

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
Nashville, Tennessee**

October 13, 1995

IN RE: APPLICATION OF UNITED TELEPHONE-SOUTHEAST, INC.,
FOR APPROVAL TO IMPLEMENT PRICE REGULATION

DOCKET NO. 95-02615

ORDER

By Order of September 20, 1995, the Commission allowed United Telephone-Southeast, Inc. (United) ten days in which to file a written request for a contested evidentiary proceeding to set initial rates in accord with T.C.A. 65-5-209 (c). On September 27, this Commission received notice from United that they declined the opportunity afforded to them by law for their initial rates under price regulation to be set by contested proceeding.

Currently, pending in this Docket is a Motion of AT&T Communications asking the Commission to convene a hearing for the purpose of construing several provisions of Title 65, as amended by Chapter 408 of the Public Acts of 1995, (the "Act") and by Chapter 305 of the Public Acts of 1995. Based on its review, the Commission finds that the pleading, on its face, can be substantially addressed by this Commission's Order. AT&T's request for a review of each rate prior to implementation of price regulation is not warranted by any provision of Title 65, as amended by Chapter 408 of the Public Acts of 1995, or by Chapter 305 of the Public Acts of 1995. There being no authority for the Commission under the provisions of the law to make any further finding with regard to rates except as set out in this Order and United having waived any opportunity to have rates set in a contested proceeding before the Commission

IT IS THEREFORE ORDERED THAT:

1. The rates in effect as of June 6, 1995 for all Basic Local Exchange Telephone Services (Basic Services) and Non-Basic Services as defined in Section 65-5-208 are affordable and, for these initial rates, price regulation is effective for these purposes upon entry of this Order;
2. United shall charge and collect for Basic and Non-Basic Services only such rates less than or equal to the maximum permitted by T.C.A., Title 65, Chapter 5 (the "Act");
3. Effective January 1, 1996, United shall adhere to a price floor for its competitive services subject to such determination as the Commission shall make pursuant to T.C.A. 65-5-207;
4. United shall adhere to the safeguards set forth in T.C.A. 65-5-208 (c) and (d) and all non-discrimination provisions of Title 65;
5. United shall comply with all Competitive and Administrative Rules and such Orders as are issued by the Commission regarding support of universal service and such additional rules issued by the Commission under Title 65, Chapter 5, including interconnection, resale, interLATA equal access, unbundling, number portability and packaging of Basic Services;
6. Notwithstanding the annual adjustments permitted in T.C.A. 65-5-209(e) the initial Basic Service rates for United shall not increase for a period of four years from the date of entry of this Order. At

the end of this four-year period, United shall only be permitted to adjust annually its rates for Basic Services in accordance with the method set forth in T.C.A. 65-5-209(e) provided that the limitations and safeguards set forth in the Act. are followed with regard to any increase in rates;

7. United's rates for Non-Basic Services shall be set as the company deems appropriate, subject to the limitations set forth in T.C.A. 65-5-209(e) and (g), the non-discrimination provisions of this Title, any rules or orders issued by the Commission pursuant to Section 65-5-208(c) and upon requisite prior notice to all affected customers;

8. United shall maintain its commitment to the FYI Tennessee Master Plan to the completion of the funded requirements. Any adjustments to the plan to be approved by the Commission;


9. United shall comply with their business participation plan submitted on August 4, 1995.

IT IS FURTHER ORDERED THAT:

1. The requests of AT&T's Motion not subsumed by the terms of this Order are hereby denied as being in excess of the authority with which we have been empowered.


CHAIRMAN


COMMISSIONER


COMMISSIONER

ATTEST:


EXECUTIVE DIRECTOR