

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

QUINTELCO, INC.'S APPLICATION)	
FOR AUTHORITY TO PROVIDE)	CASE NO. 97-315
LOCAL AND LONG DISTANCE)	
TELECOMMUNICATIONS SERVICE)	

O R D E R

On July 11, 1997, Quintelco, Inc. ("Quintelco"), a Delaware corporation, submitted an incomplete application requesting authorization to provide both local and long-distance telecommunications services within the Commonwealth of Kentucky. On July 25, 1997, the Commission notified Quintelco that its application could not be processed due to various filing deficiencies. Quintelco had failed to submit, among other things, an interconnection agreement or a statement that it had posted a bond or opened a separate account to provide for its universal service obligations. On August 1, 1997, Quintelco supplied most of the information required. However, it has not yet filed an interconnection agreement. It also filed a letter, which the Commission will treat as a motion, requesting that the Commission waive its requirement that a bond must be posted, or a separate account opened, before it may provide service in Kentucky. For the following reasons, the Commission finds that both the interconnection agreement and a statement that Quintelco has posted a bond or opened a separate account must be filed before Quintelco may be authorized to provide local service in Kentucky.

First, 47 USC §252(c) requires state commissions to review interconnection agreements. Quintelco cannot provide local service pursuant to such an agreement

before this Commission has approved it. The agreement should therefore be filed in this docket. The second requirement at issue, the posting of a bond or the opening of an escrow account, is also essential, as this Commission found in Administrative Case No. 355.¹ Because the Commission's docket on universal service issues, Administrative Case No. 360,² is ongoing, the obligations of carriers providing intrastate service in Kentucky are not yet fully defined. Pending the final decision in that docket, it is imperative that each carrier demonstrate to this Commission that it is prepared to fulfill its universal service obligations when the parameters of those obligations are established. Quintelco states it will have no equipment or personnel in Kentucky and will have limited contacts in Kentucky. The same could be said of other new entrants into the local market. Nevertheless, all local carriers, including Quintelco, must be prepared to meet their universal service obligations and must so demonstrate to this Commission prior to providing service.

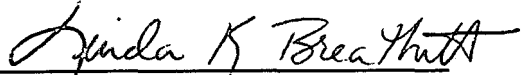
The Commission having been sufficiently advised, IT IS THEREFORE ORDERED that the motion of Quintelco for a waiver of the requirement that it post a bond or open an escrow account to provide for its universal service obligations is denied.

¹ Administrative Case No. 355, An Inquiry into Local Competition, Universal Service, and the Non-Traffic Sensitive Access Rate, Order dated September 26, 1996.

² Administrative Case No. 360, An Inquiry into Universal Service and Funding Issues.

Done at Frankfort, Kentucky, this 19th day of August, 1997.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director