

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 21, 2000

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF TO OFFER CONTRACT SERVICE
ARRANGEMENT (TN00-7198-01)**

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**DOCKET NO.
00-00839**

**ORDER GRANTING APPROVAL OF BELLSOUTH
CONTRACT SERVICE ARRANGEMENT (TN00-7198-01)**

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on October 24, 2000 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN00-7198-01 ("CSA"). BellSouth filed Tariff No. 00-00839 on September 25, 2000, with a proposed effective date of October 25, 2000.

Based upon careful consideration of the tariff filing and the attachments thereto, the Authority made the following findings and conclusions:

1. The purpose of this CSA is to provide Primary Rate Integrated Services Digital Network ("ISDN") service to the customer identified in the filing. Primary Rate ISDN service supports the simultaneous transmission of voice, data, and packet services on the same exchange access line.

2. The term of this CSA is thirty-six (36) months with an optional thirteen (13) month renewal. In order to exercise the renewal option, the customer must notify BellSouth of

the customer's intent to renew within sixty (60) days of the expiration of the thirty-six (36) month term. Moreover, the CSA provides that any renewal is contingent upon the Authority's approval.

3. Through this CSA, BellSouth is offering the customer a forty-two and six-tenths percent (42.6%) discount on recurring charges and a waiver of non-recurring charges.

4. In its September 25, 2000 cover letter included with the CSA filing, BellSouth agreed to notify the customer¹ that upon early termination of the CSA without cause, the lesser of the following termination liability charges would apply:

a. The amounts specified in the CSA the customer signed;²

b. The total of the repayment of discounts received during the previous twelve (12) months of service, the repayment of the prorated amount of any waived or discounted non-recurring charges, and the repayment of the prorated amount of any documented contract preparation, implementation and tracking, or similar charges; or

c. Six percent (6%) of the total CSA amount.

5. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.

¹ BellSouth also agreed during the Authority Conference that it would send the notice to the customer upon approval of the CSA by the Authority. See *Transcript of Proceedings*, p. 15 (Authority Conference October 24, 2000).

² An addendum to this CSA defines the applicable termination charges as follows: "the lesser of (A) the sum of the repayment of discounts received during the previous 12 months of service, the repayment of any waived or discounted non-recurring charges set forth in Note 2 of the Rates and Charges Section of the Agreement, and the repayment of the pro-rated contract preparation charge set forth in Note 2 of the Rates and Charges Section of the Agreement; or (B) six percent (6%) of the total Agreement amount."

6. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

7. No parties sought to intervene in this docket.

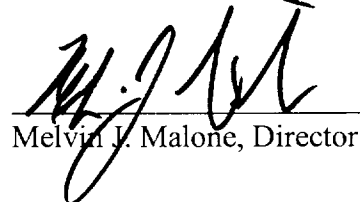
Based upon the foregoing, the Directors of the Authority unanimously determined that the CSA in this docket should be granted.

IT IS THEREFORE ORDERED THAT:

BellSouth Telecommunications, Inc.'s Tariff No. 00-00839, which seeks approval of Contract Service Arrangement No. TN00-7198-01, is hereby granted.


Sara Kyle, Chairman


H. Lynn Green, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary