it by BellSouth were correct. This verification
7 confirmed Brandenburg Telephone's concerns that not all of the traffic for which BellSouth was
8 claiming a credit was Covered CMRS Provider Traffic.

9 In any event, Brandenburg Telephone's AMA records demonstrate that the MOUs and CDRs
10 supplied by BellSouth were verifiably incorrect. To have Brandenburg Telephone reimburse
11 BellSouth for CMRS traffic which has now been shown to be incorrect surely falls by the weight of
12 its own logic.

13 CONCLUSION

14 **Q. WOULD YOU PLEASE SUMMARIZE, THEN, THE ACTIONS YOU REQUEST**
15 **THE COMMISSION TAKE?**

16 A. Certainly. Brandenburg Telephone requests that the Commission deny BellSouth's claims
17 that it overpaid Brandenburg Telephone for the two types of traffic at issue.

18 BellSouth is solely to blame for the ACS portion of this dispute. BellSouth caused itself, on
19 its own initiative, to make the ACS payments to Brandenburg Telephone, ostensibly because it had
20 CDRs which required it to make those payments. BellSouth then destroyed those CDRs – the only
21 records that would be able substantiate its claims – knowing that doing so would jeopardize its
22 position.

23 As for the CMRS traffic dispute, Brandenburg Telephone has no duty to credit BellSouth for
24 verifiably incorrect MOUs and CDRs. Brandenburg Telephone fulfilled its obligations under the

1 CMRS Agreement by accepting the MOUs and CDRs provided to it by BellSouth, just as it properly
2 exercised its right to verify that those records substantiated traffic actually covered under the CMRS
3 Agreement. BellSouth has no proof that it overpaid Brandenburg Telephone for CMRS traffic
4 (pursuant to the CMRS Agreement), and its claim, therefore, should be dismissed. In fact, BellSouth
5 should immediately pay Brandenburg Telephone the outstanding amount it has withheld to date, and
6 begin paying the monthly CABs bills as billed by Brandenburg Telephone on a going forward basis.

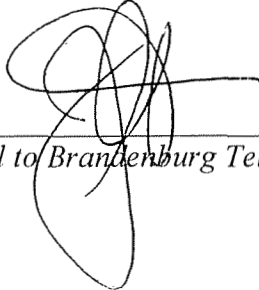
7 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

8 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify a true and accurate copy of the foregoing was served by first-class United States mail on the following individuals this 24th day of July, 2009.

Mary K. Keyer
General Counsel / Kentucky
601 W. Chestnut Street, Room 407
Louisville, KY 40203
Counsel for BellSouth Telecommunications, Inc.
d/b/a AT&T Kentucky



Counsel to Brandenburg Telephone Company

148428_1

January 1985
Brandenburg Telephone and BellSouth execute Agreement for the Provision of Telecommunications Services and Facilities ("Agreement") which utilizes a settlement process for determining amounts owed.

December 16, 2006
BellSouth filed a formal complaint against Brandenburg Telephone.

though it
4 that there may
randenburg
04 that
in order to verify



5
nt to Brandenburg Telephone a
" allegedly showing duplicate
though the study did not cover any
in question and was admittedly
y as much 5.5%.

January 1995
Brandenburg Telephone implements (Access Billing System ("CABS") whi permits Brandenburg Telephone to id and capture intrastate access traffic o Common Transport Trunk Group ("C for billing purposes.

REQUEST: Please identify any and all trunk groups over which BellSouth terminates traffic to Brandenburg.

RESPONSE: The trunk groups between BellSouth and Brandenburg Telephone are designated by the following alphanumeric trunk group identifiers: AF111053 (Common Transport Trunk Group or CTTG), AF128757 (EAS trunk group from Owensboro), and AF146667 (EAS trunk group from Rose Terrace).

BI 1
(12-10-84)

AGREEMENT FOR THE PROVISION OF
TELECOMMUNICATIONS SERVICES
AND FACILITIES

Effective: January 1, 1985

WHEREAS, the divestiture of the Bell Operating Companies, along with contemporaneous regulatory decisions, have caused significant changes in the telephone industry;

WHEREAS, one major change is that the Bell Exchange Carrier is limited to the provision of exchange and exchange access service;

WHEREAS, a mutually beneficial relationship between the named exchange carriers is largely dependent on establishing a framework that recognizes and protects each exchange carrier's rights and assures performance of each exchange carrier's important obligations;

WHEREAS, inherent in a mutually beneficial relationship is the economic and efficient operation of the jointly provided services and facilities of each exchange carrier;

WHEREAS, it would appear that the most appropriate vehicle for achieving the desired economy and efficiency is the equal participation by each exchange carrier in a joint planning process;

- 2 -

BI 1
(12-10-84)

WHEREAS, all exchange carriers endorse arbitration after all reasonable attempts at negotiation have failed and only upon agreement by both parties to arbitration as a binding and final method of settlement;

WHEREAS, all exchange carriers recognize the need and desirability in the states of Alabama, Kentucky, Louisiana, Mississippi and Tennessee of reaching agreement to be effective on January 1, 1985 for the joint and economic provision of toll service by these carriers to their subscribers, the equitable distribution of revenues generated from such services and the efficient administration of a plan to accomplish the foregoing goals;

NOW THEREFORE, this Agreement between SOUTH CENTRAL BELL TELEPHONE COMPANY, having its principal place of business in Birmingham, Alabama, herein called the Bell Company, and BRANDENBURG TELEPHONE COMPANY, herein called the Independent Company, sets forth the terms and conditions for the provision of certain telecommunications services and facilities as hereinafter described.

SECTION I

SCOPE OF THE AGREEMENT

This Agreement covers certain services and facilities associated with intraLATA toll services (including Private Line ("PL") services, Message Telecommunications Service ("MTS"), Wide Area Telecommunications Service ("WATS") and 800 Service), and as associated with exchange access services and certain local exchange services provided under applicable tariffs as may be in effect with the State Public Service Commissions or the Federal Communications Commission ("FCC"). These services and facilities include those provided by the Bell Company to the Independent Company, those provided by the Independent Company to the Bell Company and those individually provided and combined

- 3 -

Bl 1
(12-10-84)

to establish a common service or network. Included are facilities used for jointly provided local exchange services, the joint provision of access services for origination and termination of telecommunications for interexchange carriers, and the toll portion of intraLATA telecommunications services jointly provided by the Independent Company and Bell Company, within LATAs in which the Bell Company operates, including operator, switching and transmission facilities. Excluded are non-access, interLATA telecommunications services and facilities provided by either party and intraLATA telecommunications services and facilities within LATAs in which the Bell Company and Independent Companies both do not operate. The Independent Company exchanges that are connected by the Bell Company - Independent Company intraLATA network solely through connection with the intraLATA system of the Independent Company are listed in Exhibit A of the IntraLATA Switched Toll Services Annex. The specific services and facilities subject to this Agreement and the terms and conditions under which those services and facilities are provided are defined in Annexes, which are included in and made a part of this Agreement. The Annexes placed in effect with the execution of this Agreement are listed in Exhibit A. Subsequent Annex revisions or the inclusion of additional Annexes will henceforth be individually executed and noted in a revised Exhibit A to this Agreement. As used herein, the term "Agreement" includes this Agreement and all Annexes that are in effect.

SECTION II

METHODS AND PRACTICES

Each of the parties agrees to provide the services and facilities described in the Annexes to this Agreement in a manner that equals or exceeds performance standards based on Exchange Carrier Standard Association (ECSA) methods and practices for network quality, planning, maintenance, and testing as may be in use during the term of

this Agreement. Each party will observe and will act in a manner consistent with the rules and regulations of the lawfully established tariffs applicable to the services provided. Whenever an Annex to this Agreement specifically defines performance standards, such standards shall govern the services and facilities provided pursuant to such Annex and shall supersede the general provisions of this Section.

SECTION III
DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

- A. Access Service means services and facilities used in the origination or termination of telecommunications for interexchange carriers under access tariffs.
- B. Company means the Bell Company or Independent Company or both, as the context shall require.
- C. Compensation is the amount of money due from the Bell Company to the Independent Company or from the Independent Company to the Bell Company for services and facilities provided under this Agreement.
- D. An Exchange or Local Exchange means a geographic area within which a Bell Company or an Independent Company may provide local telecommunications services. As used in this Agreement, the terms Exchange and Local Exchange have the same meaning as in the traditional regulatory and ratemaking contexts.

- E. Interexchange means between exchanges. Interexchange may include extended area services and toll services, depending upon applicable tariffs.
- F. Local Access and Transport Area (LATA) means a geographic area encompassing one or more local exchange areas within which a Bell Operating Company (BOC) may provide telecommunications services, as prescribed and approved by the Court in United States v. Western Electric Co., Civil Action No. 82-0192 (D.D.C).
- G. InterLATA Telecommunications means telecommunications between LATAs, and between LATAs and independent telephone company operating areas with which they are not associated.
- H. IntraLATA Telecommunications means telecommunications within a LATA and between a LATA and an independent telephone company operating area which is associated with it.
- I. Point of Interface (POI) means the physical connection at the demarcation point between the facilities used in providing access service and the facilities used in providing interLATA service. The POI establishes the operational responsibilities of a carrier providing interLATA service and a carrier providing access service.

- J. Point of Presence (POP) means a physical location within a LATA at which an interLATA carrier establishes itself for the purpose of obtaining access service. Both switched and special access require a Point of Presence (POP).
- K. The System of the Bell Company means the exchange and interexchange switching, operator service and transmission facilities that route, switch, assist and transport intraLATA traffic within a LATA for intraLATA telecommunications or for access service, including those facilities owned or leased from others by the Bell Company, but excluding facilities leased by the Bell Company to others.
- L. The System of Independent Company means the exchange and interexchange switching, operator service and transmission facilities that route, switch, assist and transport intraLATA traffic within a LATA in which the Bell Company operates for intraLATA telecommunications or for access service, but excludes those facilities leased by the Independent Company to others.
- M. Telecommunications means the transmission between or among points specified by the user of information of the user's choosing, without change in the form or content of the information as sent or received, by means of electromagnetic transmission, with or without benefit of any closed transmission medium.
- N. Toll Service means interexchange intraLATA telecommunications services provided exclusively by exchange carriers under a common tariff filed by the Bell Company and concurred in by the Independent Company. These services include MTS, PL, WATS and 800 services. EAS is excluded.

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BI 1
(12-10-84)

- O. Exchange Carrier means a telecommunications carrier providing local telecommunications services within a franchised geographic area.
- P. Interexchange Carrier means a telecommunications carrier providing inter-exchange telecommunications services through the purchase of access services from exchange carriers.
- Q. Access Line means a line, trunk, pay telephone line or other facility provided under the general and/or local exchange service tariffs of the Telephone Company, terminated on a central office switch and which may be used to make and receive exchange service calls, intrastate message service calls or interstate message service calls no matter if the customer causes the line, trunk or facility to be arranged to prohibit any type of calls to be made or received.

Additional definitions are included in the respective Annexes where appropriate.

SECTION IV

PROTECTION OF PROPRIETARY INFORMATION

- A. Each Company agrees to protect the proprietary information entrusted to it by the other Company.
- B. Any proprietary information that is furnished shall be clearly labeled "Proprietary" and shall be treated as such by the receiving company. Such information shall remain the property of the originating company and shall be returned upon request.

- C. Such proprietary information provided shall be held in confidence by the receiving company and shall be disclosed only to those employees, contractors or agents who have a need for it in order to provide telecommunications services required to fulfill this agreement and shall be used only for such purposes.
- D. Each company agrees to give immediate notice to the other company of any legal demands to disclose proprietary information prior to disclosing such information.
- E. Each company agrees not to disclose proprietary information to any party, except as provided above, without the written consent of the originating company.

SECTION V

COMPENSATION ARRANGEMENTS

Compensation for the services and facilities provided under this Agreement and its Annexes are set forth in the respective Annexes hereto.

SECTION VI

BILLING ARRANGEMENTS

Each month the Bell Company will prepare and remit to the Independent Company billing statements, which shall include the Bell Company and Independent Company data necessary for netting revenues and compensation associated with the services and facilities covered by this Agreement and its Annexes. These billing arrangements may be further defined by an Agreement Annex.

SECTION VII
COMPLIANCE MONITORING

Either party to this Agreement shall have the right to visit any facility or service location upon reasonable notice to ensure that the terms of this Agreement or Annexes attached hereto are being met. Visitation rights shall include the right to inspect the facilities and, upon thirty (30) days written notice, to perform audits, review worksheets, review performance or service plan data and review documents used in compensation statement preparation.

SECTION VIII
TERM OF AGREEMENT

This Agreement is effective upon execution and, except as otherwise provided herein, will continue in effect until all Annexes to the Agreement have been terminated. Each Annex contains its own termination provision.

SECTION IX
DEFAULTS AND VIOLATIONS

If one party to this Agreement defaults in the payment of compensation required pursuant to any Annex hereto or violates any other provision of this Agreement or any Annex hereto, and such default or violation shall continue for thirty (30) days after written notice of the default or violation, the other party may immediately terminate the entire Agreement or any Annex or Annexes by written notice.

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BI 1
(12-10-84)SECTION X
ASSIGNMENT

This Agreement and all Annexes made a part thereof may not be assigned or transferred by either party without the prior written consent of the other.

SECTION XI
INDEMNIFICATION

The indemnification provisions of this general Section shall apply to all matters arising under this Agreement except that indemnification or limitation of liability or related provisions contained in other sections of this Agreement shall be controlling and take precedence over this paragraph.

To the extent not prohibited by law, the Bell Company and the Independent Company indemnify the other and hold the other harmless against any loss, cost, claim, injury, or liability relating to or arising out of negligence or willful misconduct by the indemnifying party or its agents or contractors in connection with the indemnifying party's provision of services and facilities, or the other party's provision of services and facilities to the indemnifying party, under this Agreement; provided, however, that any indemnity for any loss, cost, claim, injury or liability arising out of or relating to errors or omissions in the provision of services or facilities under this Agreement shall be limited as otherwise specified in this Agreement. The indemnifying party under this Section agrees to defend any suit brought against the other party for any such loss, cost, claim, injury or liability. The indemnified party agrees to notify the other party promptly, in writing, of any written claims, lawsuits, or demands for which the other party is responsible under this section and to cooperate in every reasonable way to facilitate defense or settlement

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BI I
(12-10-84)

of claims. The indemnifying party shall not be liable under this section for settlement by the indemnified party of any claim, lawsuit, or demand if the indemnifying party has not approved the settlement in advance unless the indemnifying party has had the defense of the claim, lawsuit or demand tendered to it in writing, and has failed to assume such defense.

The Bell Company and the Independent Company agree with respect to services and facilities provided hereunder, to indemnify and save the other company harmless from liabilities, claims or demands (including the costs, expenses and reasonable attorneys' fees, on account thereof) that may be made by persons furnished by the other company or by any of its subcontractors, under Worker's Compensation or similar statutes. The Bell Company and the Independent Company agree to defend any such suit brought against the non-owner for any such liability, claim or demand. Each company agrees to notify the other company promptly, in writing, of any claims or demands for which it is claimed that the other company is responsible and to cooperate in every reasonable way to facilitate defense or settlement of claims.

No claims or adjustments of such charges, or any other claims with respect to this Agreement may be made more than two years after the date of the event that gave rise to the claim, except where such limitations are contrary to law; provided, however, that claims for indemnity under this section may be made within two years of the commencement of the proceeding on the cause of action for which indemnity is sought, except where such limitations are contrary to law.

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BI 1
(12-10-84)

SECTION XII

NOTICE

All written notices required under this Agreement or any of its Annexes shall be given by certified mail, return receipt requested, postage prepaid to such address as either company may from time to time specify by written notice to the other.

SECTION XIII

GOVERNING LAW

This Agreement, and its Annexes shall be governed by and construed in accordance with, the law of the State of Kentucky.

SECTION XIV

SEVERABILITY

If any provision of this Agreement or any provision of any of its Annexes is held invalid, unenforceable or void, the remainder of this Agreement and its Annexes shall not be affected thereby and shall continue in full force and effect.

SECTION XV

AMENDMENTS AND WAIVERS

Neither this Agreement nor its Annexes may be modified except by written agreement signed by authorized officials of both parties.

In addition, no course of dealing or failure of either party to enforce any provision of this Agreement or any of its Annexes shall be construed as a waiver of such provision or any other rights under this Agreement or any of its Annexes. If one party fails to enforce any provision of this Agreement or any of its Annexes, it is still the responsibility of both parties to continue to comply with all provisions of this Agreement and its Annexes.

By mutual and written agreement, the parties may amend or modify any Section of this Agreement or any of its Annexes (including associated Attachments, Exhibits or Supplements) or add new Sections or Annexes to this Agreement. Such action shall not constitute a modification or change of any other Section or Annex to this Agreement, unless explicitly stated in such written agreement.

Executed this _____ 23rd _____ day of September, 1985.

WITNESS:

Arleta Adams

SOUTH CENTRAL BELL TELEPHONE COMPANY

By *[Signature]*

gr Assistant Vice President
(Title)

WITNESS:

Wayne McConish

BRANDENBURG TELEPHONE COMPANY, INC.
(INDEPENDENT TELEPHONE COMPANY)

By *[Signature]*

Executive Vice President
(Title)

BI 1-A
(12-10-84)

EXHIBIT A
ANNEX TABLE OF CONTENTS
AGREEMENT FOR THE PROVISION OF TELECOMMUNICATIONS SERVICES AND FACILITIES
Effective: January 1, 1985

Attached to and made a part of the Agreement for the Provision of Telecommunications Services and Facilities Agreement effective January 1, 1985.

The services and facilities subject to the identified Agreement and the terms and conditions under which these services and facilities are provided are defined in the following Annexes:

<u>AGREEMENT I.D. NO.</u>	<u>ANNEX</u>	<u>NAME</u>	<u>EFFECTIVE DATE</u>
BI 2	--	TRANSITION AGREEMENT (Unchanged)	1-1-84
BI 3	1	INTRALATA SWITCHED TOLL SERVICE	1-1-85
		- EXHIBIT C	6-1-85
BI 4	2	INTRALATA PRIVATE LINE SERVICES	6-1-85
BI 6	3	INTRALATA FOREIGN EXCHANGE	1-1-85
		- EXHIBIT A	6-1-85
BI 7	4	JOINT ACCESS SERVICES	1-1-85
BI 8	5	CARRIER ACCESS BILLING SERVICES	1-1-85
BI 9	6	CUSTOMER BILLING SERVICES ANNEX	1-1-85
		- EXHIBIT C, D	6-1-85
BI 10	7	LOCAL OPERATOR SERVICES	1-1-85
		- EXHIBIT B	6-1-85
BI 11	8	EXTENDED AREA SERVICE	1-1-85

BI 3
(12-10-84)ANNEX 1

INTRALATA SWITCHED TOLL SERVICES ANNEX

Effective: January 1, 1985

This Annex between SOUTH CENTRAL BELL TELEPHONE COMPANY, having its principal place of business in Birmingham, Alabama, herein called the Bell Company, and the Independent Company as identified in the Agreement for the Provision of Telecommunications Services and Facilities, sets forth the terms and conditions regarding the provision of intraLATA switched toll services.

SECTION I

TRAFFIC COVERED BY THIS ANNEX

IntraLATA Switched Toll Services are defined as IntraLATA Message Telecommunications Services (MTS), including optional calling plans, Outward Wide Area Telecommunications Services (WATS) and 800 Service, which are furnished within LATAs in which both the Bell Company and the Independent Company operate in whole or in part by the system of the Independent Company and by the system of the Bell Company and are furnished exclusively by exchange carriers under uniform toll tariffs.

When Independent-to-Independent (I-I) or Bell-to-Independent (B-I) traffic ceases to be furnished under toll rate schedules identical for both the Independent Company and the Bell Company or when either I-I or B-I traffic becomes an Extended Area Service (EAS) or other local service offering, such traffic will no longer be covered by this Annex. No compensation to the Independent Company will be made by the Bell Company for such traffic under this Annex.

- 2 -

BI 3
(12-10-84)SECTION II
DEFINITIONS

For purposes of this Annex:

The System of the Independent Company comprises the exchange areas, exchanges, toll stations and toll circuit groups operated by the Independent Company and associated with LATAs in which the Bell Company operates including systems of local wireline exchange carriers associated within the same LATA other than the Bell Company with which the Independent Company connects, as specified in Exhibit A of this Annex.

The System of the Bell Operating Company comprises the exchange areas, exchanges, toll stations and toll circuit groups operated by the Bell Company, and will include systems of local wireline exchange carriers within the same LATA other than those identified as a part of the system of the Independent Company, as specified in Exhibit A.

IntraLATA Message Telecommunications Services (MTS) includes the facilities used and services rendered in furnishing telephone toll service communications between customer premises in different exchange areas within a LATA, in accordance with the schedules of charges, regulations and conditions stated in the uniform statewide IntraLATA exchange carrier toll tariff(s).

IntraLATA Outward Wide Area Telecommunications Service (WATS) includes facilities used and service rendered in furnishing telephone toll service communications from an access line to other stations within a specified area in a LATA in accordance with the schedules of charges, regulations and conditions stated in the exchange carrier toll tariff(s).

IntraLATA 800 Service includes the facilities used and services rendered in furnishing 800 Service from stations within a LATA to a customer premises in accordance with the schedules of charges, regulations and conditions stated in the exchange carrier toll tariff(s).

SECTION III INDEPENDENT COMPANY EXCHANGES

The exchanges of the Independent Company system covered by this Annex are listed in Exhibit A attached hereto.

SECTION IV PHYSICAL CONNECTION

The Bell Company and the Independent Company will connect and maintain the connections of their respective systems at the point or points listed in Exhibit A during the term of this Annex. Neither party will, without the written consent of the other, connect the facilities of the other party with any facilities other than as indicated in Exhibit A.

SECTION V ROUTING OF TRAFFIC

The traffic interchanged under this Annex will be routed as indicated in Exhibit A to this Annex. Changes in routing must be agreed to in writing by the parties before becoming effective.

SECTION VI

TRAFFIC RECORDING AND OPERATOR FUNCTIONS

The functions required to provide intraLATA switched toll services specified hereunder, e.g., recording and operating of intraLATA MTS, WATS, and 800 Service, shall be performed as shown in Exhibit B attached hereto.

SECTION VII

CONSTRUCTION AND PROTECTION OF PLANT

Each party will construct, equip, maintain and operate its system so as to provide adequate facilities for the efficient provision of good service to the public at all times.

Each party will take reasonable precautions in the location, construction and maintenance of its facilities for protection against hazard and interference from power lines and other sources.

SECTION VIII

MONTHLY COMPENSATION

Each party will collect all charges payable by its customers for intraLATA switched toll services in accordance with related tariff provisions and will account for and be responsible for such charges. Each party will keep adequate records of all collections, payments and other transactions hereunder, and such records will be subject to inspection by the other party upon reasonable request. Each party will furnish to the other such information as may be required for monthly compensation purposes. Compensation statements hereunder will be rendered monthly by the Bell Company to the Independent

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B13
• (12-10-84).

Company and remittance in full, including disputed amounts, will be made by the debtor company by the last work day of the month following the month being settled. If a dispute is substantiated in favor of the exchange carrier, the fund will return the disputed amount plus interest (.05 percent per day). Disputes which cannot be resolved should be referred to the State Fund Oversight Committee for resolution.

SECTION IX
BASIS OF COMPENSATION

Monthly compensation due each party for facilities furnished and services provided hereunder will be determined as provided in Exhibit C attached hereto and made a part hereof.

SECTION X
DEFAULTS OR VIOLATIONS

If either party connects the facilities of the other party in any manner other than as specifically provided herein, this Annex is subject to immediate termination upon written notice.

SECTION XI
TERM OF ANNEX

This Annex will become effective on the date specified and will continue in force thereafter, until terminated upon thirty (30) days prior written notice with or without cause by either party. This Annex may be amended from time to time upon written agreement of the parties.

BI 3-A
(12-10-84)

EXHIBIT A
POINTS OF CONNECTION AND ROUTING
INTRALATA SWITCHED TOLL SERVICES ANNEX
Effective: January 1, 1985

Attached to and made a part of the IntraLATA Switched Toll Services Annex
effective January 1, 1985.

<u>EXCHANGES</u>	<u>INTRALATA TANDEM POP</u>	<u>POINTS OF CONNECTION</u>		<u>BELL COMPANY LATA</u>
		<u>V</u>	<u>H</u>	
Battletown	Louisville	6611	2761	Louisville
Brandenburg	"	"	"	"
Custer	"	"	"	"
Irvington	"	"	"	"
North Garrett	"	"	"	"
Payneville	"	"	"	"
Radcliff	"	"	"	"
Vine Grove	"	"	"	"

BI 3-B
(12-10-84)

EXHIBIT B

TRAFFIC RECORDING AND OPERATOR FUNCTIONS
INTRALATA SWITCHED TOLL SERVICES ANNEX

Effective: April 1, 1989

RECEIVED
FEB 3 1990
PUBLIC AFFAIRS

Attached to and made a part of the IntraLATA Switched Toll Services Annex effective January 1, 1985.

From the effective date of this Exhibit, the Bell Company will perform or cause to be performed the recording and operator functions required for handling the traffic covered by this Annex, except that the Independent Company will perform the functions listed below.

Compensation for the provision of recording and operator functions, by one company for the other, is covered under separate Annexes.

<u>Traffic Originating At</u>	<u>Type of Traffic</u>	<u>Function(s) Performed</u>
Battletown (497)	1+	Recording
Brandenburg (422)	1+	"
Custer (536)	1+	"
Irvington (547)	1+	"
North Garrett (828)	1+	"
Payneville (496)	1+	"
Radcliff (351,352)	1+	"
Vine Grove (877)	1+	"

Executed this 9th day of February, 1990.

SOUTH CENTRAL BELL TELEPHONE COMPANY

BY James S. Kurland
ASSISTANT VICE PRESIDENT
(TITLE)

WITNESS: John Thomas

BRANDENBURG TELEPHONE COMPANY
(INDEPENDENT TELEPHONE COMPANY)

BY J. D. [Signature]
President
(TITLE)

WITNESS: Alison Willoughby

ADDENDUM

B13C
5-2-86

TO

EXHIBIT C

BASIS OF COMPENSATION (RATES)

INTRALATA SWITCHED TOLL SERVICES ANNEX

This Addendum lists the rates used in determining the compensation amounts the Local Exchange Carrier (LEC) receives as its share of revenues from Intralata Switched Toll Services. These rates mirror the LEC's June 1985 Interstate Access Tariff filing. Toll Center LEC's Network Rates are determined per B13C, Sections B4 and C.

Local Transport			End Office Switching		
Exch. T/C By Bell	Exch. T/C By GTS		Local	Line	
Call Banded * Hybrid Rate	Min/Mile		Switching	Term	Intercept
Miles	Rate				
0 - 1	.0057	N/A	.0098	.0079	.000097
> 1 - 8	.0121				
> 8 - 16	.0135				
> 16 - 25	.0145				
> 25 - 50	.0230				
> 50 -100	.0328				
>100	.0491				

* Hybrid is composite of GTS & LEC 6/85 Interstate Tariff Transport Rates

Recording	Msg Processing	Bill/Coll	Network	Common Carrier Line
.0319	.0141	.1804	.0098	.0473

Executed this 9th day of February, 19 90.

SOUTH CENTRAL BELL TELEPHONE COMPANY

BRANDENBURG TELEPHONE COMPANY
(INDEPENDENT TELEPHONE COMPANY)

BY *James B. Hualar*
ASSISTANT VICE PRESIDENT
(TITLE)

BY *J. D. [Signature]*
President
(TITLE)

WITNESS:
John [Signature]

WITNESS:
Alexis Killoughby

BI-3C

EXHIBIT C
BASIS OF COMPENSATION
INTRALATA SWITCHED TOLL SERVICES ANNEX

EFFECTIVE: March 3, 1992

Attached to and made a part of the IntraLATA Toll Switched Services Annex effective January 1, 1985.

This Exhibit sets forth the basis of compensation for all traffic covered by the IntraLATA Switched Toll Services Annex.

This Exhibit is being revised in accordance with the Kentucky Public Service Commission's May 6, 1991 order in Administrative Case 323. Changes that are required in the Basis Of Compensation Exhibit as a result of the aforementioned order and new agreements among the local exchange carriers (LECs) are outlined below and are known as the Kentucky Restructured Settlement Plan (KRSP). This agreement is based on, and includes, all agreements reached in a Memorandum of Understanding attached hereto as Addendum 1.

All references in the IntraLATA Switched Toll Services Annex to the Revenue Distribution Fund should be replaced with and are now related to the new arrangement among the Kentucky LECs which is known as the Kentucky Restructured Settlement Plan.

-2-

BI-3C

The Kentucky Restructured Settlement Plan is intended to begin with the implementation of the Commission's Order and to cease at such time as intraLATA facility based competition and 1+ presubscription are in place.

Compensation amounts which the involved companies are to receive for their participation in the handling of intrastate intraLATA switched toll services, as defined in the Annex, shall be determined as set forth below.

A. For the purpose of compensation under this Exhibit:

1. Revenues are amounts chargeable to and collected from customers for intraLATA switched toll services (MTS, OCP, WATS, 800, and toll DA Service) provided exclusively by local exchange carriers under a common tariff(s) filed by the Category A Company and concurred in by the Category B Company. Revenues associated with official company toll calls are also included.

The Category B Company will no longer be responsible for uncollectibles or fraud however it will continue to make reasonable and diligent efforts to collect all of the intraLATA switched toll revenues billable to its customers.

2. The Kentucky Restructured Settlement Plan (KRSP) is a

compensation arrangement whereby all of the intraLATA toll revenues billable by the Category A Company and the Category B Company under this agreement, are remitted to the Category A Company. The Category B Company's settlement will be an amount equal to the Category B Company's intrastate access charges for its participation in the joint provision of intraLATA switched toll services.

3. The Category A Company is the company that provides the tandem switching function on an intra and inter company basis. The Category A Company may also be referred to as a toll center company. Classification as a Category A company requires prior approval of the Kentucky Public Service Commission and adherence to the stipulations contained in the Commission's order of January 23, 1992 in AC323.

4. The Category B Company is the company which subtends the Category A Company and does not provide a tandem switching function on an inter-company basis but may provide the tandem switching function among its own exchanges on an intra-company basis.¹

1. The one exception is GTE which does, in fact, provide inter-company functions but has elected to operate as a Category B company at the outset of this agreement. GTE reserves the option to request reclassification as a category A company subject to Commission approval.

5. Access function means a service function performed for and necessary to the provision of intraLATA switched toll service including switched access service similar to Feature Group C, billing and collection service, and directory assistance service as defined in the intrastate access tariffs filed with the Kentucky Public Service Commission. Access functions include billing and collection, traffic sensitive and non-traffic sensitive elements.

6. Network function means a service function performed for and necessary to the provision of intraLATA switched toll service but which is not an access function as defined under the access tariffs.

The Category B Company may, at its option, process intra-system toll calls instead of sending them to a toll center. Companies may develop a switching cost per minute using the cost study data submitted to the National Exchange Carrier Association (NECA) or the comparable toll switching cost per minute of the toll center company will be used as a surrogate. The initial amount per minute is reflected in Exhibit E. The initial amount per minute for the network function shall not be changed or modified without adhering to the conditions specified in Commission's order of January 23, 1992 in AC323 and the written consent of both the

Category A and the Category B companies. Further explanation of the development of the initial rates is included in Exhibit F.

B. The Category A Company will receive all of the intraLATA switched toll services revenue billable by the Category B Company under the Category A Company's toll tariff, including 1+, 0+/0-, and toll directory assistance (DA).

C. The Category B Company shall receive monthly from the Category A Company its compensation for the provision of intraLATA switched toll services, as defined in paragraph A.2 and A.6. above, for the period covered and in an amount to be determined as follows:

1. The Category B Company's access compensation is determined by applying the Category B Company's access charge tariff traffic sensitive and billing and collection rates for those functions provided by the Category B Company, to the current month's intraLATA switched toll traffic provided under this Annex. The access tariff rates and billing and collection rates used in this calculation will be those approved by the Kentucky Public Service Commission. For purposes of determining intraLATA access charges, a point of presence (POP) will be assumed to exist at the end office side of each intraLATA tandem switch for each end office served by the switch.

Where local transport is jointly provided, the Category B Company will receive its local transport compensation by applying the billing percentages filed in the NECA FCC #4 tariff, to the total calculated local transport charges for a given end office.

2. The Category B Company will receive from the Category A Company its company specific non-traffic sensitive (NTS) amount in accordance with its intrastate tariff based on the guidelines outlined in the "Joint Motion" and amended in the May 6, 1991 Kentucky PSC Order in Administrative Case 323.

3. The Category B Company will receive its monthly compensation associated with its network functions as defined in Paragraph A.6. above, if applicable.

The network function compensation will be determined by multiplying the company's network rate by the total access minutes of use (utilizing such network) for the monthly settlement period.

E. The Category B Company's compensation rates for access functions, NTS, and Network as described in Section C above, are illustrated in BI-3 Exhibit E.

-7-

BI-3C .

F. This plan shall be administered on a calendar month basis utilizing calendar month toll messages and usage. Toll revenue may be administered on a calendar month or a previous billing cycle basis. The Category A Company will coordinate the monthly gathering of any required data from the Category B Company and produce statements for the plan or the Category B Company may net settlement from the revenues due the Category A company as detailed below:

1. The Category B Company shall report or have reported to the Category A Company its calendar month toll messages and usage by the tenth work day following the close of that calendar month. Toll revenues shall be reported on a calendar month or a previous billing cycle basis, to the Category A Company by the tenth work day of the following month also.

2. The Category A Company will provide by the fifteenth work day following the close of the calendar month a statement for the Category B Company detailing the following:

- a. Toll Revenues due the Category A Company.
- b. Access Charge compensation due the Category B Company from the Category A Company.

-8-

BI-3C

c. Network compensation, as applicable, due the Category B Company from the Category A Company.

d. Net cash flow to or from the Category A Company.

3. When the Category B Company has a cash flow to the Category A Company the Category B Company shall tender payment in full to the Category A Company by the last work day of the month following the close of the calendar month under study. Likewise when the Category A Company has a cash flow to the Category B Company, the Category A Company shall tender payment in full to the Category B Company as described in 4. below. Subject to the discretion of the company due payment, a late payment fee of .05 percent per day may be charged on balances due after the above date.

4. The Category A Company will send payment to the Category B Company having a cash flow from it on the last work day of the month following the close of the calendar month under study.

5. Any studies or data supporting amounts received from the Category A Company will be subject to review by the Category B Company.

6. Network, messages, revenues, and minutes of use data

submitted by the Category B Company will be subject to review by the Category A Company.

Executed this 17th day of April, 1992

WITNESS: Jean L. Duncan SOUTH CENTRAL BELL TELEPHONE CO.

E. Chubert
(Name)
Assistant Vice President-Regulatory
(Title)

WITNESS: Lula H. Watts BRANDENBURG TELEPHONE COMPANY
INDEPENDENT TELEPHONE COMPANY

Allison Willoughby
Allison Willoughby
(Name)
Controller
(Title)

EXHIBIT C, ADDENDUM 1, PAGE 1 OF 2

MEMORANDUM OF UNDERSTANDING

Restructured Settlement Plan
Jointly Provisioned Kentucky IntraLATA Toll

1. In recognition of the changing relationship to the marketplace by partners in the IntraLATA pool, a new settlement process for jointly provided toll is appropriate. There will be 2 categories of LECs for IntraLATA toll: Category A Toll Providers -- a Category A company will perform the tandem switching function on an intra and inter company basis. A Category B LEC will not provide tandem functions on an intercompany basis but will not be precluded from making network routing changes between a Category B LEC's own exchanges. There can be more than one Category A Company in each LATA. These arrangements will be applicable with the implementation of the joint motion and until the implementation of IntraLATA equal access by the LECs.
2. Category A Companies will pay Category B company NTS charges, intrastate tariffed traffic sensitive access, B&C charges and current network switching rate compensation to Category B LECs that subtend the respective Category A LECs. Category B companies in turn will remit IntraLATA 1+, 0+/0-, and DA billed toll revenues¹ to the appropriate Category A LECs.²
3. The access charges will be those approved by the Kentucky PSC. The Category A Companies will be responsible for their respective portions of the non traffic sensitive pool as developed by the joint motion in AC 323.
4. Category A LECs will be responsible for filing toll tariffs.³

1. The Category B LECs will no longer be responsible for uncollectibles or fraud. (Unbillable tolls continue to be the responsibility of the originating company.) However, this is contingent upon removing from the calculation of NTS fund levels, in the joint motion in AC 323, the amount associated with uncollectible revenue in the residual amounts used in that calculation. Uncollectibles will be paid on an actual basis.

2. Category B Company DA Minutes of Use will be included in settlements. Category B DA revenues will be remitted to Category A Companies.

3. Geographic averaging of toll rates by Category A Company will be adhered to under this agreement. The Category A Companies will provide timely notice to Category B LECs of impending changes to their toll tariffs.

EXHIBIT C, ADDENDUM 1, PAGE 2 OF 2

5. For traffic interchanged between Category A LECs, the Category A LEC originating the traffic is responsible for compensation to the other Category A company their traffic sensitive access charges for traffic terminated or switched in their area. Billed revenues will be retained by the Category A LEC. Each Category A LEC will be responsible for settlements to any Category B LECs with which it connects.
6. Subtending Category B LECs will route all 1+ and 0+/0- intraLATA traffic to a Category A LEC. (The exception will be intra-company traffic switched by Category B LECs.)
 - a. Category A companies agree not to intervene in access charge filings by Category B companies as long as the proposed access charges do not exceed those paid by IXCs for like services.
 - b. The LECs will have the right to retain billing and collection functions under the last approved intrastate tariff rate for the length of this agreement.
 - c. The Category A LECs will have the right to perform operator functions on intraLATA service provided under the Category A LECs toll tariffs.
7. Toll service on any route will not be converted to either one way or two way flat or measured local service without agreements of both LECs as to compensation arrangements. It is recognized that the intent will be to achieve revenue neutrality for both Category A and Category B LECs.
8. Each LEC will develop and file their own special access and private line tariffs.

4.A surrogate may be necessary upon agreement by the Category A and Category B Company due to administrative ease.

5.Category B LECs will concur in the toll tariffs of the Category A Companies including the DA charges.

BI3D
(1-1-88)

EXHIBIT D
BASIS OF COMPENSATION
INTERSTATE INTRALATA SWITCHED TOLL SERVICES

Effective January 1, 1988

Attached to and made a part of the IntraLATA Toll Switched Services Annex effective January 1, 1985.

This Exhibit sets forth the basis of compensation for interstate intraLATA message toll traffic. General terms and conditions of the Annex apply to interstate message toll traffic.

A. For the purpose of this Exhibit:

1. Revenues are amounts chargeable to customers for interstate intraLATA switched toll services provided exclusively by exchange carriers under a common tariff filed by the Bell Company. Uncollectible revenues and revenues associated with official independent company toll calls are included. Each party accepts the responsibility for the collection efforts on revenues billed by it and on calls originating on its system which are returned under the Responsible Company Toll Investigation Plan.

BIDD
(1-1-88)

2. Access functions means those functions provided in accordance with carrier access service tariffs on file with the Federal Communications Commission. Access functions include transport, end office switching and carrier common line.
 3. Billing and Collection functions are the recording, processing, billing and collection of interstate intraLATA toll services.
 4. Network function means a service function performed for and necessary to the provision of intraLATA switched toll service but which is not an access function or billing and collection function. The service function includes toll operator assistance, intraNPA directory assistance, intraLATA tandem switching and transmission between intraLATA tandem switches.
- B. Revenues billable by the Bell Company and by the Independent Company are due the Bell Company.
- C. The Independent Company shall receive for its participation the following:
1. Access compensation determined by applying the lawfully filed interstate access tariff of the independent company (or other interstate access tariff in which the independent company concurs) to the intraLATA switched toll traffic covered in this annex.

BI3D
(4-1-88)

2. Network compensation is determined by applying to the intraLATA switched toll traffic covered in this annex, the same per minute rates used for the intrastate, intraLATA network functions covered in Exhibit C of this annex. In the event the independent company provides operator functions in conjunction with maritime service, such operator compensation may be based upon a study of such interstate costs following the procedures defined in Exhibit C.

3. Billing and Collection compensation is determined by applying to the intraLATA toll messages covered in this annex, the same compensation per message applicable to the interstate interLATA billing and collection functions performed by the Independent Company for AT&T Communications. This per message amount may be determined by the Independent Company based upon a mutually agreed representative study and shall include reasonable amounts for uncollectibles.

BIDD
(1-1-88)

Executed this 19th day of JANUARY 1988.

WITNESS:

SOUTH CENTRAL BELL TELEPHONE COMPANY

Patricia H. Bryant

for
Assistant Vice President
(Title)

WITNESS:

BRANDENBURG TELEPHONE COMPANY, INC.
(Independent Company)

Robert F. Nitte

President
(Title)

BI-3E

EXHIBIT E
SUMMARY OF COMPENSATION RATES
INTRASTATE INTRALATA SWITCHED TOLL SERVICES ANNEX

Effective: March 3, 1992

I. ACCESS FUNCTIONS:**A. Billing & Collection Service (per Message)**

1. Recording	.0319
2. Message Processing	.0141
3. Billing (Surrogate)	.1804

B. Traffic Sensitive Switched Access (per MOU)

1. Local Transport	
a. Termination	.0117
b. Facility (per Mile per MOU)	.00032
2. End Office (per MOU)	
a. Local Switching	.0378
b. Information Surcharge	.000267

The rates above are listed only to summarize the appropriate compensation rates found in each Company's Intrastate Access Tariff. This tariff governs all rules, regulations and rates for compensation for these access functions.

II. NON TRAFFIC SENSITIVE RATE:

Tariff Non-Traffic Sensitive Revenue Requirement per access line: \$3.70

Current Revenue Requirement per TMOU: .059804

III. NETWORK RATE .0098

BI-3E

Executed this 17th day of April, 1992.

SOUTH CENTRAL BELL TELEPHONE COMPANY

Brandenburg Telephone Company
(INDEPENDENT TELEPHONE COMPANY)

BY E. Cholet
Assistant Vice President-Regulatory
(TITLE)

BY Allison Willoughby
Controller
(TITLE)

WITNESS:
Jean H. Duncan

WITNESS:
Lula F. Watts

EXHIBIT F
February 10, 1992

This exhibit provides additional information requested by the Kentucky Public Service Commission in its order of January 23, 1992 and clarifies other minor items of the settlement agreement.

Network Compensation

For purposes of answering the Commission's request for additional information related to the network compensation paid to the Category B Companies, both the GTE arrangement and the predominant Category B Company arrangement are described below.

The GTE network arrangement goes back to 1984 when GTE and South Central Bell were the only two network companies that participated in the Revenue Distribution Fund (RDF). Under the RDF settlement plan, which has been in effect since that time with only a few modifications over the years, the network definition was described as those functions performed for and necessary to the provision of intraLATA switched toll service but which were not access functions as defined under the access tariffs. Such functions included intraLATA services provided by operators and intraLATA tandem switching and/or line haul between the assumed POP locations for intraLATA switched toll service.

The network compensation was determined by an annual cost

study conducted under the separation principles and procedures set forth in the then effective National Association of Regulatory Utility Commissioners (NARUC) - FCC Separations Manual, Part 67 of the FCC's Rules and Regulations, Part 69 of the FCC's Rules and Regulations, Part 31 of the FCC Uniform System of Accounts, and utilizing a 12.75% rate of return. Depreciation expenses were treated consistent with rates authorized by the state Public Service Commission. The annual cost study process also addressed Federal and State income taxes implications and traffic studies supporting Operator Work Time Values.

The network function costs as determined in the annual cost study, were divided by the total access minutes of use (utilizing such network functions) for the cost study period, in order to obtain a network cost per minute of use. Then the network cost per minute of use rate was multiplied by the total access minutes of use (utilizing such network functions) for the monthly settlement period which determined the amount of network compensation to be received.

Due to the rapidly changing environment in which many companies were updating their equipment and network arrangements, it became apparent to the participants in the RDF that some modifications to the original network definitions were needed. An intercompany Ad Hoc Committee was established to evaluate the situation and develop an industry agreement and methodology for handling the network revisions. This activity was completed August

20, 1987 and implemented January 1988. Under the revised network compensation guidelines a new category of network company was introduced to the RDF process and it is this additional category of network companies that serves as the basis for the majority of Category B Companies in the new settlement plan.

The revised network compensation guidelines called for separating the original network compensation rate into two categories, (1) to cover operator systems including investments, wages and direct overhead only and called Network Operator Rate and (2) to include switching and transmission costs and general overhead expenses allocated on operator wages and called Network Transport Rate. The Network Operator Rate was subject to annual cost studies as was the case previously, but the Network Transport Rate was frozen at the then existing rate level.

The current network rates for GTE are:

Network Transport	Network Operator	Total Network
.0218	.0074	.0292

The new category of network company was created as a result of individual companies rearranging their networks and equipping their switches in such a way that their own internal intracompany toll switching could be handled within their company without being routed through the toll center. In order to

accommodate this situation it was necessary to identify the intracompany traffic for a given company and compensate that company for providing a network function instead of the traditional toll center company (GTE or SCB). The new category of network companies were to be compensated using a switching cost per minute based on cost study data submitted to NECA or if such data was not available the comparable toll switching cost per minute of the toll center company (GTE or SCB) would be used as a surrogate. The initial amount per minute was not to be updated. The network companies that have been established since this revision in network compensation was developed are listed below with their Network Transport Rate.

Company	Network Transport (Switching) Rate
Brandenburg	.0098
Foothills Rural	.0098
Contel	.0240
Logan	.0098
South Central Rural	.0098 (subtends SCB)
	.0053 (subtends GTE)
Duo County	.0053

Billing and Collections

Paragraph 6) of the Memorandum of Understanding requires that tariffed intrastate billing and collection rates should be

used for compensation purposes recognizing that a surrogate may be necessary for administrative ease. The Kentucky Public Service Commission's Order of January 23, 1992 at page 24 discusses rate parity between intraLATA and interLATA rates. The Memorandum of Understanding and this agreement accommodate the intraLATA/interLATA parity concept.

WATS and 800 Service

The WATS surrogate was used in the RDF to compensate companies that provided WATS and/or 800 service to their subscribers in accordance with access tariffs in effect during 1984 and 1985. A surrogate was required because the RDF mechanized system was unable to distinguish between the WATS serving office (WSO) and the local serving office (LSO) of the customer, and when the two offices belonged to two different companies the RDF process was not able to accurately compensate the appropriate company for its involvement in the jointly provisioned WATS/800 service. Due to changes in the access tariff structure, and agreements reached during the KRSP negotiations, and program changes made to the new KRSP system, the WATS surrogate will no longer be used. Instead Category B Companies will be paid their portion of switched and/or special access rates for providing WATS and/or 800 service to their customers. Additionally all of the toll revenues will now be reported to SCB, including the flat rate recurring charges that were previously billed and kept by the billing company.

On 800 service, the Category A company will insure that

the factors used for billing the end user customers and the interexchange carriers are consistent with the factors used for compensation to the Category B Companies.

IntraLATA (intraNPA) Toll Directory Assistance

IntraLATA (intraNPA) toll directory assistance was intended to be a part of the RDF, but at the time the RDF was established not all companies charged their customers for DA service and so DA was omitted from the RDF process until such time that all companies were charging for DA. When negotiations for the new plan took place it was determined that all Category B Companies would remit their DA revenues to the Category A Company and in turn they would receive originating switched access as their compensation. The program changes are now being made to treat DA compensation in the same manner as other originating traffic types and the only other outstanding activity which may be required involves any Category B Company that must begin to collect DA charges from their customers that was not already doing so previously under the RDF arrangement.

TIMELINE OF EVENTS IN ACS TRAFFIC DISPUTE

January 1985	Brandenburg Telephone and BellSouth execute Agreement for the Provision of Telecommunications Services and Facilities ("Agreement") which utilizes a settlement process for determining amounts owed.
January 1995	Brandenburg Telephone implements Carrier Access Billing System ("CABS") which permits Brandenburg Telephone to identify and capture intrastate access traffic over the Common Transport Trunk Group ("CTTG") for billing purposes.
December 1997	Brandenburg Telephone receives first ever payment for Area Calling Service ("ACS") traffic from BellSouth through the settlement process.
December 1997	Brandenburg Telephone called BellSouth to inquire into the nature and the purpose of the ACS payment. BellSouth does not respond.
April 2004	BellSouth claims to have discovered that it was paying ACS traffic terminating charges through both the settlement process and CABS. BellSouth notified Brandenburg Telephone of the alleged overpayment and discontinued paying ACS traffic charges through the settlement process.
May 11, 2004	BellSouth formally requested that Brandenburg Telephone make an adjustment for the alleged overpayments. During a conference call with BellSouth, Brandenburg Telephone requested call CDRs from BellSouth to verify that BellSouth had been paying for the same ACS traffic through both systems. BellSouth at that time stored CDRs for 60 days.
June or July 2004	BellSouth destroys CDRs even though it discovered as early as April 2004 that there may be a dispute, and even though Brandenburg Telephone requested in May 2004 that BellSouth produce these CDRs in order to verify BellSouth's claim.
April 6, 2005	BellSouth sent to Brandenburg Telephone a "traffic study" allegedly showing duplicate payments, although the study did not cover any of the period in question and was admittedly inaccurate by as much 5.5%.
December 16, 2006	BellSouth filed a formal complaint against Brandenburg Telephone.

May 11, 2004

Mr. Randall Bradley
Brandenburg Telephone Co.
332 E. Broadway
Brandenburg, KY 40108

Dear Mr. Bradley,

This letter is in reference to our conversation last week that BellSouth has been compensating Brandenburg Telephone for BellSouth to Brandenburg Area Calling Service usage through the settlements process. BellSouth has been doing this despite the fact that Brandenburg renders a "CABs-like" bill that includes all minutes of use terminating at Brandenburg from BellSouth. Consequently, Brandenburg has been double compensated for this traffic. We have zeroed out the rates for this traffic going forward correcting the duplicate payment.

I have attached a spreadsheet detailing BellSouth's double compensation of this traffic for the last 24 months. In addition, I have attached the most recent Netting Statement displaying the ACS payment made to Brandenburg Telephone as well as the individual ACS Settlement. Also attached are previous SN642-ACS statements back to Jan 2003. Additional statements back to April 2002 have been sent to archives but are available upon request. The Net Revenue figures and minutes of use (MOU) are included in the spreadsheet. We are seeking an adjustment of [REDACTED] for the compensation paid by Bell through the ACS settlement based on the Indemnification clause of the January 1, 1985 Telecommunications agreement between Brandenburg Telephone and BellSouth.

If you have any questions, please contact me at 205-321-2745 or at joe.pitard@bellsouth.com.

Sincerely,

Joe Pitard
Settlements Manager

CC: Dan Magee
Ray McCallen

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELL SOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

Brandenburg
Bell to ICO ACS
Overpayment

Bell to Brand ACS Compensation
MOUs paid to ICO

March 2004
February 2004
January 2004
December 2003
November 2003
October 2003
September 2003
August 2003
July 2003
June 2003
May 2003
April 2003
March 2003
February 2003
January 2003
December 2002
November 2002
October 2002
September 2002
August 2002
July 2002
June 2002
May 2002
April 2002

[REDACTED]

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELL SOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

BELLSOUTH TELECOMMUNICATIONS - KENTUCKY
LOCAL EXCHANGE COMPANY SETTLEMENTS
BRANDENBURG
322 E. BROADWAY
P. O. BOX 599
BRANDENBURG, KENTUCKY 40108-0599

4/29/04

COMPANY NUMBER 0398
ACCOUNT NUMBER [REDACTED]
PLEASE RETURN ONE COPY WITH PAYMENT TO:

BELLSOUTH TELECOMMUNICATIONS
ATTN: SETTLEMENTS GROUP
3RD FLOOR
600 N. 19TH ST
BIRMINGHAM, ALABAMA 35203

AMOUNT DUE BELLSOUTH BY 28TH CALENDAR DAY OF NEXT MONTH
MAKE CHECK PAYABLE TO BELLSOUTH

Business Unit: BST

Voucher ID: 1370848

Certified: [Signature]

Approved: [Signature]

[REDACTED]

- 1. PRIOR STATEMENT BALANCE -----
- 2. ACS (SN642-ACS) -----
- 3. CABS (SN642-CABS) -----
- 4. MISC. (SN642-C) -----
- 5. PCP (SN642-ACCESS) -----
- 6. PCP (SN642-PCP) -----
- 7. TOTAL CURRENT MONTH ACTIVITY -----
(LINE 2 - 6)
- 8. PAYMENT APPLIED -----
- 9. NET PROCEEDS ----- (CHECK ISSUED)

PRIVATE/PROPRIETARY: No Disclosure Outside BellSouth Except By Written Agreement

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MNI0
DATE 02/25/2003
TIME 09:50

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
608 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 592
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: JANUARY 2003

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL.....	[REDACTED]

***** TOTAL DUE *****

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MN10
DATE 03/24/2003
TIME 15:21

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA MINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: FEBRUARY 2003
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL	
=====	
***** TOTAL DUE *****	
=====	

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD HNL
DATE 04/25/2003
TIME 08:58

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA MINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: MARCH 2003
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL	
=====	
***** TOTAL DUE *****	

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

PAYOR COMPANY: SETTLEMENTS - KY - 3R - 00R
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. P.O. BOX 771
BIRMINGHAM, AL 35205

FSD 10
DATE 05/23/2003
TIME 15:28

COMPANY NUMBER BELL
ACCOUNT NUMBER

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYMENT PERIOD: APRIL 2003
COMPANY SUMMARY

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA MINGUS
P.O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	
II. END OFFICE.....	
III. NETWORK SWITCHING.....	
ADJUSTMENTS.....	
SUB TOTAL	
***** TOTAL DUE *****	

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
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PURSUANT TO A WRITTEN AGREEMENT

FSD MN10
DATE 06/23/2003
TIME 09:59

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SM662-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: MAY 2003

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL	

***** TOTAL DUE *****
IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
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Handwritten scribbles at the top left of the page.

FSD MH10
DATE 07/26/2003
TIME 08:47

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL

ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA MINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: JUNE 2003
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL	
=====	

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
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FSD MN10
DATE 08/22/2003
TIME 09:45

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST.
P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

RATE CATEGORY:

- I. LOCAL TRANSPORT.....
- II. END OFFICE.....
- III. NETWORK SWITCHING.....

SUB TOTAL

ADJUSTMENTS.....

*** TOTAL DUE ***

COMPANY SUMMARY
PAYMENT PERIOD: JULY 2003
=====

AMOUNT

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

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CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
---MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MN10
DATE 09/24/2003
TIME 13118

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
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PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: AUGUST 2003
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL	[REDACTED]
***** TOTAL DUE *****	[REDACTED]

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

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THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MN10
DATE 10/23/2003
TIME 12:02

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN64: -ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA MINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: SEPTEMBER 2003
=====

AMOUNT

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

RATE CATEGORY:

- I. LOCAL TRANSPORT.....
- II. END OFFICE.....
- III. NETWORK SWITCHING.....

SUB TOTAL

[REDACTED]

ADJUSTMENTS.....

=====

***** TOTAL DUE *****

.....
=====

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THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MNIU
DATE 11/25/2003
TIME 09:32

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P O BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: OCTOBER 2003
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
SUB TOTAL	[REDACTED]

***** TOTAL DUE *****
=====

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THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MN10
DATE 12/22/2003
TIME 09:09

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA MINGUS
P.O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: NOVEMBER 2003
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
<hr/>	
SUB TOTAL	[REDACTED]

***** TOTAL DUE *****

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION
MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MK
DATE 01/23/2004
TIME 12:14

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
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PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: DECEMBER 2003

AMOUNT

[REDACTED]
[REDACTED]
[REDACTED]

RATE CATEGORY:

- I. LOCAL TRANSPORT.....
- II. END OFFICE.....
- III. NETWORK SWITCHING.....

SUB TOTAL

ADJUSTMENTS.....

***** TOTAL DUE *****

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

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THE BELLSOUTH COMPANIES EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MN
DATE 02/20/2004
TIME 11:12

PAYOR COMPANY: SETTLEMENTS - KY - 3rd FLOOR
BELLSOUTH TELECOMMUNICATIONS
600 NO. 19TH ST. - P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: JANUARY 2004
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
<hr/>	
SUB TOTAL	[REDACTED]

***** TOTAL DUE *****
=====

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

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MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANY'S EXCEPT
PURSUANT TO A WRITTEN AGREEMENT

FSD MI.
DATE 03/24/2004
TIME 10:56

PAYOR COMPANY: SETTLEMENTS - KY - 4th FLOOR
BELLSOUTH TELECOMMUNICATIONS
500 NO. 19TH ST. P.O. BOX 771
BIRMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

***** AREA CALLING SERVICE *****
***** SUMMARY OF MONTHLY INTRALATA PAYMENT *****

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: FEBRUARY 2004
=====

RATE CATEGORY:	AMOUNT
I. LOCAL TRANSPORT.....	[REDACTED]
II. END OFFICE.....	[REDACTED]
III. NETWORK SWITCHING.....	[REDACTED]
ADJUSTMENTS.....	[REDACTED]
***** TOTAL DUE *****	[REDACTED]
SUB TOTAL	[REDACTED]

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

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MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELLSOUTH COMPANIES EXCEPT
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FSD M...
DATE 04/26/2004
TIME 09:43

PAYOR COMPANY: SETTLEMENTS - KY - 3RD FLOOR
BELLSOUTH TELECOMMUNICATIONS
800 NO. 19TH ST. - P.O. BOX 771
BERMINGHAM, AL 35203

FORM SN642-ACS
RETAIN 1
PAGE 01

COMPANY NUMBER BELL
ACCOUNT NUMBER [REDACTED]

*** AREA CALLING SERVICE ***
*** SUMMARY OF MONTHLY INTRALATA PAYMENT ***

PAYABLE TO: BRANDENBURG TELEPHONE COMPANY
ATTN: ANGELA HINGUS
P. O. BOX 599
200 TELCO DRIVE
BRANDENBURG, KY 40108

COMPANY SUMMARY
PAYMENT PERIOD: MARCH 2004
=====

AMOUNT

- I. LOCAL TRANSPORT.....
- II. END OFFICE.....
- III. NETWORK SWITCHING.....

[REDACTED]
[REDACTED]
[REDACTED]

SUB TOTAL

[REDACTED]

ADJUSTMENTS.....
***** TOTAL DUE *****
=====

IF YOU ARE PARTICIPATING IN THE NETTING OF SETTLEMENTS, PLEASE DO NOT PAY FROM THIS STATEMENT.

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Roby, Glenda S

From: Schneider, William A
Sent: Wednesday, April 06, 2005 11:00 AM
To: 'rbradley@bbtel.com'
Cc: Watts, Timothy
Subject: MOU Comparison Figures

Randall:

As we discussed today, attached is a spreadsheet comparing several months of CABS billing we received from your company with our records of minutes of use for the same months. We researched this in order to assure ourselves that the numbers agree. If our records for PCP, non-meet-point-bill CMRS, meet-point-bill CMRS and Bell-to-ICO ACP add up to the same number of MOU as your CABS billing to us, that agreement demonstrates that the ACP minutes were included in the traffic delivered over the CTTG groups and therefore included in the CABS bills.

The sum of our usage data for these categories matches the total usage on our CABS bills from Brandenburg to within a variance of less than one percent on average. This indicates that the ACP was indeed included in the traffic delivered over the CTTG groups. Brandenburg billed BellSouth at full terminating access rates for the ACP minutes of use, for the same period during which the BellSouth settlements system compensated Brandenburg for those same minutes. This proves that BellSouth paid Brandenburg twice for the ACP minutes.

We look forward to discussing this further with you and Allison as soon as we can all get together. Please call me at 205 321-7708 if you would like to discuss this in the interim.

Thanks for your help with this.

William



CABSbill.xls (20 KB)

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BellSouth Double Payment of ACP Minutes of Use to Brandenburg Telephone Company

OCN 398

ICO Provided CABS Term MOU	BellSouth PCP	Non-MPB CMRS MOU	B to ICO ACP MOU	EMI 110101 MPB CMRS	BST SUM	% Variance Between BST & Brandenburg Usage data
Mar-03						
Apr-03						
May-03						
Jun-03						
Jul-03						
Aug-03						
6 Mo Sum						

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 PURSUANT TO A WRITTEN AGREEMENT

COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:)
)
Petition of BellSouth Telecommunications,) Case No. 2003-00045
Inc. Seeking Resolution of Third Party)
Transit Traffic Issues)

AGREEMENT

This Agreement is made and entered into by and between BellSouth Telecommunications, Inc. ("BellSouth"), the Commercial Mobile Radio Service ("CMRS") providers listed in Exhibit A hereto ("Signatory CMRS Providers"), and the rural independent local exchange carriers listed in Exhibit B hereto ("Rural LECs"), on their own behalf and on behalf of their past, present and future agents, employees, successors, assigns and anyone claiming for the benefit of any of them (collectively referred to as "the Parties").

Whereas, BellSouth has entered into various interconnection agreements with CMRS Providers under which BellSouth has offered and is providing intermediary tandem switching and transport services to such CMRS Providers for the delivery of CMRS Provider Traffic to the Rural LECs' networks for termination.

Whereas, under the "Kentucky Restructured Settlement Plan," BellSouth and the Rural LECs have established interconnection facilities and an interconnection point between their networks, and agreed to contractual terms and conditions pursuant to the "Kentucky Restructured Settlement Plan"; and


Whereas, by this Agreement, the Parties are agreeing to terms, as set forth herein, under which BellSouth may and shall deliver CMRS Provider Traffic, to the extent such traffic is delivered to BellSouth by the CMRS Providers, to the networks of the Rural LECs over the existing facilities referred to above.

Now, therefore, in consideration of the mutual agreements, undertakings and representations contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1.00 Definitions

For purposes of this Agreement only, the Parties agree to utilize the definitions set forth in this Section 1.00.

1.01 "Act" refers to the Communications Act of 1934 as amended by the Telecommunications Act of 1996.

<p>PUBLIC SERVICE COMMISSION OFFICE OF THE CLERK EFFECTIVE 05/01/2004 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p> <p>By  Executive Director</p>

1.02 "CMRS Provider" is a telecommunications carrier providing commercial mobile radio service within the meaning of 47 C.F.R. § 20, et seq.

1.03 "CMRS Provider Traffic" is defined as Telecommunications traffic originated by a subscriber of a CMRS Provider for which BellSouth provides to a Signatory CMRS Provider intermediary tandem switching, and transport (i.e., transit functions) for delivery of such traffic to a Rural LEC for termination on the Rural LEC's network over the facilities established between BellSouth and the Rural LEC for such purposes, according to the terms of this Agreement.

1.04 "Commission" or "KPSC" means the Public Service Commission of the Commonwealth of Kentucky.

1.05 "Covered CMRS Provider Traffic" is defined as CMRS Provider Traffic of a Signatory CMRS Provider for which BellSouth generates and delivers to the terminating Rural LEC accurate industry standard call detail records identifying the originating CMRS Provider and minutes of use for such CMRS Provider Traffic (currently known as "110101 format message and billing records").

1.06 "Kentucky Restructured Settlement Plan" or "KRSP" is the Order of the Public Service Commission of the Commonwealth of Kentucky dated January 23, 1991, in Phase I of Administrative Case No. 323.

1.07 "Rural LECs" are defined as those local exchange companies ("LECs") as set forth in Exhibit B to this Agreement.

1.08 "Signatory CMRS Providers" are defined as the Commercial Mobile Radio Service Providers as set forth in Exhibit A to this Agreement.

1.09 "Telecommunications" is as defined in the Act.

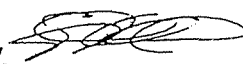
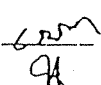
2.00 Specific Terms

2.01 Pursuant to this Agreement, BellSouth may deliver, for termination, Signatory CMRS Provider Traffic to the Rural LECs' networks in the same manner, and over the same trunking facilities, as established pursuant to the KRSP Plan.

2.02 For purposes of this Agreement, Signatory CMRS Providers are limited to those CMRS providers that possess a CMRS license for CMRS service within a Major Trading Area(s) within Kentucky.

2.03 Reserved For Future Use.

2.04 BellSouth may deliver to the Rural LECs Signatory CMRS Provider Traffic for which BellSouth does not provide industry standard call detail records identifying the originating CMRS Provider and the minutes of CMRS Provider Traffic for each such provider (currently

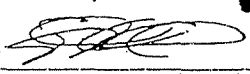

<p>PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 05/01/2004 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p> <p>By  Executive Director </p>

known as "110101 format message billing records") subject to all of the following terms: (a) BellSouth must establish mutually agreeable exchange of data and administrative processes with the Rural LECs to provide complete and accurate documentation of such traffic that will permit the Rural LECs to track, verify, and audit such CMRS Provider Traffic; and (b) the Rural LECs will bill BellSouth (or in those instances where the Rural LEC does not bill BellSouth, BellSouth will provide compensation through the monthly settlement process with that Rural LEC) and BellSouth shall compensate the Rural LECs in the same manner that it compensates the Rural LECs for intrastate access traffic as described in Section 2.01 above, provided, however, that the rate at which such CMRS Provider Traffic is compensated shall be [REDACTED] per minute of use following the Effective Date of this Agreement and continuing through December 31, 2005. BellSouth will compensate the Rural LECs at a rate of [REDACTED] per minute of use from January 1, 2006 through December 31, 2006. The Rural LECs will adjust the billing for the total traffic over the KRSP facility which is billed (or due through settlements), and due from, BellSouth to account for the minutes of CMRS Provider Traffic that is within the scope of this paragraph. BellSouth shall make payment to the Rural LECs pursuant to this Section 2.04, in immediately available U.S. funds, no later than 30 days after the invoice date. BellSouth shall continue to bill each Signatory CMRS Provider amounts due BellSouth from the Signatory CMRS Provider under the terms of the Interconnection Agreement between BellSouth and the CMRS Provider, including all effective Annexes and Attachments thereto.

2.05 The Rural LECs agree not to seek compensation from a Signatory CMRS Provider for (1) any CMRS Provider Traffic delivered by BellSouth to the Rural LECs pursuant to this Agreement; or (2) any CMRS Provider Traffic delivered by BellSouth to the Rural LECs prior to the Effective Date of this Agreement for which BellSouth compensates or has previously compensated the Rural LECs upon the same terms and conditions required of traffic terminated under the KRSP or on terms which are otherwise agreed to by the Rural LECs.

2.06 Except as required by this Agreement, BellSouth and the Signatory CMRS Providers will treat CMRS Provider Traffic, including Covered CMRS Provider Traffic, consistent with the terms of the respective interconnection agreements between BellSouth and the Signatory CMRS Providers and all effective Annexes and Attachments thereto, including, but not limited to, the network provisioning, transport, termination, and billing and collection of such traffic.

2.07 Beginning on the Effective Date of this Agreement, and ending on December 31, 2005, the Rural LECs shall invoice, and BellSouth shall make payment to the Rural LECs for Covered CMRS Provider Traffic pursuant to this Section in immediately available U.S. funds, no later than thirty (30) days after the invoice date, at a rate of [REDACTED] per minute of use unless an interconnection agreement between the Signatory CMRS Provider and the Rural LEC governs pursuant to the provisions and conditions set forth in Section 2.08. Beginning on January 1, 2006, and ending on December 31, 2006, and unless an interconnection agreement between the Signatory CMRS Provider and the Rural LEC governs pursuant to the provisions and conditions set forth in Section 2.08, the Rural LECs shall invoice, and BellSouth shall make payment to the Rural LECs pursuant to this Section for Covered CMRS Provider Traffic in immediately available U.S. funds, no later than thirty (30) days after the invoice date, at a rate of [REDACTED] per

2-08 BELL SOUTHERN COMMUNICATIONS CORPORATION
EFFECTIVE 05/01/2004
PURSUANT TO B07 KAR 5.011
SECTION 2.07
By  Executive Director 

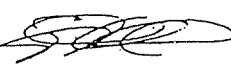
minute of use. Subject to the audit provisions set forth below in this subsection, the Signatory CMRS Providers and the Rural LECs agree to accept BellSouth's measurement of minutes of use and industry standard call detail records as the basis for the billing from and compensation to the Rural LECs for Covered CMRS Provider Traffic as set forth in this Section. Notwithstanding the foregoing, any party may request an audit of such measurements within twelve months of the applicable billing date. The Rural LECs will deduct the minutes of use for Covered CMRS Provider Traffic described in this Section from the total KRSP facility minutes of use which is billed to (or due through settlements), and due from, BellSouth. Beginning on the Effective Date of this Agreement and through the period ending on December 31, 2006, the Signatory CMRS Providers shall compensate BellSouth for Covered CMRS Provider Traffic at a rate of [REDACTED] per minute of use, unless an interconnection agreement between the Signatory CMRS Provider and the Rural LEC governs pursuant to the provisions and conditions set forth in Section 2.08. BellSouth shall continue to bill each Signatory CMRS Provider amounts due BellSouth from the Signatory CMRS Provider for transit functions performed by BellSouth under the terms of the interconnection agreement between BellSouth and the Signatory CMRS Provider, including all effective Annexes and Attachments.

2.08 Nothing herein shall affect, modify, or supercede any existing interconnection agreement between a Signatory CMRS Provider and a Rural LEC. Such existing interconnection agreements shall continue in full force and effect in accordance with the existing terms and conditions contained in such agreements. Nothing herein shall affect any Party's right to seek interconnection with any carrier, including with a carrier that is a Party to this Agreement, or preclude any Party from negotiating an interconnection agreement with another Party consistent with Sections 251 and 252 of the Act. Moreover, in the event that a Signatory CMRS Provider and a Rural LEC execute an interconnection agreement after the Effective Date of this Agreement, such agreement shall supersede the rights and obligations set forth in this Agreement only to the extent the interconnection agreement specifically provides for the termination of CMRS Provider Traffic otherwise covered by this Agreement.

2.09 This Agreement applies solely to the Telecommunications traffic specifically defined within the scope of this Agreement. As such, the terms of this Agreement do not apply to any other facilities, any other traffic that is switched or transported over any other facilities, or to traffic of any carrier that is not a CMRS Provider. For any other CMRS Provider Traffic that BellSouth delivers to a Rural LEC for termination that is not covered under Sections 2.04 and 2.07 of this Agreement (i.e., traffic from a CMRS Provider that is not a signatory to this Agreement), BellSouth agrees to compensate the Rural LECs for such traffic during the term of this Agreement under the same terms and conditions as traffic terminated by BellSouth under the KRSP.

2.10 For Covered CMRS Provider Traffic, BellSouth is responsible for providing to the appropriate terminating Rural LEC accurate industry standard call detail records identifying the originating CMRS Provider and the minutes of CMRS Provider Traffic for each such provider (currently known as "110101 format message and billing records"). BellSouth will provide such records to the terminating Rural LEC not later than 60 days after such usage occurs. The Signatory CMRS Providers are responsible for providing to BellSouth complete and

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By 
Executive Director

Wm
Cf

accurate information regarding the billing address and billing contacts for the Signatory CMRS Providers. BellSouth will provide its billing address and contact information to the Rural LECs.

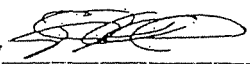
2.11 The terms and conditions set forth in this Agreement only apply on and after the Effective Date of this Agreement. With respect to the Signatory CMRS Providers, BellSouth agrees not to seek any additional compensation from a Signatory CMRS Provider for any Covered CMRS Provider Traffic for which BellSouth has paid, or has agreed to pay, the Rural LECs prior to the Effective Date of this Agreement.

2.12 Any undisputed charges incurred pursuant to this Agreement that are not timely paid by BellSouth to the Rural LECs, or are not timely paid by a Signatory CMRS Provider to BellSouth, will accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under applicable law. The Parties agree that interest shall accrue and be paid on all overdue disputed amounts that are resolved in favor of the non-disputing party.

3.00 Term and Termination of the Agreement

3.01 This Agreement will become effective on the first calendar day of the month following KPSC approval (the "Effective Date"). This Agreement has an absolute termination date of December 31, 2006 regardless of, and in addition to, any other provisions herein under which this Agreement may be terminated by any Party. Therefore, all duties, rights, and obligations hereunder terminate on December 31, 2006. BellSouth and the Rural LECs shall commence no later than January 1, 2006 the negotiation of interconnection agreements as may be necessary to govern BellSouth's provision of transit service defining the relative rights and responsibilities between BellSouth and the Rural LECs with respect to any continuing CMRS provider traffic terminated to the Rural LECs. In the event that any Signatory CMRS provider desires to continue to route CMRS Provider Traffic destined for the Rural LECs through BellSouth's network after the expiration of this Agreement, the Signatory CMRS provider must initiate interconnection negotiations with the Rural LECs consistent with Section 251 and Section 252 of the Act by no later than January 1, 2006. Such negotiations, which may include but are not limited to rates, terms, and conditions of interconnection between and among the Parties, shall be conducted in good faith. In the event such negotiations are unsuccessful and the Commission is asked to arbitrate any open issues, the Parties shall submit to the arbitration processes and deadlines as set forth in Section 252(b) of the Act to settle any open issues relating to interconnection and compensation arrangements between and among the Parties. For purposes of determining all deadlines related to the negotiation and arbitration pursuant to this Section, the request date for all negotiations shall be deemed to be January 1, 2006 unless the actual request date for negotiations under Section 251 and 252 of the Act is earlier. The Parties agree that this Agreement will not prejudice the negotiations in any way.

3.02 In the event of Default by a Party, as defined below in this Agreement, any of the non-defaulting Parties may terminate any and all terms and conditions of this Agreement with respect to the defaulting Party provided that a non-defaulting Party seeking termination with respect to the defaulting Party notifies the defaulting Party and the KPSC and any other affected

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OF KENTUCKY
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Executive Director

Party in writing of the Default, the defaulting Party does not cure the alleged Default with thirty (30) days after receipt of such written notice, and the KPSC consents to the termination. With respect to a Defaulting Party, Default is defined as: (a) that Party's material breach of any of the material terms of this Agreement, including the compensation terms; or (b) any aspect of a Party's operations or actions that are determined by a court with proper jurisdiction or the Commission to be unlawful or not authorized.

3.03 The Parties agree to the terms and conditions of this Agreement related to the network arrangement for CMRS Provider Traffic, including specifically, but not limited to, BellSouth's provision of tandem switching of CMRS Provider Traffic and the delivery of that CMRS Provider Traffic to the Rural LECs over the same trunks that BellSouth uses to deliver its own interexchange service traffic, and compensation arrangements between and among the Parties for the Rural LEC's termination of such CMRS Provider Traffic, is a voluntary arrangement and represents a compromise between and among the Parties for the limited purpose of this Agreement, and does not create and should not be construed to create any obligations that do not otherwise apply to any Party. Notwithstanding the terms and conditions set forth in this Agreement, each Party has the right, at its sole discretion, to modify its network (including but not limited to the right to design and deploy its own network and facilities, upgrade its network, modify its end office and tandem switching hierarchy and/or architecture, modify trunking arrangements with other carriers, install new equipment or software, maintain its network, determine and designate the tandem switch(es) which its end offices will subtend for any traffic), except that the Parties agree for the limited term during which this Agreement remains in place between and among the Parties, they will not make any such modifications which materially alter, interfere with, disrupt, or discontinue the ability of the Signatory CMRS Providers to deliver CMRS Provider Traffic to the Rural LECs via BellSouth's network. This agreement to commit to keep in place these network arrangements for the limited term of this Agreement does not affect any Party's right to modify such arrangements following the term of this Agreement.

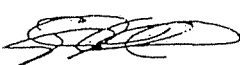

3.04 The Parties understand and agree that this Agreement will be filed with the Commission in Docket No. 2003-00045. The Parties agree that they will support approval of this Agreement before the Commission in settlement of such Docket as it relates to the issues in this Agreement.

4.00 No Waiver

4.01 The Parties agree that this Agreement represents a voluntary arrangement and compromise between and among the Parties, including the terms and conditions for compensation, and any compensation terms hereunder should not be construed as the agreement of any Party as to the appropriateness of such level of compensation.

4.02 Nothing in this Agreement shall be construed to create legal requirements for the Parties that do not otherwise apply. Nothing in this Agreement shall be construed as a waiver by any of the Parties of any of the rights afforded, or obligations imposed, by Sections 251 or 252 of the Act. The terms of the arrangements set forth in this Agreement shall not prejudice the outcome of any subsequent interconnection negotiations or arbitrations.

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By 
Executive Director 

between or among the Parties or any Commission arbitration.

4.03 Nothing in this Agreement shall preclude any Party from participating in any Commission proceeding or proceeding before the Federal Communications Commission ("FCC") relating to any issue, including matters specifically related to the subject matter of this Agreement or from petitioning the Commission or the FCC to resolve any issue, including matters specifically related to the subject matter of this Agreement. The Parties reach this Agreement without waiving or prejudicing any positions they have taken previously, or may take in the future, in any judicial, legislative, regulatory, or other public forum addressing any matters, including matters specifically related to, or other types of arrangements prescribed in, this Agreement.

5.00 Warranties

5.01 The Parties represent and warrant that they have the sole right and exclusive authority to execute this Agreement and to make or receive payments hereunder.

5.02 The Parties represent and warrant that they have fully read and understand the terms of this Agreement, and have freely and voluntarily executed this Agreement. The Parties represent and warrant that they enter into this Agreement without reliance upon any statement, inducement, promise or representation of the other Party or anyone else not fully expressed herein.


5.03 The Parties agree that the terms and conditions set forth herein will be made available on a nondiscriminatory basis to any CMRS Provider in Kentucky that becomes similarly situated to the Signatory CMRS Providers, provided that such similarly situated CMRS Providers agree to the terms of this Agreement. BellSouth shall provide written notice to the Rural LECs at least 30 days prior to any additional CMRS Provider becoming a party to this Agreement. This Agreement will be amended to include such additional CMRS Providers.

5.04 The Parties agree that in the event that the KPSC or the FCC renders an effective decision establishing the rights and obligations of the originating, terminating and intermediary carriers, then upon request of any Party hereto, the Parties will renegotiate all of the terms and conditions of this Agreement to be consistent with all controlling laws and regulations. In the event that the Parties are unable to reach a new agreement for alternative arrangements, the affected Parties shall petition the KPSC to determine the rights and obligations of the Parties. The effective date of any new agreement will be mutually agreed by the Parties or determined by the KPSC.

6.00 Entire Agreement and Successors in Interest

6.01 This Agreement reflects the entire agreement and understanding between the Parties with respect to the scope of the subject matters addressed herein, superseding all prior agreements, arrangements, understandings, communications, representations or warranties, both oral and written, related to the subject matter hereof, and shall be binding upon and inure to the

PUBLIC SERVICE COMMISSION
OF KENTUCKY
Pursuant to 807 KAR 5:011
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By 
Executive Director

Wm
JK

benefit of the executors, administrators, personal representatives, heirs, assigns, and successors of each Party.

7.00 Severability of Provisions

7.01 The Parties agree that any provision of this Agreement, which is or becomes prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. In the event of the prohibition or unenforceability of any provision of this Agreement in any jurisdiction, the Parties agree to negotiate in good faith to revise such provision to accomplish the intent of the Parties in a manner permissible and enforceable within such jurisdiction.

8.0 Governing Law

8.01 This Agreement including all matters of construction, validity and performance shall be governed by, and construed in accordance with, the laws of the Commonwealth of Kentucky without giving effect to the choice of law or conflicts of law provisions thereof.

9.0 Additional Documents and Negotiations

9.01 The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement, including, but not limited to, resolving any and all operational issues associated with the implementation of this Agreement.

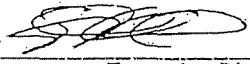
9.02 Upon execution of this Agreement, the Parties agree to work cooperatively to identify and resolve any other issues associated with the delivery of traffic between the Parties that is within the scope of this Agreement.

10.0 Counterparts

10.01 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.0 Dispute Resolution

11.01 Any dispute between or among any of the Parties regarding the interpretation or enforcement of this Agreement, or any of its terms and conditions, shall be addressed by good faith negotiation between and among the Parties, in the first instance. Should such negotiations fail to resolve the dispute in a reasonable time, any Party to the dispute may initiate appropriate action at the KPSC to resolve the dispute. Pending such resolution, all the terms and conditions of this Agreement shall remain in full force and effect and the Parties shall continue to perform the services described in this Agreement.

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By 
Executive Director

WJW
Q

IN WITNESS THEREOF, the Parties have fully executed this Agreement as of _____, 2004.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: _____

Title: _____

AVP ICS Marketing

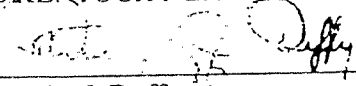
PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: _____

Executive Director

EXHIBIT A
Signatory CMRS Providers

AMERICAN CELLULAR CORPORATION
f/k/a ACC, KENTUCKY LICENSE LLC

By: 
Timothy J. Duffy
Title: Sr. Vice President & CTO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
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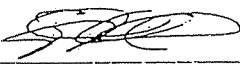
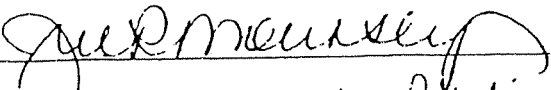
By: 
Executive Director

EXHIBIT A
Signatory CMRS Providers

AT&T WIRELESS PCS, LLC, on behalf of itself
and its affiliate, Tritel Communications, Inc.

By: 
Title: Director - Industry Relations

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By 
Executive Director

EXHIBIT A
Signatory CMRS Providers

BELLSOUTH MOBILITY LLC d/b/a CINGULAR
WIRELESS and BELLSOUTH PERSONAL
COMMUNICATIONS LLC d/b/a CINGULAR
WIRELESS

By: Michael J. VanLancker

Title: Director - Sem- Network

Handwritten initials

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OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
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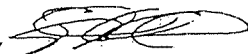
By 
Executive Director

EXHIBIT A
Signatory CMRS Providers

SPRINT SPECTRUM L.P., on behalf of itself
and SprintCom, Inc., d/b/a SPRINT PCS

By: W. Richardson

Title: Vice President - External Affairs

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
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By: [Signature]
Executive Director

EXHIBIT B

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: *Harold E. Lasker*

Title: *General Manager*

BRANDENBURG TELEPHONE COMPANY, INC.

By: _____

Title: _____

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

COALFIELDS TELEPHONE COMPANY, INC.

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: *[Signature]*
Executive Director

EXHIBIT B

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

BRANDENBURG TELEPHONE COMPANY, INC.

By: *William A. ...*

Title: *... Rep.*

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

COALFIELDS TELEPHONE COMPANY, INC.

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: *[Signature]*
Executive Director

EXHIBIT B

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____


Title: _____

BRANDENBURG TELEPHONE COMPANY, INC.

By: _____

Title: _____

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By:  _____

Title: Eric J. Rice President / CEO.

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

COALFIELDS TELEPHONE COMPANY, INC.

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By:  _____
Executive Director

EXHIBIT B

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

BRANDENBURG TELEPHONE COMPANY, INC.

By: _____

Title: _____

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: *J. H. T. G.*

Title: *CEO/GM*

COALFIELDS TELEPHONE COMPANY, INC.

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: *[Signature]*
Executive Director

EXHIBIT B

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

BRANDENBURG TELEPHONE COMPANY, INC.

By: _____

Title: _____

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

COALFIELDS TELEPHONE COMPANY, INC.

By: Jane C. Markert

Title: Vice President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: 
Executive Director

EXHIBIT B

HIGHLAND TELEPHONE COOPERATIVE, INC.

By: [Signature]

Title: [Signature]

LOGAN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

MOUNTAIN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

NORTH CENTRAL TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

PEOPLES RURAL TELEPHONE COOPERATIVE

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: [Signature]
Executive Director

EXHIBIT B

HIGHLAND TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

LOGAN TELEPHONE COOPERATIVE, INC.

By: Gregory A. Hale

Title: GM - Executive Vice President

MOUNTAIN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

NORTH CENTRAL TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

PEOPLES RURAL TELEPHONE COOPERATIVE

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: [Signature]
Executive Director

EXHIBIT B

HIGHLAND TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

LOGAN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

MOUNTAIN TELEPHONE COOPERATIVE, INC.

By: WA Gillum

Title: General Manager

NORTH CENTRAL TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

PEOPLES RURAL TELEPHONE COOPERATIVE

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: 
Executive Director

EXHIBIT B

HIGHLAND TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

LOGAN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

MOUNTAIN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

NORTH CENTRAL TELEPHONE COOPERATIVE, INC.

By: 

Title: President / CEO

PEOPLES RURAL TELEPHONE COOPERATIVE

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
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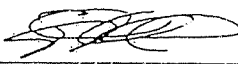
By: 
Executive Director

EXHIBIT B

HIGHLAND TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

LOGAN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

MOUNTAIN TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

NORTH CENTRAL TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

PEOPLES RURAL TELEPHONE COOPERATIVE

By: Keith Abbott


Title: Manager

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: [Signature]
Executive Director

EXHIBIT B

SOUTH CENTRAL RURAL TELEPHONE COOPERATIVE CORP., INC.

By: 

Title: General Manager

THACKER-GRIGSBY TELEPHONE COMPANY, INC.

By: _____

Title: _____

WEST KENTUCKY RURAL TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: 
Executive Director

EXHIBIT B

SOUTH CENTRAL RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

THACKER-GRIGSBY TELEPHONE COMPANY, INC.

By: Robert C. Thacker

Title: Pres.

WEST KENTUCKY RURAL TELEPHONE COOPERATIVE, INC.

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: [Signature]
Executive Director

EXHIBIT B

SOUTH CENTRAL RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

THACKER-GRIGSBY TELEPHONE COMPANY, INC.

By: _____

Title: _____

WEST KENTUCKY RURAL TELEPHONE COOPERATIVE, INC.

By: *Jim K. ...*

Title: CEO

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: *[Signature]*
Executive Director

EXHIBIT B

LESLIE COUNTY TELEPHONE COMPANY

By: _____

Title: _____

LEWISPORT TELEPHONE COMPANY

By: _____

Title: _____

SALEM TELEPHONE COMPANY

By: _____

Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
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By: _____

Executive Director

EXHIBIT B

ALLTEL KENTUCKY, INC.

By: Stephen J. Rowen

Title: J. P.
4-26-04

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

BRANDENBURG TELEPHONE COMPANY, INC.

By: _____

Title: _____

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____

Title: _____

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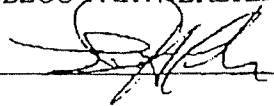
By: [Signature]
 Executive Director

EXHIBIT A
Signatory CMRS Providers

CELLCO PARTNERSHIP d/b/a VERIZON
WIRELESS

GTE WIRELESS of the MIDWEST INCORPORATED
d/b/a VERIZON WIRELESS

KENTUCKY RSA NO. 1 PARTNERSHIP d/b/a
VERIZON WIRELESS
By CELLCO PARTNERSHIP, its general partner

By:  ON BEHALF
OF TONY MELORE

Title: EXECUTIVE PARTNER VERIZON

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

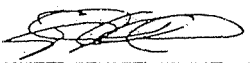
By: 
Executive Director

EXHIBIT A
Signatory CMRS Providers

NTCH

By: 

Title: Operation Manager


PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: 


Executive Director

EXHIBIT A
Signatory CMRS Providers

COMSCAPE COMMUNICATIONS, INC.


By: 
Title: President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: 
Executive Director

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 28th day of April 2004.



Dorothy J. Chambers

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 

Executive Director

EXHIBIT B

ALLTEL KENTUCKY, INC.

By: Stephen B. Kowen
Title: Jr. J. P.
4-26-04

BALLARD RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____
Title: _____

BRANDENBURG TELEPHONE COMPANY, INC.

By: _____
Title: _____

DUO COUNTY TELEPHONE COOPERATIVE CORP., INC.

By: _____
Title: _____

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.

By: _____
Title: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: [Signature]
Executive Director


EXHIBIT A
Signatory CMRS Providers

CELLCO PARTNERSHIP d/b/a VERIZON
WIRELESS

GTE WIRELESS of the MIDWEST INCORPORATED
d/b/a VERIZON WIRELESS

KENTUCKY RSA NO. 1 PARTNERSHIP d/b/a
VERIZON WIRELESS

By CELLCO PARTNERSHIP, its general partner

By:  ON BEHALF
OF TONY MELONG

Title: Executive Director

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

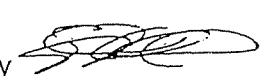
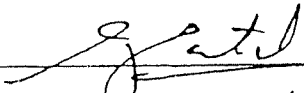
By: 
Executive Director

EXHIBIT A
Signatory CMRS Providers

COMSCAPE COMMUNICATIONS, INC.

By: 
Title: President

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

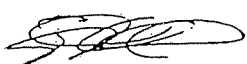
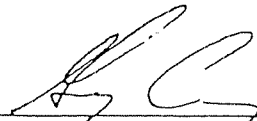
By 
Executive Director

EXHIBIT A
Signatory CMRS Providers

NTCH

By: _____

Title: _____


OPERATION MANAGER

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By _____




Executive Director

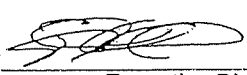
EXHIBIT A
Signatory CMRS Providers

T-MOBILE USA, Inc.

By: 

Title: Sr. Vice President & General Counsel

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
05/01/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By: 
Executive Director

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS, INC.)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2006-00546
)	
BRANDENBURG TELEPHONE COMPANY)	
)	
DEFENDANT)	

**PETITION FOR CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION
CONTAINED IN THE PREFILED DIRECT TESTIMONY
OF ALLISON T. WILLOUGHBY**

Brandenburg Telephone Company ("Brandenburg Telephone"), by counsel, and pursuant to 807 KAR 5:001 §7 and KRS 61.878(1)(a) and 61.878(1)(k), move the Public Service Commission of the Commonwealth of Kentucky (the "Commission") to accord confidential treatment to certain highlighted information contained in the prefiled direct testimony of Allison T. Willoughby ("Willoughby") regarding the amount of alleged overpayments for ACS traffic, including interest, that BellSouth Telecommunications, Inc. ("BellSouth") has claimed in its Formal Complaint submitted to the Commission on December 13, 2006, and as to which BellSouth has filed a Motion for Confidentiality ("Motion") currently pending before the Commission. In support of its Petition, Brandenburg Telephone state as follows.

I. Applicable Law.

807 KAR 5:001 §7(2) sets forth a procedure by which certain information filed with the Commission may be treated as confidential. Specifically, the party seeking confidential

treatment of certain information must “[set] forth specific grounds pursuant to KRS 61.870 et seq., the Kentucky Open Records Act, upon which the commission should classify that material as confidential.” 807 KAR 5:001 §7(2)(a)(1).

The Kentucky Open Records Act, KRS 61.870 *et seq.*, exempts certain records from the requirement of public inspection. *See* KRS 61.878. In particular, KRS 61.878(c)(1) provides as follows:

[r]ecords confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would present an unfair commercial advantage to competitors of the entity that disclosed the records.

Id. In addition, KRS 61.878(1)(k) exempts “[a]ll public records or information the disclosure of which is prohibited by federal law or regulation.” *Id.*

II. BellSouth's Petition for Confidential Treatment of Formal Complaint and Exhibits

As BellSouth argues in its Motion, the information in its Formal Complaint and Exhibits attached thereto contains customer specific information. BellSouth identifies that disclosure of customer-specific information is subject to obligations under Section 222 of the Communications Act of 1937 as amended by the Telecommunications Act of 1996. In particular, Section 222 imposes an obligation on certain telecommunications carriers to maintain the confidentiality of such information from public disclosure.

Moreover, BellSouth asserts in its Motion that the information contained in its Formal Complaint and Exhibits would result in an unfair commercial advantage to its competitors resulting in a compromised competitive position for BellSouth. BellSouth also asserts that the information for which it seeks confidential treatment is not known outside of BellSouth.

Therefore, Brandenburg Telephone petitions the Commission, if the Commission finds that BellSouth's Motion is meritorious and should be granted, to accord confidential treatment to the highlighted references contained in the prefiled direct testimony of Willoughby. Again, this highlighted testimony would be the same information that the Commission would treat as confidential if it grants BellSouth's Motion for Confidential Treatment. In short, if the Commission grants BellSouth's Motion, it should also grant this Petition.

Respectfully submitted,



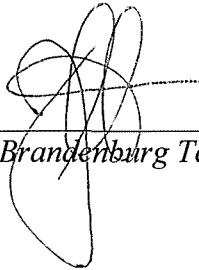
John E. Selent
Edward T. Depp
Holly C. Wallace
DINSMORE & SHOHL LLP
1400 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
(502) 540-2300 (telephone)
(502) 585-2207 (facsimile)

*Counsel to Brandenburg Telephone
Company*

CERTIFICATE OF SERVICE

I hereby certify a true and accurate copy of the foregoing was served by first-class United States mail on the following individuals this 24th day of July, 2009.

Mary K. Keyer
General Counsel / Kentucky
601 W. Chestnut Street, Room 407
Louisville, KY 40203
Counsel for BellSouth Telecommunications, Inc.
d/b/a AT&T Kentucky



Counsel to Brandenburg Telephone Company