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Nicholasville, KY 40356*

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APR 22 2008

April 19, 2008

PUBLIC SERVICE COMMISSION

Mr. William Binek, Chief Counsel
North Dakota Public Service Commission
Dept. 408
Bismarck, ND 58505-0480

Dear Mr. Binek:

Please find enclosed the original copies of the arbitrator's orders in Case No. PU-08-58. These orders address BEK Communications Cooperative's Motion to Amend Procedural Schedule and Midcontinent Communications Motion to Compel Response to Information Request.

If there are any questions concerning the order, please contact me at either 859-272-9449 (office) or 859-619-9449 (cell).

Sincerely,

James K. Sharpe
Arbitrator

Enclosures:

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PUBLIC SERVICE COMMISSION

In the Matter of:

Midcontinent Communications/BEK) CASE NO. PU-08-58
Communications Cooperative Interconnection)
Arbitration Application)

BEK Communications Cooperative' Motion To Amend Procedural Order

On April 7, 2008, the Arbitrator issued an order revising the Procedural Order issued on April 2, 2008. The purpose of the Order was to clarify whether the Arbitrator intended to require Midcontinent Communications (Midcontinent) and BEK Communications Cooperative (BEK) to identify and file a summary of the issues remaining in this case. The Procedural Order provided Midcontinent and BEK the opportunity to file either individually or jointly a summary of their respective positions on the outstanding issues. The Arbitrator required Midcontinent and BEK to agree on the outstanding issues and provide a summary statement of Midcontinent and BEK's respective position on each issue. Though a joint filing was not required communications between the two parties was necessary to meet the filing requirement. Midcontinent and BEK were required to file their documents on April 9, 2008.

On April 15, 2008, BEK filed a motion to amend the Procedural Order. BEK contends that its position on the pricing issue has been prejudiced due to Midcontinent's failure to provide a summary of its pricing position in accordance with the Procedural Order. BEK contends that it was aware of Midcontinent's concerns with the pricing only after a discussion between the lawyers on April 15, 2008. On April 17, 2008, during a telephone conference, BEK indicated that it was unaware that Midcontinent was seeking TELRIC pricing and that it would need the additional time to address this aspect of Midcontinent's position. Also, during this conference BEK indicated that it would need an additional five calendar days to respond to Midcontinent pricing summary. BEK contends that Midcontinent's failure to comply with the Procedural Order supports their Motion to modify the timeline and permit it to file supplementary testimony on pricing.

On April 16, 2008, Midcontinent responded by opposing BEK's Motion. Midcontinent contends that BEK was aware from its data request of Midcontinent's concern with the cost basis for BEK's pricing proposal and its consistency with TELRIC pricing. Midcontinent argues that BEK controls the cost information supporting BEK's pricing proposal and could not be affected by Midcontinent's failure to respond. Therefore, Midcontinent argues that BEK was aware of its concern with the pricing proposal and BEK's position could not have been prejudiced due to Midcontinent's failure to meet the datelines. During the conference held on April 17, 2008, Midcontinent continued its opposition to the granting of additional time but did indicate that if

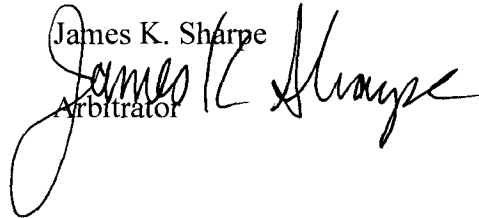
the Arbitrator grants BEK's Motion, then Midcontinent may need an additional day to file its exhibits.

The Arbitrator after reviewing the filings and hearing the arguments of both BEK and Midcontinent will adopt BEK's Motion to Amend the Procedural Schedule to provide additional time for filing supplementary testimony addressing the pricing issue. BEK will be granted an additional five (5) days until close of business on April 22, 2008 to file the supplementary testimony. The Arbitrator will also grant Midcontinent an additional day until close of business on April 24 to file its exhibit(s) dealing with the pricing issue.

IT IS THEREFORE ORDERED that:

1. BEK will have until the close of business on April 22, 2008 to file testimony addressing its pricing proposal.
2. Midcontinent will have until the close of business on April 24, 2008 to file its exhibits dealing with BEK's pricing proposal.

Done at Nicholasville, Kentucky, this 17th day of April, 2008.

James K. Sharpe
Arbitrator


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In the Matter of:

PUBLIC SERVICE COMMISSION

Midcontinent Communications/BEK)
Communications Cooperative Interconnection)
Arbitration Application)

CASE NO. PU-08-58

Motion to Compel Response to Information Request

On April 16, 2008, Midcontinent Communications (Midcontinent) filed a Motion to Compel Response to Information Request (Motion) with the Arbitrator. The purpose of the Motion was to compel BEK Communications Cooperative (BEK) to respond to Midcontinent's Request No. 5(d). Midcontinent's Request No. 5(d) included a description of payments that BEK receives under its directory publishing arrangements for anything other than distribution of directories. Midcontinent contends that it is entitled to any information that explicates the charges under the proposed provision because BEK bears the burden of proof to justify the charges. Midcontinent also stated, that BEK may in lieu of providing a description, provide copies of all current publishing agreements. Midcontinent indicated that it was willing to consent to a reasonable confidentiality agreement.

On April 18, 2008, BEK filed its response, BEK Communications Cooperative's Opposition to Midcontinent Communications' Motion to Compel. BEK opposed the granting of the Motion contending that the issue relating to the directories does not require it to open its books regarding all revenue relating to directories. However, BEK attached a supplementary response to Midcontinent's Request No. 5 providing copies of the following: BEK and Pinnacle's current directory services agreement; Pinnacle's form commercial listing agreement; and examples of directory agreements Pinnacle has negotiated with other cable CLECs (company names redacted). BEK indicated that it felt that this filing was responsive to Midcontinent's Request No. 5 and that Midcontinent had met its burden.

After reviewing Midcontinent's Request No. 5(d), its Motion, and BEK's supplementary response addressing Midcontinent's Request No. 5(d), the Arbitrator is of the opinion that BEK has for the most part met its disclosure burden. The only information not disclosed was the percentage of gross profit from the directory that will be retained by BEK. At this point it is unclear to the Arbitrator why that is relevant to BEK's incremental cost for directory distribution so the Arbitrator will not require it to be disclosed. However, the Arbitrator will permit Midcontinent to support its disclosure position in supplementary testimony and during the hearing.

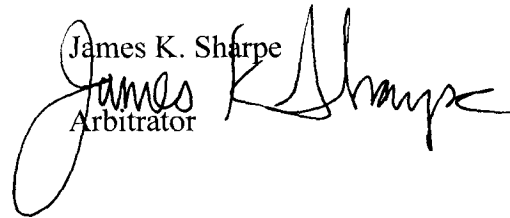
Finally, Midcontinent has requested an additional three (3) days to file supplementary testimony dealing with BEK's response to Request No. 5. BEK did not have any objection with the exception it requested additional time for providing its witness and exhibit lists.

IT IS THEREFORE ORDERED that:

1. Midcontinent will have until the close of business on April 22, 2008 to file supplemental testimony dealing with BEK's response to Request No. 5(d).
2. BEK will have until the close of business on April 24, 2008 to identify witness and file its exhibits dealing with Midcontinent's supplemental testimony.

Done at Nicholasville, Kentucky, this 18th day of April, 2008.

James K. Sharpe
James
Arbitrator

A handwritten signature in black ink, appearing to read "James K. Sharpe", is written over the typed name and title. The signature is stylized and cursive.