

FILE

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February 22, 2007

VIA FEDERAL EXPRESS

Ms. Renee Jenkins
Chief, Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

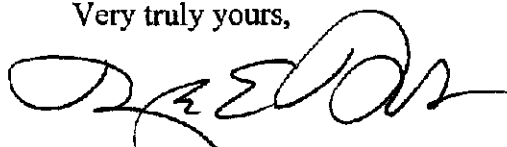
RECEIVED-DOCKETING DIV
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PUCO

Re: In the Matter of the Application of the Cincinnati Bell Extended Territories LLC For Waiver of Certain Minimum Telephone Service Standards Pursuant to Chapter 4901:1-5, Ohio Administrative Code
Reserved Case No. 07-0064-TP-WVR

Dear Ms. Jenkins:


Enclosed please find the original and 9 copies of Supplemental Information in Support of Application of Cincinnati Bell Extended Territories LLC for Partial Waiver of Minimum Telephone Service Standards. Please file the original and 8 copies under the above referenced case number and please date stamp and return the additional copy to me in the enclosed self-addressed stamped envelope.

Very truly yours,



Douglas E. Hart

DEH
Enclosures

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of)
Cincinnati Bell Extended Territories LLC)
For Waiver of Certain Minimum)
Telephone Service Standards)
Pursuant to Chapter 4901:1-5, Ohio)
Administrative Code.)

Case No. 07-0064-TP-WVR

**SUPPLEMENTAL INFORMATION IN SUPPORT OF APPLICATION OF
CINCINNATI BELL EXTENDED TERRITORIES LLC FOR PARTIAL WAIVER
OF MINIMUM TELEPHONE SERVICE STANDARDS**

On January 25, 2007, Cincinnati Bell Extended Territories LLC ("CBET") filed its application for a waiver of certain Minimum Telephone Service Standards ("MTSS"), with respect to its planned acquisition and operation of the telephone network currently owned and operated by the City of Lebanon, Ohio ("City"). CBET makes this brief supplemental filing in support of its application in order to update the Commission on the status of the transaction.

On February 13, 2007, the City of Lebanon City Council voted 7-0 to approve the sale of the municipally-owned telephone, Internet and cable company to CBET for \$8.62 million. The voters had approved the City to make the sale by a margin of 74% to 26% at the November 2006 general election. The parties executed a comprehensive Asset Purchase Agreement on February 15, 2007 and the transaction is scheduled for closing on March 2, 2007. Receipt of the requested MTSS waiver is one of the conditions of the closing.

There are several key features of the transaction that were publicly announced in connection with the 2006 ballot campaign that have been memorialized in the Asset Purchase Agreement. These conditions preserve the status quo with respect to operation of the network for at least a year:

- CBET has promised to continue to offer cable television, broadband Internet and telephone service for at least three years
- CBET has committed that it will not raise rates for at least one year after the sale is completed
- CBET has promised to offer employment to all of the current employees for at least one year

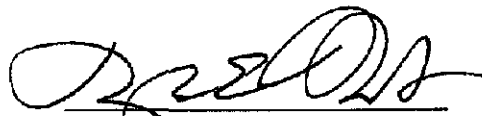
Granting CBET the requested waiver would be consistent with maintaining the status quo with respect to operation of the network.

In addition to the complications necessary to transition billing and collection processes from the City to CBET, the Commission's MTSS rules have recently undergone significant change. The most recent iteration of the rules was only released on February 7, 2007. The new MTSS rules make certain changes to how LECs must apply partial payments to bills that include packages of services and also affect the manner in which certain services may be disconnected for non-payment. However, the new MTSS rules are still subject to possible rehearing before the Commission and must also undergo JCARR review before they become final and effective, a process that could take months. Because the billing system that CBET would use to bill for services provided over the Lebanon network will have to be changed to accommodate the new MTSS rules, the effective date of which is currently unknown, it would be more efficient to wait until the final MTSS rules are known and to implement the necessary changes at the same time.

The City, being under Home Rule, is not required to conform to the MTSS, which makes this waiver request unique. The requested waiver will not adversely affect consumers because it will not change customers' current experience with the City. Customers will receive the same services at the same prices from the same employees and will receive and pay their bills in the same manner.

For the reasons stated in its Application and herein, CBET requests the Commission to grant it the requested waivers of MTSS Rule 4901:1-5-15(D), and Rule 4901:1-5-17(A), (B), (C), (J)(4), (L)(4), (5) and (6).

Respectfully submitted,



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