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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of July, 2000.

In the Matter of the Application of Southwestern)
Bell Telephone Company to Provide Notice of)
Intent to File an Application for Authorization) Case No. TO-99-227
to Provide In-region InterLATA Services Originat-)
ing in Missouri Pursuant to Section 271 of the)
Telecommunications Act of 1996.)

**ORDER DIRECTING SOUTHWESTERN BELL
TELEPHONE COMPANY TO HIRE CONSULTANT**

On January 4, 2000, the Commission ordered the Staff of the Missouri Public Service Commission (Staff) to prepare a request for proposal (RFP) in accordance with the State of Missouri's Office of Administration (OA) procedures in order to find an independent consultant to perform an evaluation and verification of the data submitted by Southwestern Bell Telephone Company (SWBT). On June 9, 2000, the Staff notified the Commission that it had completed the RFP process, received proposals, carefully evaluated the proposals, and determined that Ernst & Young should be selected to perform the evaluation and verification. Staff included with its filing a very detailed analysis of Ernst & Young's proposal.

Staff asked the Commission to direct SWBT to enter into a contract with Ernst & Young consistent with the RFP and the proposal made by Ernst & Young in response to that RFP. Staff also requested

that the Commission order SWBT to obtain Staff review and consent of the final contract before it is executed.

The Commission received a response from AT&T Communications of the Southwest, Inc. (AT&T) on June 20, 2000. AT&T requested that Ernst & Young "be required to provide further detail regarding the methodology it plans to use to evaluate the Telcordia finding to determine whether the results adequately address capacity issues impacting Missouri [competitive local exchange company] order activity at current levels and as competitive volumes increase." AT&T also requested that Ernst & Young be required to seek input from the competitive local exchange companies as to whether the capacity tested in Texas is adequate. Finally, AT&T encouraged the Commission to look further into the pre-existing nondisclosure agreements between SWBT and Ernst & Young to determine how they might impact Ernst & Young's performance.

The Commission has previously determined that there is a need for an outside consultant to perform this evaluation. The Commission determines that the Staff has followed OA's procedures regarding the RFP as directed, received proposals, and selected Ernst & Young as the best candidate to complete the evaluation. The Commission also determines that the Staff in its review of the proposals examined Ernst & Young's potential conflicts of interest and its ability to perform the necessary evaluation with regard to capacity in Missouri. Therefore, the Commission will direct SWBT to enter into a contract consistent with the terms and conditions of Staff's RFP and Ernst & Young's

proposal, if Ernst & Young is willing to enter into a contract with SWBT with those same terms and conditions.

IT IS THEREFORE ORDERED:

1. That Southwestern Bell Telephone Company shall enter into a contract consistent with the terms and conditions of the request for proposal developed by the Staff of the Missouri Public Service Commission and Ernst & Young's proposal, if Ernst & Young is willing to enter into a contract with Southwestern Bell Telephone Company with those same terms and conditions.

2. That Southwestern Bell Telephone Company shall obtain the review and consent of the Staff of the Missouri Public Service Commission before executing a final contract with Ernst & Young.

3. That the Staff of the Missouri Public Service Commission shall file a written notice in this case indicating that it has reviewed the contract and consented to its execution within 10 days of that consent being given.

4. That this order shall become effective on July 18, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Murray,
Schemenauer, and Simmons, CC.,
concur.

Dippell, Senior Regulatory Law Judge