

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 5713

Investigation into New England Telephone)
and Telegraph Company's (NET's) tariff filing)
re: Open Network Architecture, including)
the unbundling of NET's network, expanded)
interconnection, and intelligent networks)
in re: Phase II)

Order entered: 07/07/97

PROCEDURAL ORDER RE: TSLRIC AND TELRIC COST STUDIES

On July 7, 1997, the Hearings Officers in Docket 5936 (*In Re: NYNEX's entry into interLATA services*) issued a Second Procedural Order, a copy of which is attached to this Order. In their Order, the Hearing Officers concluded that review of New England Telephone and Telegraph Company's ("NYNEX" or "Company") costs and prices for unbundled network elements, in the context of the Company's petition under § 271 of the federal Telecommunications Act of 1996 ("Act"), would be most efficiently carried out in this Docket, Docket 5713.

Currently, in both Dockets, NYNEX is required to file cost studies whose outputs are intended to form the bases of wholesale prices and (in Docket 5936) its statement of generally available terms ("SGAT"). In this Docket, the cost studies are being developed according to the total service long-run incremental cost ("TSLRIC") methodology but, in Docket 5936, according to the total element long-run incremental cost ("TELRIC") approach. The Hearing Officers pointed out that, though methodologically different in several respects, both studies will nonetheless rely upon the same underlying data. Consequently, and in view of scheduling and resource constraints, they concluded that a single, concentrated review of NYNEX's costs would best serve the needs of the parties and of the state generally, since such a review will also afford the Board an opportunity to consider the two approaches.¹

1. Specifically, they stated:

The approach we adopt today will require the Hearing Officer in Docket 5713 to go beyond that docket's present plan of establishing TSLRIC-based costs; it will also require establishment of TELRIC-based wholesale prices for unbundled network elements. Thereafter, the Hearing Officer in that docket will be free to determine, based upon the Board's previous Orders and the FCC's

(continued...)

I concur, and am prepared to take up these issues at the earliest possible moment. The Hearing Officers noted that I would "issue a Procedural Order and conduct a Status Conference by telephone to implement this Order within a very short time." Docket 5936, Order of 7/7/97, at 2, fn. 8. The purpose of this Order is precisely that: to establish a date and time for a status conference in order to set a schedule for the swift but full examination of NYNEX's cost studies. The status conference will be conducted by telephone on Monday, July 14, 1997, at 2:00 P.M. Parties who wish to participate in the status conference must contact the Office of the Clerk of the Board by no later than noon of July 11, 1997.

SO ORDERED.

DATED at Montpelier, Vermont, this 7th day of July, 1997.

s/ Frederick W. Weston
Frederick W. Weston
Hearing Officer

OFFICE OF THE CLERK

FILED: July 7, 1997

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.

1. (...continued)
interpretations of the Act, whether to use TELRIC pricing for wholesale rates or to develop and apply some other methodology.
Docket 5936, Procedural Order of 7/7/97, at 7.