

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BELLSOUTH)	
TELECOMMUNICATIONS, INC. FOR THE)	CASE NO.
ESTABLISHMENT OF A NEW PERFORMANCE)	2004-00391
PLAN)	

O R D E R

On August 31, 2004, BellSouth Telecommunications, Inc. ("BellSouth") filed a petition with this Commission proposing to implement a new Kentucky-specific operational support system performance monitoring plan that included a Service Quality Measurement ("SQM") Plan and a Self-Effectuating Enforcement Mechanism ("SEEM") Plan. BellSouth's petition resulted from the Commission's May 11, 2004 Order in Case No. 2001-00105.¹ In that Order, the Commission rejected BellSouth's proposal for a modified performance plan and, instead, adopted in total the Georgia Commission's performance plan. The Commission determined, however, that BellSouth was not prohibited from proposing a Kentucky-specific performance plan. The Commission established items that must be included in such a proposal, as follows:

BellSouth's proposal should also describe whether certain penalties were eliminated and how the plan will ensure that BellSouth continues to provide similar service to CLECs as it does to itself. Further, BellSouth should describe how this Commission should fund a third-party test of such a proposed plan. In the event BellSouth proposes such a plan, the

¹ Case No. 2001-00105, Investigation Concerning the Propriety of Provision of InterLATA Services by BellSouth Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996.

Commission will fully consider whether such a plan should be substituted for the current Performance Plan in whole or in part.²

On November 10, 2004, the Commission established a procedural schedule including an informal conference during which the parties were to present their positions on enumerated items.

An informal conference was held February 18, 2005. Parties have subsequently filed comments regarding procedural matters. On March 29, 2005, BellSouth filed a motion to set a procedural schedule. BellSouth proposes that the Commission should establish an expedited procedural schedule to examine and implement BellSouth's proposal. BellSouth asserts that its proposed plan would measure performance that matters, that it is easier to understand than the current plan, and that the penalties would be proportionate to the level of performance. The intervenors, including the Attorney General and competitive local exchange carriers, propose that the Commission delay consideration of BellSouth's performance plan until similar dockets are completed in Georgia and/or Florida. This Commission has continuously relied on the resources and efforts of the Georgia Commission in order to more efficiently and effectively implement a performance plan for BellSouth's Kentucky operations. These intervenors assert that without a full and complete review by this Commission, there may be inadequate oversight of BellSouth's performance.

The Commission, having considered all comments of parties and having been otherwise sufficiently advised, hereby finds that third-party testing of BellSouth's Kentucky-specific plan is necessary in order to evaluate its appropriateness. This independent verification of the plan and the accuracy of its measurement of BellSouth's

² Id. at 9 and 10.

performance is necessary to provide this Commission with enough data to determine if BellSouth's Kentucky-specific plan should be adopted.

IT IS HEREBY ORDERED that, within 30 days of the date of this Order, BellSouth shall submit its proposal for implementation of a mechanism for third-party independent verification of the Kentucky-specific plan, including a proposal for funding such verification. In the alternative, should BellSouth determine that it does not wish to pursue implementation of third-party independent verification, and hence, its Kentucky-specific plan, it shall so advise this Commission and shall likewise advise of its intent to continue with the Georgia performance plan, including any future modifications made by the Georgia Commission.

Done at Frankfort, Kentucky, this 26th day of April, 2005.

By the Commission

Commissioner W. Gregory Coker did not participate in the deliberations or decision concerning this case.

ATTEST:



Executive Director