

BEFORE THE TENNESSEE REGULATORY AUTHORITY

November 12, 1996

Nashville, Tennessee

**IN RE: UNITED TELEPHONE-SOUTHEAST, INC.-APPLICATION FOR A
CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY TO PROVIDE
INTERLATA INTEREXCHANGE TELEPHONE SERVICE**

DOCKET NO. 96-01235

**ORDER REGARDING THE CONDITIONS UNDER WHICH UNITED
TELEPHONE-SOUTHEAST, INC. SHALL BE APPROVED FOR A
CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY**

A hearing was held in the above-captioned matter on September 17, 1996, in the hearing room of the Tennessee Regulatory Authority (the "Authority"), 460 James Robertson Parkway, Nashville, Tennessee beginning at approximately 10:00 a.m. before Chairman Lynn Greer, Director Melvin Malone, and Director Sara Kyle. The Authority reached a decision in the matter at a Conference held on October 15, 1996, in the hearing room at 460 James Robertson Parkway, Nashville, Tennessee.

The following appearances were entered at the hearing on September 17, 1996:

James B. Wright, Esquire, Senior Attorney, 14111 Capital Blvd., Wake Forest, North Carolina 27587, appearing on behalf of United Telephone-Southeast, Inc. ("UTSE").

John Knox Walkup, Esquire, Gullett, Sanford, Robinson & Martin, 230 Fourth Avenue, N., 3rd Floor, P.O. Box 198888, Nashville, Tennessee 37219-8888 and James Lamoureux, Esquire, 1200 Peachtree Street, Atlanta, Georgia 30309, appearing on behalf of AT&T Communications of the South Central States, Inc. ("AT&T"), the intervenor in this matter.

FACTS

1. On August 9, 1996, UTSE submitted its Application for a Certificate of Public Convenience and Necessity to Provide interLATA, interexchange telephone services to end users in the State of Tennessee.
2. On August 22, 1996, the Authority notified UTSE and other interested parties that a hearing had been set in this matter for September 17, 1996.
3. On August 30, 1996, AT&T filed its Petition for Leave to Intervene in this matter and on September 10, 1996, AT&T was allowed to intervene.
4. Also on September 10, 1996, Charles S. (Steve) Parrott filed direct testimony on behalf of UTSE and Richard Guepe filed direct testimony on behalf of AT&T.
5. At the hearing on September 17, 1996, both Mr. Parrott and Mr. Guepe gave testimony and were cross-examined. Mr. Parrott agreed that UTSE would implement One-Plus intraLATA presubscription or intraLATA toll dialing parity by no later than August 8, 1997. As a first step toward implementation, he further agreed that UTSE would file a plan for phased-in implementation with the Authority by no later than November 29, 1996, and would act in good faith to implement the plan as quickly as possible. Mr. Guepe argued that the law of the State of Tennessee required that UTSE provide toll dialing parity "promptly", which he interpreted as meaning prior to August 8, 1997.
6. At the conclusion of the hearing, the Directors asked for additional information from the applicant and also asked AT&T if it needed or wanted to respond to the information

after it was submitted. AT&T indicated that it did not foresee the need to respond but would do so, if necessary, as quickly as possible.

7. On September 27, 1996, UTSE filed its Late-Filed Exhibit addressing 1) the accounting safeguards that would be applicable to UTSE's interLATA interexchange operation, and 2) the price regulation plan under which the interexchange operation would be governed. AT&T did not file a response thereto.

Based upon the application and the attachments thereto and other information provided by the parties in writing and at the hearing, all of which demonstrate compliance with the requirements of T.C.A. § 65-4-201, after due consideration the Directors unanimously reached a decision.


IT IS THEREFORE ORDERED:

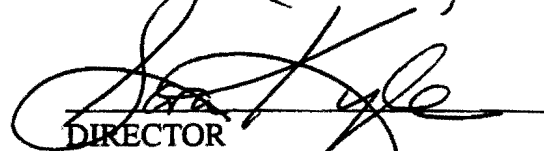
1. That UTSE shall submit a reasonable plan regarding implementation of One-Plus intraLATA presubscription ("intraLATA toll dialing parity") with the Authority no later than November 29, 1996, and the Authority shall approve, deny, or modify such plan as soon as possible after its submission.

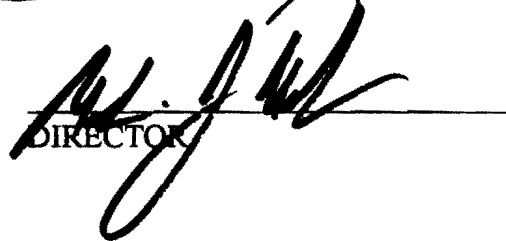
2. That upon approval of UTSE's plan regarding implementation of intraLATA toll dialing parity, the application of UTSE for a certificate of public convenience and necessity to provide interLATA interexchange telephone service is approved.

3. That any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.

4. That any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


CHAIRMAN


DIRECTOR


DIRECTOR

ATTEST:


EXECUTIVE SECRETARY