

STATE OF TENNESSEE

Office of the Attorney General



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ATTORNEY GENERAL AND REPORTER

Reply to:
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OFFICE OF THE
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June 4, 2002

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: Petition of BellSouth Telecommunications, Inc.
For Approval of a Tariff to Introduce the 2002
Key Customer Program
Docket No. 02-00625

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of the Attorney General's Request for Clarification or in the alternative, Complaint and Petition to Intervene. Copies of the enclosed are being provided to counsel of record.

Very truly yours,

Chris Allen
Assistant Attorney General

Enclosure

cc: Parties of record
55624

IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: PETITION OF)
BELLSOUTH)
TELECOMMUNICATIONS, INC. FOR)
APPROVAL OF A TARIFF TO)
INTRODUCE THE 2002 KEY)
CUSTOMER PROGRAM)

DOCKET NO. 02-00625

ATTORNEY GENERAL'S REQUEST FOR CLARIFICATION OR IN THE
ALTERNATIVE COMPLAINT AND PETITION TO INTERVENE

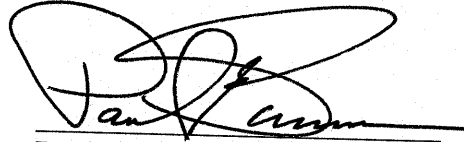
Comes Paul G. Summers, the Tennessee Attorney General, through the Consumer Advocate and Protection Division, (hereinafter "Attorney General") pursuant to Tenn. Code Ann. § 65-4-118(c)(2)(A), and requests clarification or in the alternative complains and petitions to intervene in this case in the public interest on behalf of consumers in Tennessee who will purchase in the resale market services underlying the proposed tariff - 2002 Key Customer Program ("the Program") by BellSouth Telecommunications, Inc. ("BST"). For cause the Petitioner would show as follows:

1. The Attorney General is authorized by Tenn. Code Ann. § 65-4-118 (c)(2)(A) to initiate a contested case, and participate or intervene in proceedings to represent the public interest of Tennessee consumers in accordance with the Uniform Administrative Procedures Act (UAPA).
2. In the present docket, BST seeks approval by the Tennessee Regulatory Authority

("TRA") of the Program and in conjunction the obligation to offer its tariff services for resale to its competitors.

3. The Executive Summary for the Program states that the resale price will be based on the reduction of full tariff rates under the Program less the wholesale discount determined under TRA Docket No. 96-01331 ("the Avoidable Cost Hearings") and also the discount relating to the rewards specified in the Program.
4. What is not clear is whether the full amount of avoided costs is reflected in BellSouth's representation of the wholesale discount.
5. This issue directly impacts the price for which the Program is available for resale.
6. To the extent a reduction is made for less than all avoided costs, this would create a situation in which the price for resale fails to exclude the full measure of BST's avoided costs, thus resulting in an anti-competitive wholesale price. This circumstance would not foster competition like the resale provisions should. To the contrary, it would stifle competition. Not only is this adverse to the interests of BST's competitors, but also to the ultimate consumers in the resale market who would benefit from lower prices.
7. Accordingly, the Attorney General requests that the TRA clarify the wholesale price which would be used in a resale of this tariff and, in the alternative, grant intervention because of the fundamental impact on the price paid by the ultimate customer purchasing the Program from a competitor of BST through the resale market.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul G. Summers", written over a horizontal line.

Paul G. Summers, 6285
Tennessee Attorney General

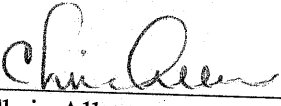
A handwritten signature in black ink, appearing to read "Chris Allen", written over a horizontal line.

Chris Allen, 13696
Assistant Attorney General
Consumer Advocate and Protection Division
John Sevier Building, 3rd Floor
425 5th Avenue North
Nashville, Tennessee 37243-0500
(615)-532-2590

Certificate of Service

I hereby certify that a true and correct copy of the Petition to Intervene was served on parties below via U.S. Mail, postage prepaid, this June 4, 2002.

Guy M. Hicks, Esquire
General Counsel
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, Tennessee 37201-3300



Chris Allen
Assistant Attorney General

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