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June 13, 2008

Ms. Marlene H. Dortch  
Secretary, Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Dear Ms. Dortch:

Windstream Kentucky ("Windstream") hereby submits the attached Petition for Pricing Flexibility ("Petition"). The Petition is submitted in accordance with Sections 1.774 and 69.701 *et seq.* of the Commission's rules.<sup>1</sup>

In conjunction with the Petition and pursuant to Sections 0.457 and 0.459(b) of the Commission's rules, Windstream requests confidential treatment of Appendix C and Appendix E of the enclosed Petition.<sup>2</sup> Windstream asserts the following in support of this request:

**1. Identification of the specific information for which confidential treatment is sought.**

Windstream requests confidential treatment of the information in Appendix C and Appendix E of the Petition. Appendix C includes wire center-level revenue data. Appendix E includes the identities of entities collocating with Windstream.

**2. Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission.**

Confidential treatment is requested in conjunction with Windstream's Petition submitted pursuant to Sections 1.774 and 69.701 *et seq.* of the Commission's rules.<sup>3</sup>

**3. Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged.**

The information that Windstream seeks protection for includes sensitive revenue and operations data. Disclosure of this information threatens Windstream's competitive position in the market. If disclosed, Windstream's competitors would gain insight into Windstream market plans and business strategies. The Commission has recognized that disclosure of information relating to market plans and business strategies can cause substantial competitive harm.<sup>4</sup>

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<sup>1</sup> 47 C.F.R. §§ 1.774, 69.701 *et seq.*

<sup>2</sup> 47 C.F.R. §§ 0.457, 0.459(b).

<sup>3</sup> 47 C.F.R. §§ 1.774, 69.701 *et seq.*

<sup>4</sup> See *Southwestern Bell Telephone Company, Cost Support Filed Under Request for Confidential Treatment*, CC Docket No. 93-162 (1999).

**4. Explanation of the degree to which the information concerns a service that is subject to competition.**

This Petition seeks pricing flexibility for dedicated transport and access services precisely because the services are competitive. Competitive local exchange carriers have collocated with Windstream's facilities and offer rival services.

**5. Explanation of how disclosure of the information could result in substantial competitive harm.**

The information contained in Appendix C and Appendix E of the Petition include sensitive, confidential financial data and business information. Disclosure of wire center-level revenue data would allow Windstream's competitors to target individual Windstream wire centers for collocation. This competitive disadvantage would further increase if the identities of Windstream collocators also were disclosed.

**6. Identification of any measures taken by the submitting party to prevent unauthorized disclosure.**

The information in Appendix C and Appendix E is confidential business information and is treated as such. The information is not ordinarily shared with unauthorized individuals, entities, or other third parties.

**7. Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties.**

The information that Windstream is seeking confidential treatment for has not been disclosed to third parties or the general public.

**8. Justification of the period during which the submitting party asserts material should not be available for public disclosure.**

Windstream requests that the information remain confidential indefinitely. The information that Windstream requests confidential treatment for may be useful to competitors beyond any foreseeable time period. Disclosure may provide Windstream's competitors with sensitive business information that can be used for estimating current and forecasting future business information. Historical data may be used for evaluating trends and business decisions.

**9. Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.**

Data subject to this request also would qualify for Exemption 4 of the Freedom of Information Act. Exemption 4 protects information that is (i) commercial or financial; (ii) obtained by a person outside of the government; and (iii) privileged or confidential.<sup>5</sup>

Please contact me if you have any questions or require any additional information.

Respectfully Submitted,

/s/

Jennie B. Chandra

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<sup>5</sup> See 5 U.S.C. § 552(b)(4); *Fed. Open Market Comm. v. Merrill*, 443 U.S. 340, 360 (1979).

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )  
Petition of Windstream Kentucky East, LLC )  
for Pricing Flexibility )  
as Specified in Section 69.727 )  
of the Commission's Rules for the )  
Lexington, Kentucky MSA and )  
Ashland, Kentucky MSA )

**PETITION OF WINDSTREAM KENTUCKY EAST, LLC  
FOR PRICING FLEXIBILITY**

Pursuant to Sections 1.774 and 69.701 *et seq.* of the Commission's rules, Windstream Kentucky East, LLC (Windstream) files this Petition for pricing flexibility, as specified, in the Ashland, Kentucky and Lexington, Kentucky Metropolitan Statistical Areas (MSAs).<sup>1</sup> First, Windstream seeks Phase I relief for dedicated transport and special access services, other than channel terminations between its end offices and end user "customer premises," in the Ashland, Kentucky MSA. Second, Windstream requests Phase II relief for dedicated transport and special access services, other than channel terminations between its end offices and end user "customer premises," in the Lexington, Kentucky MSA. Finally, Windstream asks for Phase I relief for channel termination between its end offices and end user "customer premises" in the Lexington, Kentucky MSA. Windstream's Petition demonstrates that it meets the Commission's competitive thresholds required to obtain this pricing flexibility.

**COMPETITIVE THRESHOLDS**

To obtain Phase I relief for dedicated transport and special access services (excluding channel terminations between an end office and end user customer premises), Section 69.709 of

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<sup>1</sup> 47 C.F.R. §§ 1.774 and 69.701 *et seq.*

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the Commission's rules states that a price cap local exchange carrier (LEC) must show for each MSA that unaffiliated competitors have collocated:

- (1) In fifteen percent of the petitioner's wire centers, and that at least one such collocater in each wire center is using transport facilities owned by a transport provider other than the price cap LEC to transport traffic from that wire center; or
- (2) In wire centers accounting for 30 percent of the petitioner's revenues from dedicated transport and special access services other than channel terminations between LEC end offices and end user customer premises . . . and that at least one such collocater in each wire center is using transport facilities owned by a transport provider other than the price cap LEC to transport traffic from that wire center.<sup>2</sup>

The same triggers are used for Phase II eligibility, except wire centers meeting the specified collocation conditions must account for 50 percent of total wire centers or 65 percent of revenues generated in the MSA.<sup>3</sup>

Section 69.711 of the Commission's rules establishes similar triggers for pricing flexibility afforded to end user channel termination services.<sup>4</sup> For an ILEC to be eligible for this Phase I relief, the Section requires that wire centers meeting the specified collocation conditions account for 50 percent of total wire centers or 65 percent of revenues produced in the MSA.<sup>5</sup>

## **METHODOLOGY**

The methodology supporting Windstream's pricing flexibility analysis is set forth in Appendix D to this Petition. The methodology includes the procedures Windstream used to collect and calculate the data supporting this Petition. Appendix D describes how Windstream identified collocated competitors in Windstream's wire centers and determined which of these collocators used transport facilities owned by a provider other than Windstream. Appendix D further describes how Windstream assigned wire centers to a MSA, gathered the revenue data

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<sup>2</sup> 47 C.F.R. § 69.709(b).

<sup>3</sup> 47 C.F.R. § 69.709(c).

<sup>4</sup> 47 C.F.R. § 69.711.

<sup>5</sup> 47 C.F.R. § 69.711(b).

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used to calculate the percentages to satisfy the thresholds, and complied with Section 69.725 of the Commission's rules in attributing revenues to a particular wire center.<sup>6</sup>

### **COMPETITIVE THRESHOLDS SATISFIED**

Appendices B and C demonstrate that Windstream has met the applicable competitive thresholds for each of the three forms of pricing flexibility requested. Pursuant to Section 1.744(a) of the Commission's rules, Windstream produces the following data on each MSA where it seeks pricing flexibility: (1) the total number of wire centers; (2) the number and location of wire centers in which competitors have collocated; (3) in each wire center on which Windstream bases its Petition, the name of at least one collocator that uses transport facilities owned by a provider other than Windstream; and (4) the percentage of total base period revenues generated by applicable services that are attributable to wire centers in which competitors have collocated and use transport facilities owned by a provider other than Windstream.<sup>7</sup> Services eligible for pricing flexibility in the MSAs at issue are specified in Appendix A.

### **NOTICE TO COLLOCATING PARTIES**

Pursuant to Section 1.774(e) of the Commission's Rules, Windstream is required to provide notice of this Petition to each collocating party referenced in support of this Petition. This notice must include the information Windstream provides about the collocator, even if Windstream requests that this information be kept confidential.<sup>8</sup> Attachment E certifies that Windstream provided this notice. Copies of the letters required by Section 1.774(e) also are attached to this Petition.

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<sup>6</sup> 47 C.F.R. § 69.725.

<sup>7</sup> 47 C.F.R. § 1.774(a)(3).

<sup>8</sup> 47 C.F.R. § 1.774(e).

**CONCLUSION**

The Commission should grant this Petition based on Windstream's demonstration that it meets requirements for Phase I relief for special access and dedicated transport in the Ashland, Kentucky MSA; Phase II relief for special access and dedicated transport in the Lexington, Kentucky MSA; and Phase I relief for channel terminations in the Lexington, Kentucky MSA.

Respectfully submitted,

Windstream Kentucky East, LLC

/s/ Jennie B. Chandra

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June 13, 2008

*Its Attorneys*

**LIST OF APPENDICES**

Appendix A ..... Qualifying Services

Appendix B ..... Summary of Justification for Requested Relief

Appendix C ..... Required Collocator/Revenue Demonstrations by MSA

Appendix D ..... Description of Methodology

Appendix E ..... Certification

**ACCESS SERVICES FOR PRICING FLEXIBILITY  
QUALIFYING SERVICES**

**Trunking Basket\***

Voice Grade  
Digital Data  
DS1  
DS3  
Custom Connect  
Cellular SS7 Interconnection

\* Includes dedicated transport services (entrance facilities, direct trunked transport, flat-rated portion of tandem switched transport); channel terminations between the serving wire center (end office) and end user's premises; and the optional features and functions associated with these services.

**Special Access Basket\*\***

Voice Grade  
Digital Data (DDS)  
Program Audio  
Video  
DS1  
Fractional Digital DS1  
DS3  
Synchronous Optical Service (OCN) 3,12

\*\* Includes channel terminations between the IXC POP and the serving wire center (end office); channel terminations between the end office and the customer premise; channel mileage; and the optional features and functions associated with these services.



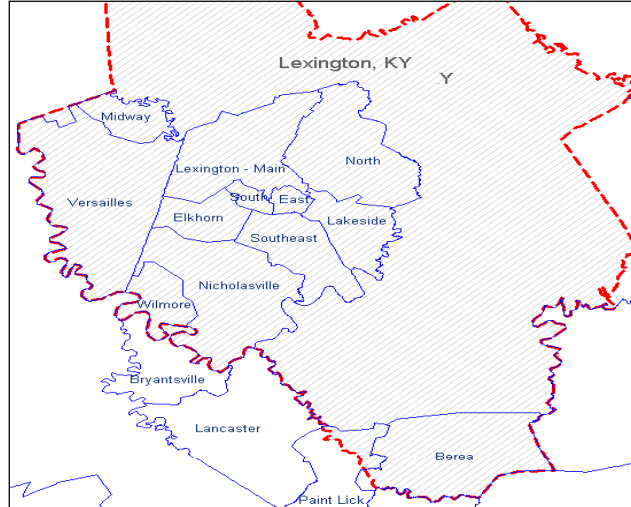
**SUMMARY OF JUSTIFICATION FOR REQUESTED RELIEF**

**Kentucky MSA Areas and Petitioned Relief**

<b>Lexington, Kentucky MSA</b>	<b>Price Flex Phase</b>	<b>FCC Trigger Revenue %</b>	<b>WIN Actual Revenue %</b>	<b>Qualifies for Price Flex</b>
Dedicated Transport	II	65.0%	77.4%	Yes
Channel Termination	I	65.0%	65.1%	Yes
<b>Ashland, Kentucky MSA</b>	<b>Price Flex Phase</b>	<b>FCC Trigger Revenue %</b>	<b>WIN Actual Revenue %</b>	<b>Qualifies for Price Flex</b>
Dedicated Transport	I	30.0%	51.5%	Yes

**REQUIRED COLLOCATOR/REVENUE DEMONSTRATIONS BY MSA****Lexington Kentucky Dedicated Transport and Special Access Services Other than Channel Terminations Between the Wire Center and the Customer Premises***Lexington - January 2006 - December -2006 Interstate Dedicated Transport and Special Access Revenue*

MSA	Name	CLLI	Dedicated transport and special access services other than channel terminations between LEC end offices and customer premises	Dedicated Transport Services Revenue From Wire Centers w/COLO with 50% reduction in CM and DTT	COLLOCATOR w/FACILITIES
LEXINGTON	BEREA	BEREKYXADS1			
LEXINGTON	LEXINGTON EAST	LXTNKYXBDS0			
LEXINGTON	LEXINGTON ELKHOR	LXTNKYXFDS0			
LEXINGTON	LEXINGTON LAKESD	LXTNKYXGDS0			
LEXINGTON	LEXINGTON MAIN	LXTNKYXADS1			
LEXINGTON	LEXINGTON NORTH	LXTNKYXEDS0			
LEXINGTON	LEXINGTON SOUTH	LXTNKYXDDS0			
LEXINGTON	LEXINGTON STHEAS	LXTNKYXCDS0			
LEXINGTON	LEXINGTON UNV KE	LXTNKYUKDS0			
LEXINGTON	MIDWAY	MDWYKYXARS0			
LEXINGTON	NICHOLASVILLE	NCVLKYXADS0			
LEXINGTON	VERSILLES	VRSLKYXADS0			
LEXINGTON	WILMORE	WLMRKYXARS0			
Grand Total					
PCT Revenue from COLO Wire Centers				77.4%	
Wire Centers in MSA			13		
Wire Centers in MSA with COLO			5		
Pct of Wire Centers with COLO			38.5%		



Total Channel Mileage (CM) and Direct Trunking Transport (DTT) 2006 revenue in Lexington Lakesd was [REDACTED]  
 Total Channel Mileage (CM) and Direct Trunking Transport (DTT) 2006 revenue in Lexington Main was [REDACTED]  
 Total Channel Mileage (CM) and Direct Trunking Transport (DTT) 2006 revenue in Lexington North was [REDACTED]  
 Total Channel Mileage (CM) and Direct Trunking Transport (DTT) 2006 revenue in Lexington South was [REDACTED]  
 Total Channel Mileage (CM) and Direct Trunking Transport (DTT) 2006 revenue in Lexington STHEAS was [REDACTED]

Dashed line = MSA boundaries

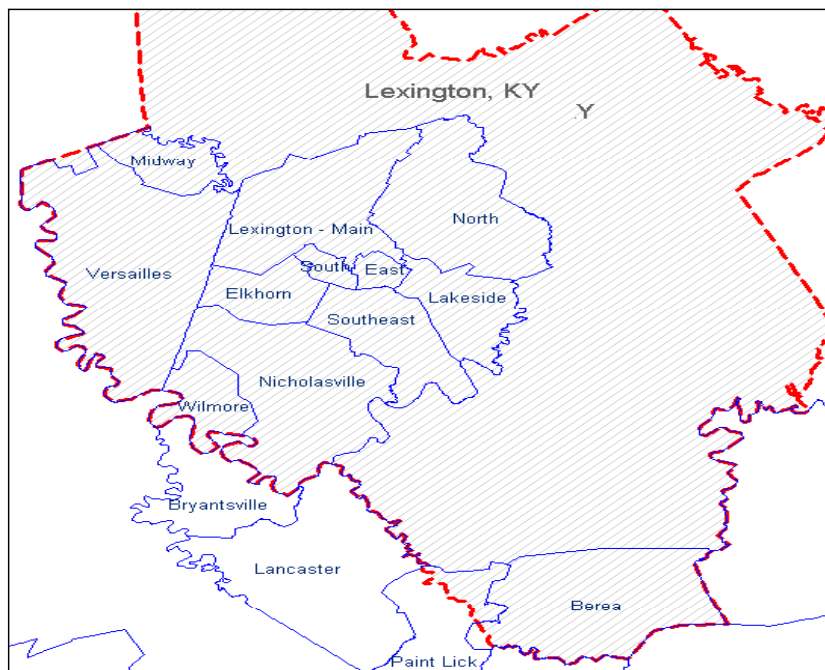
Revenue Source: Carrier Access Billing System

Collocator Source: Carrier Access Billing System and confirmed through physical audit by Windstream Network technicians

## Lexington Kentucky Channel Terminations Between the End Office (Wire Center) and the Customer Premises

Lexington - January 2006 - December -2006 Interstate Channel Termination Between Wire Center and End User

			Chan Term				
MSA	Name	CLLI	End User to Wire Center Chan Term Rev	Revenue From End User to Wire Centers w/COLO	COLLOCATOR w/FACILITIES		
LEXINGTON	BEREA	BEREKYXADS1					
LEXINGTON	LEXINGTON EAST	LXTNKYXBDS0					
LEXINGTON	LEXINGTON ELKHOR	LXTNKYXFDS0					
LEXINGTON	LEXINGTON LAKESD	LXTNKYXGDS0					
LEXINGTON	LEXINGTON MAIN	LXTNKYXADS1					
LEXINGTON	LEXINGTON NORTH	LXTNKYXEDS0					
LEXINGTON	LEXINGTON SOUTH	LXTNKYXDDS0					
LEXINGTON	LEXINGTON STHEAS	LXTNKYXCDS0					
LEXINGTON	LEXINGTON UNV KE	LXTNKYUKDS0					
LEXINGTON	MIDWAY	MDWYKYXARS0					
LEXINGTON	NICHOLASVILLE	NCVLKYXADS0					
LEXINGTON	VERSILLES	VRSLKYXADS0					
LEXINGTON	WILMORE	WLMRKYXARS0					
Grand Total							
PCT Revenue from COLO Wire Centers						65.1%	



Dashed line = MSA boundaries

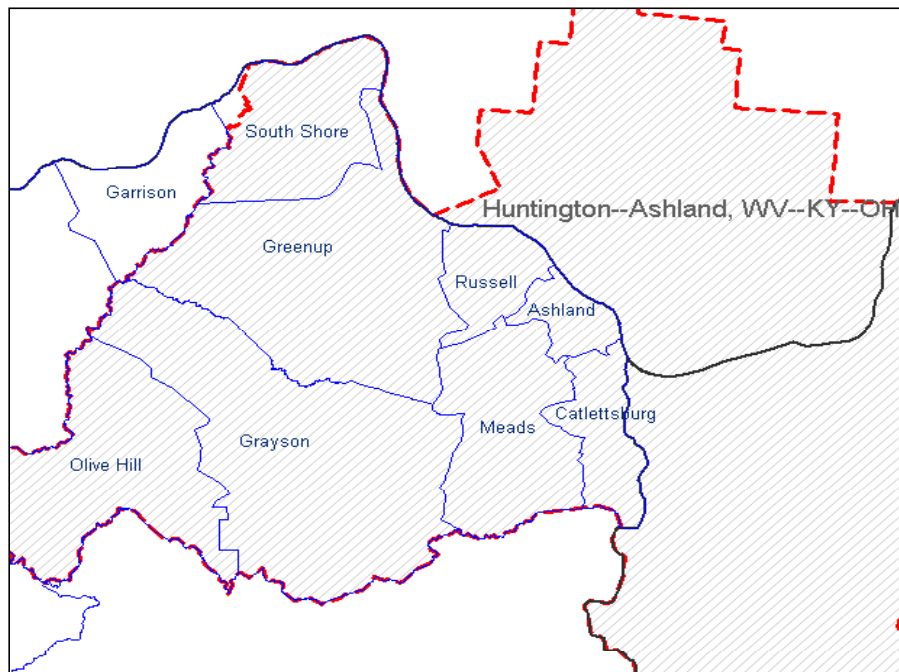
Revenue Source: Carrier Access Billing System

Collocator Source: Carrier Access Billing System and confirmed through physical audit by Windstream Network technicians

**Ashland Kentucky Dedicated Transport and Special Access Services Other than Channel Terminations Between the Wire Center and the Customer Premises***Ashland - January 2006 - December -2006 Interstate Dedicated Transport and Special Access Revenue*

MSA	Name	CLLI	Dedicated transport and special access services other than channel terminations between LEC end offices and customer premises	Dedicated Transport Services Revenue From Wire Centers w/COLO with 50% reduction in CM and DTT	COLLOCATOR w/FACILITIES
ASHLAND	ASHLAND	ASLDKYXADS0			
ASHLAND	CATLETTSBURG	CTBGKYXADS0			
ASHLAND	GRAYSON	GYSNKYXADS0			
ASHLAND	GREENUP	GNUPKYXADS1			
ASHLAND	MEADS	MEDSKYXADS0			
ASHLAND	OLIVE HILL	OLHLKYXADS0			
ASHLAND	RUSSELL	RSSLKYXBDS0			
ASHLAND	SOUTH SHORE	SSHRKYXARS0			

Grand Total [REDACTED]  
PCT Revenue from COLO Wire Centers 51.5%



Total Channel Mileage (CM) and Direct Trunking Transport (DTT) 2006 revenue in Ashland was \$ [REDACTED]

Dashed line = MSA boundaries

Revenue Source: Carrier Access Billing System

Collocator Source: Carrier Access Billing System and confirmed through physical audit by Windstream Network technicians

## **DESCRIPTION OF METHODOLOGY**

This Appendix describes the methodology Windstream uses to meet the collocation and revenue thresholds necessary to obtain pricing relief for the MSAs subject to this Petition. Specifically Windstream identifies the following for each MSA: (1) wire centers within the MSA; (2) wire centers within the MSA where competitors have collocated; (3) collocators in specified wire centers within the MSA that use transport facilities other than those provided by Windstream; and (4) 2006 annual revenue data at the wire center level that is attributable to, as applicable, qualifying dedicated transport, and special access services or channel terminations between an end user's premises and the Windstream end office (wire center).

### **Wire Centers Within Each MSA**

Windstream identified wire centers in each MSA by using both the engineering maps of the company and the MSA boundary maps displayed on the Commission's website.<sup>9</sup> If the exchange area served by a Windstream wire center was completely within a MSA, the wire center was assigned to that MSA. For those wire centers intersecting a MSA boundary, Windstream calculated the exchange area that fell within the MSA. If the area calculated exceeded 50 percent of the total area of the wire center, the wire center was assigned to the MSA.

### **Wire Centers Where Competitors Have Collocated**

Collocation information was obtained from the Windstream Carrier Access Billing System (CABS), which contains specific billing codes for collocation. Information available in CABS includes the name of the collocator, wire center, and in-service dates.

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<sup>9</sup> MSAs, as defined by Section 22.909(a) of the Commission's rules, are displayed on the FCC website at <http://www.fcc.gov/oet/info/maps/census/metroareas/>. If any wire centers provided service to areas within more than one MSA, the wire center was assigned to the MSA with the predominant portion of its service area.

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The CABS information was confirmed through a physical audit by Windstream network technicians. Windstream's field team engineers conducted physical inventories of the applicable wire centers to validate the accuracy of the CABS information and that the collocation was operational. Windstream's field team engineers then physically identified and validated that the competitors listed in each wire center were using transport facilities owned by a transport provider other than Windstream. The field team engineers used information supplied previously by the customers along with the physical inventory to verify that the competitor had transport facilities owned by a non-Windstream provider.

Collocation information contained in the Petition includes only those wire centers identified to date and may be supplemented in future petitions. Appendix C identifies the collocators by wire center.

### **2006 Annual Revenue**

Special Access and Dedicated Transport revenue for the twelve-month period ending December 31, 2006 was gathered from CABS. CABS performs internal validation checks on each carrier and end user bill for accuracy and completeness on a monthly basis. Each component used in the data gathering process was extracted from the CABS bill information database. Data from CABS also are used to provide demand data for FCC annual price cap filings and other such filings requiring access services revenue and demand data.

The information extracted from the 2006 billing records was at the Universal Service Order Code (USOC) level detail to assign the individual revenue elements to the proper pricing flexibility revenue category for each wire center. Individual case basis (ICB) arrangements for term plans were included in the data files. Special assembly arrangements, expanded interconnection, and miscellaneous revenues have been excluded.

With respect to the revenue calculations for Interoffice Channel Mileage (CM) and Direct Trunk Transport (DTT) mileage, Windstream conservatively assigned 50 percent of all CM and DTT in collocated wire centers to other non-collocated wire centers within the same MSA. This

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methodology represents CM and DTT revenue that could be attributed to other wire centers at the two ends of each individual circuit.

Windstream reviewed the following elements when attributing revenues to the wire centers in each MSA: (1) USOC -- The unique identifier associated with a service element, which is used to identify the service being provided; (2) interstate revenue -- total billed interstate revenue attributable to the USOC (from annual 2006 revenue data); (3) location -- the wire center location of the service element identified by the USOC; and (4) end user customer -- information in Windstream's billing system that identifies the ends of a circuit (circuit location) with a numeric field.<sup>10</sup>

To perform tests for dedicated transport and special access as well as channel terminations, Windstream revenues were first attributed to the appropriate wire centers as categorized by channel termination, transport, or optional features and functions. Windstream then determined whether the channel termination revenue was either at the carrier's point of presence (POP) side or at the end user side.

The 2006 annual revenue from each attributable USOC for dedicated transport and special access services was identified for each wire center in the MSA. These rate elements are as follows: (1) channel terminations and entrance facilities; (2) channel mileage terminations (CMT); (3) channel mileage facility (CMF); (4) channel facility assignment (multiplexed hierarchy facility); and (5) other recurring charges. Revenue for each rate element was assigned to the specific wire center based on the CABS billing record, which identified the exchange to which the revenue is assigned.

For identification of 2006 revenue attributed to channel terminations between an end user premise and a Windstream end office (wire center), Windstream used information maintained in

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<sup>10</sup> Circuit location "E" is associated with channel terminations between the Windstream end office and an end user premise. Circuit locations other than "E" are associated with the channel termination between the serving wire center and another carrier's point of presence (POP).

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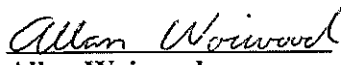
its billing system that identifies the specific USOC with an alpha field for carrier type. Carrier type “E” is associated with channel terminations between the Windstream end office and an end user premise. Carrier types other than “E” are associated with the channel termination between the serving wire center and another carrier’s POP. Revenue for channel termination USOCs identified with a circuit location “E” was assigned to the specific wire center based on the CABS billing record that identifies the specific exchange to which revenue is assigned.



## Appendix E

### CERTIFICATION

Pursuant to Section 1.774(e) of the Commission's Rules, I hereby certify on this 13th day of June, 2008 that I have sent letters to each collocating party upon which Windstream relies in this filing. These letters inform collocating parties of the information about them that is included in this Petition. The letters were mailed Certified First Class via the U.S. Postal Service on June 13, 2008. A copy of each of the letters is attached.

  
Allan Woiwood  
Allan Woiwood

June 13, 2008

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**LETTERS**  
**REDACTED**