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December 11, 2000

**VIA FEDERAL EXPRESS**

Mr. Dale Roberts  
Executive Secretary  
Missouri Public Service Commission  
200 Madison Street, Suite 100  
Jefferson City, Missouri 65101

**FILED<sup>2</sup>**  
**DEC 12 2000**  
Missouri Public  
Service Commission

Re: *In the Matter of the Petition of DIECA Communications, Inc. d/b/a Covad Communications Company for Arbitration of Interconnection Rates, Terms, Conditions and Related Arrangements With Southwestern Bell Telephone Company, Case No. TO-2000-322*

Dear Mr. Roberts:

Enclosed for filing with the Commission are the original and 14 copies of the Notice of Settlement without Prejudice of DIECA Communications, Inc. d/b/a Covad Communications Company and Southwestern Bell Telephone Company.

By copy of this letter, I have provided two copies of the Notice of Settlement to the Office of Public Counsel.

Please return one file-stamped copy of the Notice of Settlement in the envelope enclosed for that purpose. Thank you for your assistance.

Very truly yours,

*Lisa C. Creighton/bt*  
Lisa C. Creighton

LCC/bt  
Enclosures

cc : Office of Public Counsel  
Office of General Counsel  
Southwestern Bell Telephone Company

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

FILED<sup>2</sup>  
DEC 12 2000

In the Matter of the Petition )  
of DIECA Communications, Inc. d/b/a )  
Covad Communications Company for )  
Arbitration of Interconnection Rates, Terms, )  
Conditions and Related Arrangements )  
With Southwestern Bell Telephone Company )

Case No. TO-2000-322

Missouri Public  
Service Commission

**NOTICE OF SETTLEMENT WITHOUT PREJUDICE OF  
DIECA COMMUNICATIONS, INC.  
D/B/A COVAD COMMUNICATIONS COMPANY AND SOUTHWESTERN BELL  
TELEPHONE COMPANY**

COMES NOW DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad") and Southwestern Bell Telephone Company ("SWBT") and hereby notify this Commission that they have settled all issues raised in Covad's Petition for Arbitration of Interconnection Rates, Terms, Conditions, and related arrangements. In connection with the settlement, Covad and SWBT request that the Commission close this docket. In support of this request, Covad and SWBT state as follows:

1. On November 9, 1999, Covad filed a Petition for Arbitration of Interconnection Rates, Terms, Conditions and Related Arrangements With Southwestern Bell Telephone Company ("SWBT") to resolve certain issues in dispute between Covad and SWBT.
2. On December 22, 1999, a prehearing conference was held, and on February 15-16, 2000, a hearing was held in this matter.
3. On March 23, 2000, the Commission issued an Arbitration Order containing its rulings addressing the various issues between the parties. In the Order, the Commission held that SWBT was required to perform new loop conditioning cost studies, new ISDN loop cost studies

and new shielded and non-shielded cross-connects cost studies. Further, the Commission ordered that SWBT shall provide confidential quarterly monitoring reports beginning July 1, 2000, showing the total number of loops requested for xDSL services and the number of loops requested that require conditioning by binder group by each affiliate or company requiring the loops or services. SWBT and Covad entered into an Interconnection Agreement to implement the arbitration order which was approved by the Commission on July 21, 2000.

4. On September 11, 2000, Covad and SBC Communications, Inc. ("SBC"), SWBT's parent company, announced the completion of an agreement making Covad an in-region and out-of-region DSL provider for SBC. Under that agreement, Covad and SWBT either resolved or agreed to a procedure to resolve the issues raised in this docket.

5. Given that Covad and SWBT have resolved or agreed to a procedures to resolve all issues in this docket, Covad and SWBT hereby notify the Commission of their settlement and requests that this case be closed, without prejudice to either party.

6. Nothing in this Notice of Settlement is intended to change or affect SWBT's obligation to: (a) perform cost studies pursuant to Ordered: 4 of the March 23 Arbitration Order in this case; or (b) submit confidential monitoring reports to the Commission pursuant to Ordered:5 of the March 23 Arbitration Order as modified by Ordered:3 of the July 7 Order Directing Filing and by Ordered:1 of the October 30 Order Directing Filing.

7. Nothing in this Notice of Settlement is intended to change or affect Covad's or SWBT's obligation to bring any amendment to the interconnection agreement between the parties to the Commission for approval pursuant to Section 252(e) of the Telecommunications Act of 1996 ("the Act"), and the parties will comply with the Act in that regard.

WHEREFORE, DIECA Communications, Inc. d/b/a Covad Communications Company and Southwestern Bell Telephone Company respectfully notify this Commission that they have settled the issues in this case without prejudice to either party and request that the case be closed.

Respectfully submitted,



Mark P. Johnson MO # 30740

Lisa C. Creighton MO # 14847

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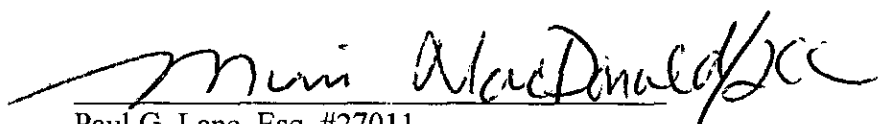
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AND



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St. Louis, Missouri 63101

ATTORNEYS FOR SOUTHWESTERN BELL  
TELEPHONE COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing was mailed, postage prepaid, this 11<sup>th</sup> day of December, 2000, to:

William K. Haas, Esq.  
Office of General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
Jefferson City, Missouri 65101

Michael F. Dandino  
Office of the Public Counsel  
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Attorney for DIECA Communications, Inc.  
d/b/a Covad Communications Company