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2006 MAY 16 PM 4:05

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T.R.A. DOCKET ROOM

May 16, 2006

Ron Jones, Chairman
Tennessee Regulatory Authority
460 James Robertson Pkwy
Nashville, TN 37243-0505

Re: *Application of Bristol Tennessee Essential Services for a Certificate of Convenience and Necessity to Provide Competing Telecommunications Services*
Docket nbr: 05-00251


Dear Chairman Jones:

On behalf of Bristol Tennessee Essential Services, I am submitting a corrected page two of the Settlement Agreement between Bristol and United Telephone-Southeast, Inc. The copy on file with the Authority has a typographical error. The footnote is not numbered and there is no footnote sign in the text. The attached page corrects those errors and should be substituted for page two of the Agreement in the TRA files.

Counsel for UTSE, Mr. Edward Phillips, concurs with this request.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker

HW/djc
Enclosure

cc: Edward Phillips
Guy Hicks
Charles B. Welch, Jr.

(d) The Cable and Internet Business Units refer to the BTES divisions providing cable and internet services to customers in and around the City of Bristol, Tennessee under Tenn. Code Ann. § 7-52-601.

2. Audit Requirements

(a) Within ninety days of the issuance of a Tennessee Regulatory Authority (Authority) order granting BTES' application for a certificate, BTES must submit to an audit of its cost methodology manual (CAM) by an independent auditor. The purpose of the audit is to: (1) determine if the methods used to allocate costs to the appropriate business units are sufficient so that the operating results of each business unit present fairly, in all material respects, the financial position and results of operations of each business unit; (2) determine if the CAM produces fair and reasonable results; and (3) to the extent consistent with purposes (1) and (2), minimize the time and expense necessary to record and audit the transactions. The audit must be conducted by an independent auditor, but the audit is not to be performed by the same auditor that developed BTES' cost allocation manual or audits BTES' financial statements. In addition, the chosen auditor will publicly file a copy of their scope of audit with the Authority under Docket 05-00251 and work under the direction and the supervision of the Authority. A copy of the results will be publicly filed with the Authority under Docket 05-00251 upon completion;

(b) BTES and its Telephone Business Unit must submit to an annual audit that will include an examination to determine whether BTES and its Telephone Business Unit are in compliance with the CAM, Tennessee law and the Authority's rules and orders.¹ The audit must

¹ This audit shall include an examination to determine the reasonableness of BTES' cost allocations to the Telephone Business Unit as well as any other direct or indirect transactions between the Telephone Business Unit, and other Business Units of BTES.