

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO THE DEVELOPMENT OF) ADMINISTRATIVE
DEAVERAGED RATES FOR UNBUNDLED) CASE NO. 382
NETWORK ELEMENTS)

O R D E R

On December 10, 1999, the Commission initiated this proceeding to establish deaveraged rates for unbundled network elements ("UNEs"). On March 24, 2000, the Commission adopted a Stipulated Agreement establishing deaveraged UNE rates for non-rural incumbent exchange carriers effective May 1, 2000. The rates contained in the Stipulation are in effect until the Commission's investigation into these issues is complete. The stipulated rates do reflect a geographic cost difference across Kentucky.

Additional cost information is now required to complete the Commission's investigation. The purpose of this continued investigation is: (1) to identify different geographic areas within the state of Kentucky that exhibit different cost characteristics because of density or customer concentration; (2) to identify the minimum number of UNEs that should be made available; (3) to identify the proper method for determining the prices for UNEs; and (4) to establish prices for those deaveraged UNEs.

The December 10, 1999 Order tentatively concluded that the FCC's synthesis model used to determine the federal Universal Service Fund should also be used to determine the UNE prices in the geographic zones of Kentucky.

In order to continue this investigation, the Commission herein requires BellSouth Telecommunications, Inc. ("BellSouth"), GTE South Incorporated ("GTE"), and Cincinnati Bell Telephone Company ("CBT") to file with the Commission comments related to the FCC synthesis model and its use for determining UNEs for loops, subloops, network interface devices, local switching, interoffice transport facilities, signaling networks, call related databases, and operations support systems.

IT IS HEREBY ORDERED that:

1. This investigation to develop deaveraged rates for UNEs on a permanent basis shall proceed. Parties shall file comments regarding the tentative conclusions contained in the December 10, 1999 Order by July 31, 2000.

2. By July 31, 2000, BellSouth, GTE, and CBT shall file updated cost studies with proposed rates for UNEs using the synthesis model and any other model the parties choose. If another model is used, a detailed comparison of the respective methodologies for each UNE must also be filed.

3. There shall be an informal conference on July 11 and 12, 2000, during which knowledgeable persons from BellSouth, GTE, and CBT shall present to the Commission Staff the cost studies to be proposed. The conference will convene at 9:00 a.m. EST in Conference Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

4. By June 30, 2000, any user manuals or other written materials to be used during the informal conference shall be filed with the Commission.

Done at Frankfort, Kentucky, this 25th day of April, 2000.

By the Commission

ATTEST:


Executive Director