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August 23, 2002

RECEIVED

AUG 26 2002

PUBLIC SERVICE  
COMMISSION

Mr. Thomas N. Dorman  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

*Inactive*  
Via Federal Express  
*Inactive*

05123200

05151600

**Re: Notification of transfer of PT-1 Communications, Inc. and PT-1 Long  
Distance, Inc.'s long distance telephone customers to TTI National, Inc.**

05122700

Dear Mr. Dorman:

PT-1 Communications, Inc., PT-1 Long Distance, Inc. (collectively "PT-1") and TTI National, Inc. ("TTI"), hereby notify the Kentucky Public Service Commission ("Commission") of the pending transfer of PT-1's long distance telephone customers to TTI. The customer transfer has been approved by the United States Bankruptcy Court for the District of New York and is being done in compliance with rule 47 C.F.R. § 64.1120(e)(1) of the Federal Communications Commission ("FCC") governing the sale and transfers of carriers' customer bases.

TTI is an interexchange carrier authorized to offer intrastate service in Kentucky and in 48 other states. TTI offers switched outbound ("1+"), toll free and calling card services and currently services more than 250,000 customers nationwide. TTI's services are marketed primarily to small business and residential customers.

On March 9, 2001, PT-1 Communications, Inc. and PT-1 Long Distance, Inc. filed voluntary Chapter 11 Bankruptcy petitions in the United States Bankruptcy Court for the District of New York.

On March 7, 2002, an auction was held at which MCI WorldCom Network Services, Inc. ("MWNSI"), a subsidiary of WorldCom, Inc. made a bid for PT-1's assets, including without limitation all U.S. based long distance customer accounts which have selected PT-1 as their provider for outbound and inbound switched services. Because

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MWNSI's bid was found to be the best offer for PT-1's<sup>1</sup> assets, the Bankruptcy Court entered an Order<sup>2</sup> authorizing the sale of substantially all of PT-1's assets, including without limitation, PT-1's customer base and Carrier Identification Codes ("CIC"), 101-6868 and 10-10-972, to MWNSI, free and clear of all liens, claims and encumbrances transferable to TTI National, Inc. at closing.

The transition in service will include appropriate, actual notice<sup>3</sup> to each of PT-1's presubscribed customers, enabling such customers to choose another carrier rather than TTI. PT-1, in cooperation with TTI, will send letters to all PT-1 customers notifying them that PT-1 will no longer be serving as a domestic presubscribed long distance carrier, and that beginning or after August 1, 2002, service will be provided by TTI unless the customer chooses another carrier.

Additionally, TTI will also send written notice to the affected customers with information concerning TTI's services and rates. The notice will inform the customer that on or after December 31, 2002, all "1+" calls from telephone lines previously served by PT-1 will be completed by TTI, unless the customer chooses another carrier. The customers will be informed that they will receive the same rates and services as those, which they were receiving from PT-1, without interruption and without need for action. The affected PT-1 customers will also be reminded that they are under no obligation to

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<sup>1</sup> PT-1's assets included but are not limited to, the long distance customer base, long distance revenue streams and accounts receivables, intellectual property, CIC codes, Access Carrier Name Abbreviation (ACNA) permits, records and certain prepaid expenses.

<sup>2</sup> Order pursuant to Sections 105, 363,365, and 1146 of the Bankruptcy Code (i) Authorizing and Approving the Emergency Sale of Substantially All of Debtors Assets Free and Clear of Liens, Claims, and Encumbrances; (ii) Authorizing the Debtors to Sell such assets to MWNSI or its Designee; (iii) Authorizing and Approving the Terms of the Asset Purchase Agreement; (iv) Authorizing and Approving the Terms of the Management Agreement; (v) Authorizing and Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in connection therewith; (vi) Approving Exchange of Release and/or waivers pursuant to Bankruptcy Rule 9019, (vii) Authorizing and Approving the RFC Agreement; and (viii) Authorizing the Exemption of the Sale from Stamp and similar taxes.

<sup>3</sup> The customer notice letters are included in Exhibit 1.

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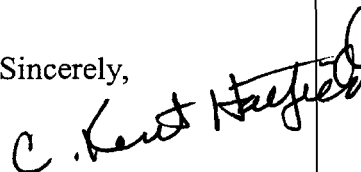
take service from TTI, and that each customer is free to select another company to carry their long distance calls. The customer will also be advised that they should not be charged any fee by the local phone company as a result of the change to TTI, and if any such fee is imposed, TTI will issue a credit for such charge to the customer. They will also provide the former PT-1 customers with a toll-free number to assist them if they have any questions regarding the transfer of their service.

TTI shall offer services that are of comparable quality and at the same rates that PT-1 currently offers its long distance customers for a period of at least 60 days. After that period of time, TTI reserves the right to change the rates it charges PT-1's former long distance customers in the future.

It is TTI's understanding that prior Commission approval is not required to provide toll services to the customers of PT-1 and, therefore requests written confirmation from the Commission that no further action is required. If you have any questions or require additional information, please contact Susan Berlin at 888-823-9658.

I have enclosed ten copies along with the original of this notification letter. Also enclosed is one additional copy which should be date stamped and returned to me in the enclosed self-addressed, stamped envelope. Thank you for your assistance.

Sincerely,



C. Kent Hatfield  
Counsel for TTI National, Inc.

CKH:jms

Enc.

cc:



**DIAL**  
**101-6868**  
**LONG DISTANCE 24 HOURS-7 DAYS!**

Dear Customer:

Great news regarding your long distance service! TTI National, Inc. ("TTI National") has acquired the customers of PT-1 (101-6868) and therefore, PT-1 will no longer be serving as your domestic presubscribed long distance carrier. TTI National is owned by WorldCom, Inc., one of the leading telecommunication companies in the world, providing superior service for many years. PT-1 has taken the necessary steps to ensure that you continue to receive quality long distance service at the same prices, without interruption and without any need on your part to take action. In addition, you will continue to be billed by your local phone company. On (date) or soon thereafter, when you dial "1+" from the telephone line now served by PT-1, your long distance calls will be completed by TTI National.

We are confident that TTI National is fully capable of providing reliable and economical telecommunications products. Of course, you are under no obligation to take service from TTI National. You may choose to select another company to handle your calls. If for any reason you decide not to stay with TTI National then we recommend that you choose a replacement carrier before (date), the planned date for the beginning of service conversion to TTI National.

We have made arrangements with TTI National to serve in our place by providing intrastate, interstate and international services to satisfy your telecommunications requirements. TTI National will soon send you a letter to provide you with information concerning your service.

If you have any questions, please call us at 888-660-5377. We thank you for your continued support and your business. We have enjoyed being your service provider.

Sincerely,

PT-1 Communications, Inc.  
PT-1 Long Distance, Inc.

BY: \_\_\_\_\_