COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF BELLSOUTH TELECOMMUNICATIONS, INC. FOR THE ESTABLISHMENT OF A NEW PERFORMANCE PLAN

CASE NO. 2004-00391

<u>O R D E R</u>

This case was established to consider BellSouth Telecommunications, Inc.'s ("BellSouth") proposal for a new, Kentucky-specific Operational Support System performance monitoring plan that includes a Service Quality Measurement ("SQM") Plan and a Self-Effectuating Enforcement Mechanism ("SEEM") Plan. On August 31, 2004, BellSouth filed a petition with the Commission proposing to implement a new performance plan in Kentucky. 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 noted that BellSouth was not prohibited from proposing a Kentucky-specific performance plan, although the Commission advised BellSouth that its proposal should discuss various aspects of the performance plan, including the elimination of penalties, the provision of non-

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.

discriminatory service to Competitive Local Exchange Carriers ("CLECs"), and the funding of third-party testing.

The Commission herein establishes a procedural schedule for this proceeding.

IT IS THEREFORE ORDERED that:

1. An informal conference is scheduled for December 14, 2004, beginning at 9:00 a.m., Eastern Standard Time, in Conference Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for presentation by parties of their respective positions concerning the following:

a. BellSouth's proposed SQM plan, including a comparison with the current performance plan's SQM, the necessity or lack thereof of any measures or subcomponents omitted in BellSouth's proposal, the need for independent third-party testing to validate the proposed measures, and the compatibility of BellSouth's proposal with performance plans in place or under consideration in other BellSouth states.

b. BellSouth's proposed SEEM, including a comparison with the current Kentucky performance plan's SEEM, the necessity of any penalties omitted in BellSouth's proposal, the appropriateness of how SEEM penalties are calculated, BellSouth's proposal to adjust fees based on performance improvements or declines, and the compatibility of BellSouth's proposal with performance plans in place or under consideration in other BellSouth states.

c. BellSouth's performance under the current performance plan, including any evidence of backsliding and the impact on CLECs and customers due to performance deficiencies.

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2. On or before January 14, 2005, each party shall submit a complete and detailed recommendation for third-party testing of SQMs ultimately established in this proceeding. The recommendation should include a detailed discussion of any prospective candidates to perform the testing, a funding mechanism, scope and scale of testing, and a project timeline for completion of the testing process, including expected deliverables from the third-party tester.

Done at Frankfort, Kentucky, this 10th day of November, 2004.

By the Commission

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

ATTEST:

Executive Director

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