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PREPAID TELECOM, INC.
Legal Department
Post Office Box 620366
Atlanta, Georgia 30362
Telephone: 678.966.8520
Facsimile: 678.966.8521

J. M. Twiss

PREPAID TELECOM, INC.

January 31, 2002

Attn: Bill Feldman, Assistant Director
Filings Division
Commonwealth of Kentucky
PUBLIC SERVICE COMMISSION
211 Sower Boulevard
Frankfort, KY 40601

Re: Reports of Gross Operating Revenues Derived from Intra-Kentucky Business

Dear Mr. Feldman:

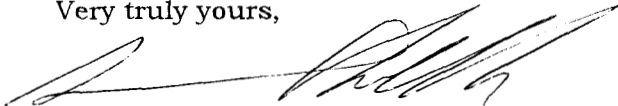
Thank you for speaking with my paralegal, Angela Briggs, this afternoon. This letter will reiterate your conversation with her and confirms to you that Prepaid Telecom, Inc. does not provide long distance service to its customers. Prepaid is a local reseller of telecommunication services and custom calling features. Prepaid blocks long distance service to its customers and only allows its customers to have access to toll-free numbers. Since Prepaid provides prepaid services to its customers, you could imagine how difficult it would be to provide, monitor and collect for long distance calls.

If Prepaid decides to grant its customers access to long distance in the future, the only way this would be done is if Prepaid receives a copy of an agreement between the End User and the Long Distance Provider indicating that the End User is to make payments directly to the Long Distance Provider and the Long Distance Provider does not hold Prepaid liable for any portion of the End User's long distance charges.

It would be appreciated if all reporting forms are forwarded to the attention of our legal department at the above address.

Should you require any further action from Prepaid, please advise me.

Very truly yours,



Houssam Abdallah

/acb

A COMMUNICATIONS COMPANY

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