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October 12, 2012

RECEIVED

*via courier*

Mr. Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

OCT 15 2012

PUBLIC SERVICE  
COMMISSION

Re: Notification of Absolute Home Phones, Inc.'s Intent to Discontinue Services

Dear Mr. Derouen,

Absolute Home Phones, Inc. ("Absolute" or the "Company"), through the undersigned counsel, hereby notifies the Commission that it intends to discontinue the provision of certain resold prepaid local exchange and interexchange services currently offered to customers within the State of Kentucky. In response to changing market conditions, Absolute has determined that it is no longer feasible to offer these service packages. The proposed discontinuance will not result in harm to the affected customers because they are being provided ample advance notice of the discontinuance and equivalent service offerings are available from other carriers, including the underlying carrier whose services Absolute resells.

In connection with this filing, Absolute submits the following information:

**I. Description of Discontinuance**

**The Company**

Absolute Home Phones, Inc.  
PO Box 831327  
Ocala, FL 34483

Absolute provides intrastate services in Kentucky pursuant to its registration with the Commission.<sup>1</sup> Because Absolute may continue to provide telecommunications services in Kentucky with a reformulated offering, the Company does not wish to surrender its registration at this time.

#### **Date of Proposed Discontinuance**

Subject to receipt of necessary regulatory approvals, the Company plans to discontinue the affected services on December 6, 2012. *All customers will have received at least 50 days' advance notice in order to make other arrangements.*

#### **Services to be Discontinued & Affected Customers in Kentucky**

Absolute proposes to discontinue prepaid local exchange and interexchange services currently provided to customers using AT&T as the underlying carrier. At this time, Absolute delivers these services to approximately 24 customers in Kentucky.

#### **Date and Method of Customer Notice**

On October 10, 2012, Absolute sent written notice by first-class mail to affected customers, informing them that the Company will cease providing the prepaid local exchange and long distances services that they currently receive, effective December 6, 2012. The notice clearly underscores that customers must make arrangements with another carrier to avoid loss of service and provides a toll-free telephone number that customers may call to reach Absolute service representatives for assistance with this transition. A sample copy of this notice, which also complies with the requirements of the Federal Communications Commission ("FCC"), is appended as Exhibit A.<sup>2</sup>

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<sup>1</sup> Absolute provides intrastate telecommunications services in Kentucky under Utility ID 5056400.

<sup>2</sup> Absolute has filed a Section 63.71 application with the FCC for approval to discontinue the domestic interstate services provided as part of these service offerings. A copy of that filing is being served on the Commission. As noted, Absolute does not provide international services.

**II. Contacts for this Notice**

Questions and correspondence regarding this Notice should be addressed to:

Winafred Brantl  
Kelley Drye & Warren, LLP  
3050 K Street, NW #400  
Washington, DC 20007  
(202) 342-8819  
(202) 342-8451 (fax)  
[wbrantl@kelleydrye.com](mailto:wbrantl@kelleydrye.com)

with copies to:

Tina C. Allen  
Senior Compliance Manager  
Telecom Service Bureau, Inc  
4352 SE 95th Street  
Ocala, FL 34480  
Fax: 352-233-2724

**III. Circumstances of Discontinuance**

As discussed above, Absolute has determined that market conditions make unfeasible its continued provision of prepaid intrastate services using AT&T as the underlying carrier. Consequently, the Company proposes to discontinue these service offerings at this time. Following implementation of this decision, Absolute will reassess its best alternatives for continued operations in the intrastate and interstate telecommunications markets. Because the Company anticipates that it may continue to provide regulated intrastate services in Kentucky, Absolute does not wish to surrender its telecommunications authorization at this time.

**IV. Public Interest Considerations**

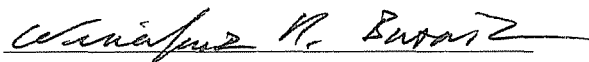
Absolute's proposed discontinuance is consistent with the public interest. The services offered by Absolute are available from other providers in the Kentucky market. Consequently, Absolute's customers will not be unduly harmed as they will be able to transition to new providers. Consistent with Commission and FCC requirements, Absolute's customers have been given sufficient advance notice of the need to select a new provider such that they will be

able to do so in a thoughtful and informed manner. Company representatives will be available throughout the transition period to assist customers with this process.

**V. Summary**

Subject to any required regulatory approvals, Absolute expects to implement the proposed discontinuance on December 6, 2012. Should the Commission have any questions regarding this filing, please contact the undersigned counsel for Absolute.

Respectfully submitted,



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Kelley Drye & Warren, LLP  
3050 K Street, NW #400  
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*Counsel for Absolute Home Phones, Inc.*

KELLEY DRYE & WARREN LLP

**Exhibit A**

**Sample Customer Discontinuance Notice**



P.O. Box 831327 • Ocala, FL 34483-1327



Customer Name  
Address  
Address:

October 8, 2012

## Notice of Discontinuance of Your Telephone Service by Absolute Home Phones, Inc.

Dear Customer:

Absolute Home Phones, Inc. ("Absolute") regrets to inform you that it is preparing to cease providing prepaid local and long distance service to customers in a significant part of its service area.<sup>1</sup> **In order to avoid a disruption in telephone service, you must make arrangements for service with a new telephone company before the cut-off date noted below.** The names and telephone numbers of local telephone service companies, which also typically provide long distance service, are listed in your telephone directory. Customer service representatives at these companies will help you to select services to most effectively replace your current Absolute service. If you arrange for new service before your Absolute service is terminated and wish to keep your current telephone number(s), please be sure to address this with your new service provider.

**Subject to regulatory approvals, your service cut-off date is December 6, 2012.** If you do not arrange to have your telephone service provided by a new telephone company prior to **December 6, 2012**, you may lose telephone service (which means that you will be unable to make local calls including 911) and you may not be able to keep your current telephone number(s) with the new service provider. Effective with this notice, Absolute will no longer make any changes to or reconnect existing service and will not accept orders for new service.

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<sup>1</sup> This discontinuance affects customers for Absolute's prepaid wireline local and long distance service in those parts of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee where AT&T is the incumbent local exchange carrier.

The Federal Communications Commission requires us to provide you with the following notice in connection with its review of the proposed discontinuance:

*The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the Commission releases public notice of the proposed discontinuance. Address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington, DC 20554, and include in your comments a reference to the § 63.71 Application of Absolute Home Phones, Inc. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.*

We thank you for being an Absolute customer and wish you well with your new provider. Should you have any questions, please contact Absolute at 800-495-5765.

Sincerely,

Absolute Home Phones, Inc.  
PO Box 831327  
Ocala, FL 34483