

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVIEW OF BELL SOUTH TELECOMMUNICATIONS,) CASE NO.
INC.'S PRICE REGULATION PLAN) 99-434

O R D E R

On August 3, 2000, the Commission entered an Order modifying the regulation plan of BellSouth Telecommunications, Inc. ("BellSouth"). Certain elements of the plan proposed by BellSouth, the Transition Regulation Plan, were adopted by the Commission. BellSouth filed a motion requesting reconsideration of only one issue, the deployment in targeted wire centers of broadband technologies. BellSouth had proposed that digital subscriber loop ("DSL") technology be deployed in 35 wire centers for those customers within 18,000 feet of the central office. The Commission ordered that deployment be expanded to include all customers within the 35 wire centers. BellSouth requests rehearing of this requirement to expand the deployment of DSL. BellSouth also states, however, that if the Commission considers integrated service digital network ("ISDN") to provide sufficient broadband capabilities, then BellSouth can comply with the Commission's Order.

The level of deployment of broadband technologies sufficient to offset productivity gains for BellSouth is an elusive issue dependent upon numerous factors. Consequently, the Commission will grant rehearing so that BellSouth may present information regarding the appropriate level of broadband deployment which should include documentation of its projections regarding cost of deployment and customer

demand. For purposes of this proceeding, the Commission finds that ISDN is not an adequate substitute for DSL as an offset for productivity gains.

Accordingly, rehearing is granted for the purpose of providing BellSouth an opportunity to present information regarding the appropriate level of broadband deployment, the cost of deploying of DSL technologies, and projected customer demand rates. Within 20 days of the date of this Order, BellSouth shall submit information regarding its costs, projected demand rates, and proposed dates for an informal conference to discuss BellSouth's proposals.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 18th day of September, 2000.

By the Commission

ATTEST:


Executive Director