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April 12, 2000

FILED³

APR 12 2000

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Floor 5A
Jefferson City, Missouri 65101

Re: TO-2000-322

Dear Judge Roberts:

Enclosed, for filing in the above-captioned case, are an original and fourteen copies of Southwestern Bell Telephone Company's Response to DIECA Communications, Inc. d/b/a Covad Communications Company's Motion for Clarification and/or Modification.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

A handwritten signature in cursive script that reads "Paul G. Lane /tm".

Paul G. Lane

Enclosures

cc: Attorneys of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

APR 12 2000

Missouri Public
Service Commission

Case No. TO-2000-322

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)

**SOUTHWESTERN BELL TELEPHONE COMPANY'S RESPONSE TO DIECA
COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY'S
MOTION FOR CLARIFICATION AND/OR MODIFICATION**

COMES NOW Southwestern Bell Telephone Company ("SWBT") and for its response to the DIECA Communications, Inc. d/b/a Covad Communications Company's ("Covad's") Motion for Clarification and/or Modification states as follows:

1. In its Motion for Clarification and/or Modification, Covad proposes that the Commission's order be clarified or modified to provide for a true-up of the loop conditioning and ISDN UNE recurring costs based upon the results of the new cost studies which the Commission directed to be prepared and filed in this case.¹ SWBT opposes Covad's Motion and believes that no modification of the Commission's order in that respect is appropriate.

2. With regard to non-recurring loop conditioning costs and ISDN recurring rates, the Commission adopted rates previously established in the BroadSpan (TO-99-370), Sprint (TO-99-461) and AT&T (Case No. TO-97-40, et al) arbitration proceedings. Various competitive local exchange companies (CLECs) operating in Missouri are utilizing those rates for purposes of providing competitive services, including DSL services. Those rates are based upon cost studies prepared by SWBT and adjusted pursuant to Commission orders. Those rates are appropriate to utilize until a new cost study is performed, and the Commission has issued an

¹ Covad did not request that rates for shielded and non-shielded cross connects be made interim or subject to true-up, even though the Commission also ordered new cost studies for these services.

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appropriate order concerning those rates. Competitive parity is assured since entities providing similar services to those which Covad will offer will be utilizing those rates.

3. The Commission's order did not indicate that the rates established for loop conditioning and ISDN rates were to be interim or subject to true-up. To the contrary, the order requiring those rates to be adopted in the contract between SWBT and Covad is neither interim nor subject to true-up. Pursuant to agreement of the parties, the term of that agreement is through April 12, 2001. The results of the cost study contemplated in this case can be incorporated in any new agreement subsequently negotiated between Covad and SWBT.

WHEREFORE, for all the foregoing reasons, SWBT respectfully requests the Commission deny Covad's Motion for Clarification and/or Modification.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

By Paul G. Lane /tm

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to all parties on the attached Service List by Airborne Express on April 12, 2000.

Paul G. Lane/tm
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