

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On February 8, 2002, the Commission required Verizon South, Inc. (Verizon), Kentucky ALLTEL, Inc. (ALLTEL), and Cincinnati Bell Telephone (Cincinnati Bell) to attend an informal conference to discuss plans to establish forward-looking deaveraged unbundled network element (UNE) rates. The discussions also included Verizon s UNE rates and whether those rates would be appropriate for ALLTEL, whether methodology used by ALLTEL in New York would be appropriate for Kentucky, and whether ALLTEL had obtained all necessary information from Verizon to ensure an appropriate transition regarding UNE rates.

Subsequently, on July 3, 2003,¹ the Commission established deaveraged UNE rates for Cincinnati Bell. Also, the Commission approved the sale of the Verizon properties to ALLTEL on February 13, 2001 and ALLTEL began providing service in Kentucky on August 1, 2002.² As part of the process of establishing UNE rates, ALLTEL has provided the Commission with two runs of a model that was approved for use in New York for setting ALLTEL deaveraged UNE Rates. The first run of the model

¹ Administrative Case No. 382, An Inquiry Into the Development of Deaveraged Rates for Unbundled Network Elements, Order dated July 3, 2003.

² Case No. 2001-00399, Petition By Alltel Corporation to Acquire the Kentucky Assets of Verizon South, Incorporated, Order dated February 13, 2002.

filed on May 31, 2002 was for informational purposes as it contained inputs from New York operations. The second run of the model, filed on November 7, 2002, contained Kentucky-specific inputs based on the first two months of operation in Kentucky.

Pursuant to the Act and FCC orders, deaveraged UNE rates must now be established for ALLTEL as sufficient data is available for the first year of ALLTEL's Kentucky operations. The Commission will evaluate the ALLTEL model and rates produced with it by including data from a full year of Kentucky operations. Within 30 days of the date of this Order, ALLTEL shall submit proposed UNE rates with supporting documentation. ALLTEL shall also submit proposed rates for UNE combinations (the UNE-platform) based on representations it made to the Commission in this proceeding.³

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 7th day of November, 2003.

By the Commission

ATTEST:


Executive Director

³ Response to Staff Request filed March 21, 2002, Item 5.