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June 25, 2007

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED

JUN 27 2007

PUBLIC SERVICE
COMMISSION

Re: Administrative Case No. 360 – An Inquiry Into Universal Service and Funding Issues

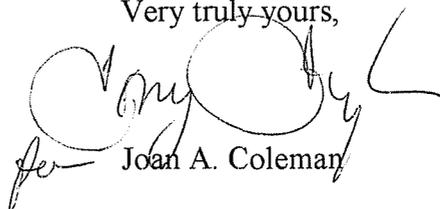
Dear Ms. O'Donnell:

The Commission's May 24, 2007 order in this case directed ETCs to audit the eligibility of all Lifeline accounts. Audit results are to be filed with the Commission by August 15, 2007. The results of AT&T-Kentucky's audit are provided below:

Number of Lifeline Customers:	25,576
Number of Lifeline Customers for which the Kentucky Cabinet For Human and Family Services Could Provide Verification:	<u>17,854</u>
Number of Lifeline Customers for which the Kentucky Cabinet For Human and Family Services Could Not Provide Verification:	7,722
Number of Customers Who Recertified Within 60 Days After Receiving Letters:	<u>2,824</u>
Number of Customers Who Failed to Recertify Within 60 Days and For Whom Lifeline Discount Was Withdrawn:	4,898

If there are any questions concerning these results, please call Jim Tipton at 502-582-8925.

Very truly yours,



Joan A. Coleman