

The Commission denies the motion and rejects the tariff. The establishment and implementation of tax policy and the reduction of intrastate toll rates as the result of access charge reductions are unrelated. Kentucky consumers should not be deprived of lower intrastate toll rates triggered by access charge reductions because BellSouth experiences an unexpected tax increase. The Transition Regulation Plan affords BellSouth adequate opportunity to price its services to cover the tax liability without changing an ordered flow-through.

Accordingly, IT IS THEREFORE ORDERED that:

1. The motion of BellSouth to deviate is denied.
2. BellSouth's tariffs filed in this case are rejected.
3. Within 20 days of the date of this Order, BellSouth shall file intrastate toll tariffs reflecting an annual reduction of \$2.3 million.

Done at Frankfort, Kentucky, this 15th day of December, 2000.

By the Commission

ATTEST:

W. H. Bowen
Deputy Executive Director