

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BELLSOUTH BSE,)
INC. FOR AUTHORITY TO PROVIDE) CASE NO. 97-417
LOCAL EXCHANGE SERVICE)

INVESTIGATION INTO THE)
PROPRIETY OF, AND POTENTIAL)
SAFEGUARDS FOR, THE PROVISION)
OF LOCAL EXCHANGE SERVICE BY) CASE NO. 98-410
GTE COMMUNICATIONS)
CORPORATION)

O R D E R

The Commission has granted rehearing to BellSouth BSE, Inc. ("BSE") to consider whether appropriate safeguards and reporting requirements will protect the public interest if the Commission reconsiders its decision to deny BSE authority to provide local exchange services within the service territory of BellSouth Telecommunications, Inc.¹ The Commission noted that BSE's argument that the same consideration should apply to the local service of GTE's competitive local exchange carrier ("CLEC") affiliate was well taken and would be addressed by separate proceeding. The Commission then opened, on its own motion, a proceeding to review the potential for anticompetitive conduct that exists when an affiliate of GTE South Incorporated ("GTE South") provides local service within GTE South's franchised area.²

¹ Case No. 97-417, Order dated July 21, 1998.

² Case No. 98-410, Order dated July 21, 1998.

The Commission required GTE South and its CLEC affiliate, GTE Communications Corporation ("GTE-CC"), to file comments addressing proposed safeguards to ensure anticompetitive conduct does not occur.

The Commission on its own motion hereby consolidates these proceedings under Case No. 98-410. Both CLECs have sought intervention in each other's proceedings. Their interests are the same and the deliberations would be identical. Thus, consolidation will be the most efficient manner to address these issues.

As these proceedings are consolidated, GTE-CC's pending motion for intervention is moot. Kentucky Cable Telecommunications Association ("KCTA") has demonstrated an interest in the proceedings not adequately represented by another party, and therefore its motion to intervene should be granted. Furthermore, the procedural schedule previously set forth in the Commission's Order in Case No. 98-410 should be adjusted for the benefit of parties not previously bound by that schedule. BSE's motion for an informal conference, filed August 17, 1998 in Case No. 97-417, should be held in abeyance pending Commission review of its filed comments pursuant to the procedural schedule set forth below.

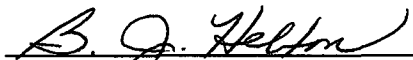
IT IS THEREFORE ORDERED that:

1. The BSE case proceeding (Case No. 97-417) and the GTE-CC proceeding (Case No. 98-410) are hereby consolidated and will be given the case number of Case No. 98-410, and the style of "Investigation into the Propriety of, and Potential Safeguards for, the Provision of Local Exchange Service by GTE Communications Corporation and BellSouth BSE, Inc."
2. The motion of GTE-CC for intervention in Case No. 97-417 is moot.

3. The motion of KCTA for intervention is hereby granted.
4. KCTA shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
5. Should KCTA file documents of any kind with the Commission in the course of these proceedings, it shall also serve a copy of said documents on all other parties of record.
6. The motion of BSE for an informal conference is held in abeyance pending Commission review of written comments.
7. Within 30 days of the date of this Order, written comments shall be submitted by GTE-CC and BSE addressing proposed safeguards to ensure anticompetitive conduct does not occur. GTE-CC may, within 30 days of the date of this Order, revise any comments it may already have filed.
8. Within 40 days of the date of this Order, any party may file a response to the comments submitted by GTE-CC and BSE.
9. Within 50 days of the date of this Order, GTE-CC and BSE may file replies to responses submitted to their initial comments.

Done at Frankfort, Kentucky, this 22nd day of September, 1998.

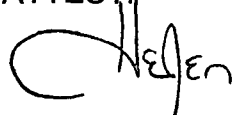
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