

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION BY MCI FOR ARBITRATION)
OF CERTAIN TERMS AND)
CONDITIONS OF A PROPOSED)
AGREEMENT WITH BELLSOUTH) CASE NO. 96-431
TELECOMMUNICATIONS, INC.)
CONCERNING INTERCONNECTION)
AND RESALE UNDER THE)
TELECOMMUNICATIONS ACT OF 1996)

O R D E R

On February 12, 1997, BellSouth Telecommunications, Inc. ("BellSouth") filed a motion for clarification regarding the applicability of Appendix 1 of the December 20, 1996 Order to compensation for local exchange traffic. The Commission's Order on rehearing dated January 29, 1997 states that the rates in Appendix I are applicable at the outset of the contract and, elsewhere in the Order, that the rates are interim subject to further negotiations or subject to further Commission investigation. However, the Order further noted that any renegotiated rates would be effective upon termination of the two year contract. According to BellSouth, this would appear that the rates would be permanent for two years. BellSouth asserts that these statements are inconsistent, and it believes the Commission intended the interconnection rates to be interim like all other rates in the Order pending further Commission action.

The Commission finds that the rates for compensation for local exchange traffic are to be interim just as all rates in the Order and that BellSouth must produce total element long-run incremental cost studies on these rates.

IT IS THEREFORE ORDERED that the motion of BellSouth to clarify the Order on rehearing is granted.

Done at Frankfort, Kentucky, this 11th day of March, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breckitt
Chairman

Eileen Z. Hines
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director