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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 2nd
day of March, 1983.

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CASE NO. TR-83-253

In the matter of the filing by
Southwestern Bell Telephone Company
of new intrastate tariffs, rates,
tolls and charges applicable to
intrastate telecommunication
services furnished within the State
of Missouri.

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CASE NO. TO-83-222

In the matter of the investigation
into the implementation by
Southwestern Bell Telephone Company
of Computer Inquiry II and the
Modified Final Judgment.

SUSPENSION ORDER AND NOTICE OF PROCEEDINGS,
ORDER OF CONSOLIDATION AND GRANTING INTERVENTION

On February 1, 1983, Southwestern Bell Telephone Company filed proposed tariffs designed to restructure the telecommunications services furnished by Southwestern Bell in accordance with the requirements of the Modified Final Judgment of the United States District Court for the District of Columbia in Civil Action No. 82-0192 (hereinafter, MFJ), and the decisions of the Federal Communications Commission in Computer Inquiry II (FCC Docket 20,828), and designed to increase Missouri jurisdictional gross annual revenues by approximately \$254,800,000. The proposed tariffs bore a requested effective date of March 3, 1983. In an accompanying application, Company requests that the tariffs become effective on January 1, 1984.

To allow sufficient time to study the effect of the proposed tariffs, and to determine if they are just, reasonable and in the interest of the public,

it is the opinion of the Commission that the proposed tariffs should be suspended for a period of one hundred twenty (120) days beyond March 3, 1983, the requested effective date, unless otherwise ordered by this Commission.

Inasmuch as the Commission is required by law to give the hearing and decision of rate increase cases preference over all other questions pending before it and to decide the same as speedily as possible, and since the burden of proof that the proposed rates are just and reasonable is upon the Company proposing same, the Commission is of the opinion that a hearing should be scheduled at which time the Company shall present its entire case in support of these proposed rates. To facilitate the hearing process in this matter, the Commission concludes that a schedule of proceedings should be established, and that all parties should be required to file prepared testimony and schedules in advance of the hearing, as hereinafter ordered.

The Commission is further of the opinion that the Secretary of the Commission should serve a copy of this Order upon the Mayor of each city, and the County Court of each county in the Company's service area. In addition, the Secretary shall send notice of this Order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the Newspaper Directory of the current Official Manual of the State of Missouri, and to the members of the General Assembly representing the Missouri area served by the Company.

Any city, county, or other proper entity desiring to intervene in this proceeding shall file its application to intervene within thirty (30) days following the date of this Order as provided by 4 CSR 240-2.110(14) and shall serve a copy of the application on the Company's Attorney, James E. Taylor, 100 North Tucker Blvd., Room 630, St. Louis, Missouri 63101.

The Commission is also of the opinion that the Company should give notice to its customers pursuant to 4 CSR 240-2.110(12) in the manner provided below.

In past cases before the Commission, parties have attempted to offer as rebuttal evidence, evidence which actually supplements their prefiled testimony and schedules and should have been filed therewith. Opposing parties have then claimed unfair surprise. The practice of prefilng testimony is designed to give parties notice, at the earliest reasonable opportunity, of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays in the proceedings caused by such allegations of unfair surprise at the hearing.

To avoid such disputes, the Commission is hereby defining "direct", "rebuttal" and "surrebuttal" testimony and schedules. Each party's "direct" testimony and schedules must include all testimony and schedules asserting and explaining that party's proposed adjustments to the Company's book figures, as well as all testimony and schedules asserting and supporting that party's proposed rate base, proposed rate of return, proposed rate design, and any other proposed changes in or additions to the Company's tariffs. The "direct" testimony and schedules must also include all testimony and schedules regarding issues concerning the quality of service being provided by the Company. Each party shall file its entire "direct" case in accordance with the deadlines established and all direct testimony and schedules shall be prefiled. Witnesses will not be permitted to supplement the prefiled direct case at the hearing.

"Rebuttal" testimony and schedules include testimony and schedules which explain why a party rejects or disagrees with adjustments to book figures proposed by another party, and testimony and schedules which explain why a party rejects or disagrees with the rate base, rate of return, rate design or any

other changes in or additions to the Company's tariffs proposed by another party. "Rebuttal" testimony and schedules also include testimony and schedules which are responsive to the testimony and schedules contained in any other party's direct case regarding the quality of service being provided by the Company. Rebuttal testimony and schedules on any issue in this case must be prefiled, and shall be served on all parties not less than two (2) days before the hearing of that issue before the Commission. Witnesses will not be permitted to supplement prefiled rebuttal testimony. The Commission will not countenance any effort to present a party's entire case as "rebuttal."

"Surrebuttal" testimony and schedules on any issue in this case must also be prefiled. "Surrebuttal" testimony and schedules must be limited to material which is responsive to matters raised in another party's "rebuttal" testimony and schedules, and are not to merely bolster or reiterate matters previously presented by direct or rebuttal testimony and schedules. Some surrebuttal testimony may be generated by the cross-examination of a witness in the hearing, and thus cannot be prefiled. However, parties will not be permitted to present surrebuttal testimony which was not prefiled if it could and should reasonably have been prefiled under the policy established in this Order.

Nothing herein, nor in any other order in this case, shall preclude a party from addressing, or having a reasonable opportunity to address, matters not previously disclosed and arising at the hearing. The Commission, in its discretion and for good cause shown, may waive strict application of these requirements.

At the early prehearing conference held in this case on February 15, 1983, the Commission was advised by the Company that some of the cost studies being performed by the Company in response to the requirements of the

Commission's Report and Order in Case No. TR-82-199 will not be completed and available for filing until early Summer of 1983. The deadline being established below for the filing of the Company's rate design direct testimony and schedules will apply to all cost studies which the Company can file therewith. A separate deadline of July 1, 1983, will be established for the filing of all remaining cost studies.

Also at the early prehearing conference, the Company advised the Commission that its proposed tariffs for inter-LATA (local access transport areas) access charges, and direct testimony and schedules in support of those tariffs, cannot be filed for a period of time after the Federal Communications Commission renders its final opinion and order on the subject of interstate inter-LATA access charges, because the Company believes that its proposed intrastate access charges should be consistent with the interstate access charges. The Commission will set a deadline below for the filing of the Company's direct testimony and schedules concerning intrastate inter-LATA access charges.

The Company also explained at the early prehearing conference its intention of filing supplemental testimony during the Summer of 1983, updating its test-year data in this case to reflect actual data for the twelve (12) months ending April 30, 1983. The Commission will establish a deadline for this supplemental filing below.

The Commission was also advised by the Company at the early prehearing conference that certain other tariffs, such as rate tariffs on behalf of the new (and as yet legally non-existent) AT&T interexchange organization (ATTIX), will have to be filed at a later date during the pendency of this case; and that other tariffs and/or testimony and schedules may be required to be filed during the pendency of the case depending upon developments in the MFJ proceedings in

the Federal Courts or actions by the Federal Communications Commission. The Commission recognizes the unique nature of this case, and will deal with the procedures for the filing of necessary additional tariffs and/or testimony and schedules as the need arises.

In light of the decision of the Missouri Court of Appeals in State ex rel. Fischer v. Public Service Commission, WD-33143 (Mo. Ct. App., Nov. 9, 1982), the Commission advises the parties that any stipulation and agreement which may be entered into by fewer than all parties in this case will be handled in the following manner unless otherwise ordered by the Commission:

1. Such a stipulation and agreement will be considered as a joint recommendation of those parties who are signatories thereto.
2. The case will go to hearing as with any contested proceeding before the Commission, and an opportunity will be afforded to all parties to call witnesses, subpoena witnesses, cross-examine witnesses, and provide documentary evidence and other information in accordance with Commission procedures, custom and practice. A Commission determination as to the desirability of oral argument or briefing will be made at the close of evidence, after the receipt of recommendations of the parties.
3. The Commission will then consider the case as fully submitted, and will reach its final decision in the case subject only to the usual motions for rehearing, other post-hearing motions, and the appeal process. In the event all or a portion of the joint recommendation is not accepted by the Commission, there will be no additional hearing as was the case under prior Commission procedures, custom and practice in connection with stipulations and agreements.

In order to follow-up with respect to prior Commission orders concerning Company, and receive certain information concerning Company, the Commission requests that certain issues as contained in ORDERED Sections below be included among those issues to be presented to the Commission for its consideration. The Commission understands that the parties may have information, questions and comments concerning these requests and the parties

should bring these to the attention of the Commission by motion or other appropriate means by the date set forth for motions for continuance.

The Commission understands that the schedule set forth herein may require adjustment for good cause shown at the request of one or more parties. For example, due to the number of Commission requests herein and the number and complexity of pending rate cases, the auditors and other rate case personnel of Staff, Public Counsel or intervenors may require additional time to properly prepare the case. It may be that the Company would seek additional time in the scheduling of this case in order to include updated rate base, expense or revenue information. These matters should be brought to the attention of the Commission by means of appropriate procedural motions within the time frame set forth herein.

Also at the early prehearing conference, Public Counsel suggested the possibility of trying the issues in this case in three (3) blocks (Traditional Issues; Divestiture issues; and Rate Design Issues), and establishing a different briefing schedule for each of these three (3) blocks of issues. The Commission will solicit the response of other parties to this case concerning this proposal below.

The Commission is of the opinion that the parties should also comment on the possibility of further subdividing this case, solely for purposes of procedural facility. For example, a subdivision of the case known as "TR-83-253-A" could have a separate case jacket and be the subdivision of this case dealing with intrastate inter-LATA access charges. All data requests and other discovery, and prefiled direct and rebuttal testimony, on intrastate inter-LATA access charge issues could be filed in that subdivision of the case. Those parties who had limited and specific interest in one or two major issues of the case would have less paper to manage and have easier access to those portions of

the official case papers dealing with the specific issues in which they are interested. Subdivisions of the case could include: Intrastate Inter-LATA Access Charges, Settlements, Traditional Issues, Divestiture Issues, Rate Design Issues, MFJ Implementation (Generic), Computer Inquiry II Implementation (Generic). Other subdivisions could be created during the course of the proceeding, as necessary.

Among the questions which should be addressed by the parties in commenting on this suggestion are: (1) Should intervenors be requested to designate which subdivisions of the case they want to receive filings in (e. g., should each subdivision have a separate mailing list so that an intervenor interested only in Rate Design or only in Settlements could receive the filings of other parties on those subdivided issues but would not receive the filings of other parties on other issues in the case)? (2) What are the reasonable subdivisions into which this case should be divided at the present time? (3) How easy would it be for the parties to separate out their data requests and prefiled testimony by subdivision? Would there be necessary overlaps, so that the same data request would need to be filed in more than one subdivision of the case? (4) Would this proposed procedural subdividing of the case make the filing of documents and the monitoring of issues by the Commission and the parties more efficient, or merely complicate and unduly burden the proceedings? An early deadline for responses to this proposal is established below.

In addition, the Commission will solicit the comments of parties and potential parties on this question: Are all Missouri independent telephone companies necessary parties to this proceeding? The Commission is seriously concerned that the proceedings in this case on the issues of intrastate inter-LATA access charges and settlements will have significant and direct impact on each independent telephone company operating within this State. In turn, those

companies may well find it necessary to file revised tariffs for their own operations before the end of this year reflecting the impact on their companies of MFJ implementation at January 1, 1984. The Commission must consider the possibility that the most orderly and just manner in which to assure that each independent telephone company has reasonable and adequate tariffs in effect at January 1, 1984, is to join each independent telephone company to this case as necessary parties. Each independent company will receive a copy of this Suspension Order, and the response of those companies and all other participants in this case is urgently invited on the subject.

In its Report and Order in Case No. TR-82-199, Re: Southwestern Bell Telephone Company (issued December 30, 1982), the Commission established Case No. TO-83-222 for the purpose of monitoring, and taking necessary action in relation to, Southwestern Bell's implementation of Computer Inquiry II and of the Modified Final Judgment. Case No. TO-83-222 is styled, "In the matter of the investigation into the implementation by Southwestern Bell Telephone Company of Computer Inquiry II and the Modified Final Judgment." The Commission determines that Case No. TO-83-222 should be consolidated with the instant case, since the two (2) cases are of necessity closely interrelated. The Commission believes that this consolidation will make the handling of both cases more efficient and will save unnecessary duplication of effort. If any matters are raised in Case No. TO-83-222 which exceed the reasonable limits of Case No. TR-83-253, separate dockets can be spun off to accommodate those matters.

When the parties file their comments on the Commission's suggestions concerning subdivision of the instant case, they are also invited to respond to the suggestion that Case No. TO-83-222 be closed as a separate docket, and that the subject matter of that case (MFJ and CI II Implementation) be treated as subdivisions of the rate case.

The Commission's General Counsel suggested at the early prehearing conference that the Staff may be proposing an alternative approach to that suggested by the Company in its application in this case for the "trueing-up" of test-year data. The Company has suggested a traditional true-up hearing in November of 1983 to update test-year data through September 30, 1983; and a further "true-up" proceeding in mid to late 1984 to reflect actual post-divestiture operating experience. The 1984 "true-up" proceeding would be similar to that which is to be conducted this year in Case No. TO-83-57 concerning this Company. The Commission determines that a deadline should be established for the filing of any proposed alternative "true-up" proceedings in this case, so that such alternative methods may be addressed by other parties and considered by the Commission at a relatively early time.

On February 22, 1983, the Office of the Public Counsel filed a "Request for Local Hearings," recommending that local public hearings be scheduled in this case at Kansas City, Sedalia, Springfield, Cape Girardeau, St. Louis, Mexico and Trenton. While local hearings have been held in several recent Southwestern Bell rate cases in each of these locations except Trenton and Mexico, Public Counsel believes that the unique nature of the instant case requires that the Commission take steps to enhance opportunities for ratepayer input. Public Counsel also requests that the Company be ordered to notify each customer of the proposed increase in this case, stated in terms of dollars and percentage, through bill inserts. On February 28, 1983, Southwestern Bell filed a Response to Public Counsel's request for local hearings suggesting, inter alia, that two (2) local public hearings be held in this case at each of the cities of Kansas City, St. Louis and Springfield, and that one (1) day be set aside during the formal hearings in Jefferson City to take testimony from the public. Southwestern Bell also requests that no public hearings be held

during the week immediately preceding the commencement of the prehearing conference. The Commission determines that local public hearings should be scheduled in this case. However, the specific dates and locations of the local hearings will be set by subsequent order.

In addition, the parties are invited to file comments with the Commission concerning the scheduling and format of local public hearings in this case. It has been suggested that one approach to local hearings in this case would be to notify customers that the first hour (or some other time period) of the hearing will be set aside for presentations by the parties of (1) what MFJ and Computer Inquiry II require, and (2) the parties' proposals in this case; and then that public testimony will be taken. The Commission urges interested parties to respond to that suggestion, and offer constructive alternative suggestions as to local hearing format, as well as comments as to the parties' opinion of the necessary or preferred number and location of local hearings in this case, including whether one hearing (rather than two) is sufficient in some or all locations.

On February 14, 1983, the Secretary of Defense of the United States, on behalf of the consumer interest of the United States Department of Defense and all Executive Agencies of the Federal Government (Federal Agencies), filed his petition for leave to intervene in this case. On February 25, 1983, Continental Telephone Company of Missouri, Eastern Missouri Telephone Company, Fidelity Telephone Company, and Missouri Telephone Company, filed applications for leave to intervene. On February 28, 1983, Citizens Telephone Company filed an application to intervene. The Commission determines that these parties should be granted leave to intervene, as ordered below.

It is, therefore,

ORDERED: 1. That all proposed tariff sheets submitted on

February 1, 1983, by Southwestern Bell Telephone Company for the purpose of restructuring telecommunication services provided to customers in its Missouri Service area and changing rates for such services be, and are hereby suspended for a period of one hundred twenty (120) days from March 3, 1983, to July 1, 1983, unless otherwise ordered by the Commission.

ORDERED: 2. That any proper entity desiring to intervene and participate herein shall, except for good cause shown, file its application to intervene and serve a copy of same upon the Company's Attorney on or before April 1, 1983.

ORDERED: 3. That unless otherwise ordered by the Commission or the Examiner, the Company shall file fifteen (15) copies of its prepared direct testimony and schedules on all issues other than rate design and inter-LATA access charges, and its minimum filing requirements, with the Secretary of the Commission, and shall serve two (2) copies of the same upon the Public Counsel and each party who has filed a timely and proper application to intervene, on or before April 8, 1983.

ORDERED: 4. That unless otherwise ordered by the Commission or the Examiner, the Company shall file fifteen (15) copies of its prepared direct testimony and schedules on all rate design issues (including all available cost studies) with the Secretary of the Commission, and shall serve two (2) copies of the same upon the Public Counsel and each party who has filed a timely and proper application to intervene, on or before April 29, 1983.

ORDERED: 5. That unless otherwise ordered by the Commission or the Examiner, the Company shall file fifteen (15) copies of its additional cost studies (not filed by April 29, 1983) with the Secretary of the Commission, and serve two (2) copies of the same upon the Public Counsel and each intervenor, on or before July 1, 1983.

ORDERED: 6. That unless ordered by the Commission or the Examiner, the Company shall file fifteen (15) copies of its prepared direct testimony and schedules concerning its proposed inter-LATA access charges with the Secretary of the Commission, and shall serve two (2) copies of the same upon the Public Counsel and each intervenor, on or before July 1, 1983.

ORDERED: 7. That unless otherwise ordered by the Commission or the Examiner, the Company shall file fifteen (15) copies of its supplemental direct testimony and schedules with the Secretary of the Commission, and shall serve two (2) copies of the same upon the Public Counsel and each intervenor, on or before July 15, 1983.

ORDERED: 8. That the Commission Staff and each intervenor shall file fifteen (15) copies of their prepared direct testimony and schedules with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon the Public Counsel and each other intervenor, on or before August 1, 1983, unless otherwise ordered by the Commission or the Examiner.

ORDERED: 9. That the Public Counsel shall file fifteen (15) copies of his prepared direct testimony and schedules with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon all other parties on or before August 8, 1983, unless otherwise ordered by the Commission or the Examiner.

ORDERED: 10. That all parties in this matter shall file rebuttal testimony and schedules, as defined herein, no less than three (3) days, and surrebuttal testimony and schedules no less than one (1) day, prior to the hearing before the Commission of the issue addressed by that rebuttal or surrebuttal evidence. Such testimony and schedules shall be filed with the Secretary of the Commission and served upon all parties in the quantities set forth for direct testimony and schedules.

ORDERED: 11. That a witness' testimony shall be designated as an "Exhibit" and any attachments to a witness' testimony shall be designated as "Schedules".

ORDERED: 12. That all direct, supplemental, rebuttal and surrebuttal testimony and other exhibits shall contain the following information in the upper right hand corner of a cover sheet:

Issue: (If known at time of filing)
Exhibit No.: (To be marked by hearing reporter)
Witness: _____
Sponsoring Party: _____
Type of Exhibit: (Specify whether direct, supplemental rebuttal testimony, or what other type of Exhibit)
Company: _____
Case No.: _____

ORDERED: 13. That the Company be, and is hereby, ordered to notify each affected customer of any hearing by either an imprint on a bill, or in a separate notice accompanying a billing, at least fifteen (15) days but not more than forty-five (45) days before the hearing set by this Order, unless otherwise ordered by the Commission. Such notice shall be submitted by Company to the Commission for approval at least fourteen (14) days before publication or distribution to any customers.

ORDERED: 14. That a prehearing conference in this matter be, and is hereby, scheduled to commence at 9:00 a.m., on August 15, 1983, in the Commission's hearing room on the tenth floor of the Jefferson State Office Building, Jefferson City, Missouri, and shall continue through August 26, 1983, as necessary.

ORDERED: 15. That the parties shall file a hearing memorandum setting out the issues to be heard, definitions of terms used in describing those issues, each party's position on those issues and quantification of the amount on each issue in dispute no later than 12:00 noon on Friday, August 26, 1983.

ORDERED: 16. That in the body of the hearing memorandum to be filed as set forth above, the parties shall cause to be included with respect to each issue, after a description of the parties' position, any applicable or possibly applicable prior order of this Commission pertaining thereto, including a brief statement of the Commission's finding or conclusion, and citations.

ORDERED: 17. That a party may be dismissed from this proceeding for failure of the party's attorney to appear and participate at the prehearing conference, unless excused in accordance with 4 CSR 240-2.090(4).

ORDERED: 18. That all parties shall be present at 10:00 a.m. on Monday, August 29, 1983, to mark schedules and to dispose of all preliminary hearing matters. All parties shall present their testimony, exhibits and witnesses for examination and cross-examination at a hearing commencing at 2:00 p.m., on August 29, 1983, and continuing through September 23, 1983, as necessary. Said hearing shall be held in the Commission's hearing room on the tenth floor of the Jefferson State Office Building, Jefferson City, Missouri.

ORDERED: 19. That any requests for a true-up audit or a true-up hearing in this matter shall be submitted to the Commission, in writing, prior to the conclusion of the prehearing conference.

ORDERED: 20. That since it is apparent that the investigation of these tariffs cannot be completed within 120 days, the tariffs are hereby further suspended for a period of six (6) months beyond July 1, 1983 to January 1, 1984, unless otherwise ordered by the Commission.

ORDERED: 21. That any motions for continuance or extensions of time of the proceedings or events established herein, or matters of information, questions or comment on the Commission requests contained herein, shall be filed on or before March 17, 1983.

ORDERED: 22. That motions for continuance and any other motions submitted in this case shall be accompanied by suggestions in support thereof. Other parties shall have five days to respond thereto, utilizing time calculations in the Missouri Supreme Court rules of civil procedure.

ORDERED: 23. That all counsel and parties to this proceeding shall review 4 CSR 240-4.020 and comply with its terms; shall communicate the meaning and importance of this Order to all personnel who counsel believes or reasonably should believe ought to be made aware of same; and all counsel shall immediately report to the Commission all future possible violations of any Commission rule by any party, including the party they represent.

ORDERED: 24. That Company shall, and other parties may, unless otherwise ordered by the Commission, undertake to provide evidence and argument sufficient for the Commission to determine:

A. The degree to which the Company has "efficient and economical management"; further, whether a Commission determination on this point should be utilized by the Commission in making its determination of the Company's authorized return on equity or rate base and, if so, how it should be so utilized; further, whether a Commission determination on this point should be utilized after its determination of Company's authorized return on equity or rate base as an adjustment thereto, and, if so, how it should be so utilized.

B. Whether the Company's employee levels and wage and salary related expenses are reasonable and, if not, what adjustment should be made thereto.

C. Whether the Company's costs of long-term and short-term debt, and equity, are reasonable and, if not, what adjustment should be made thereto.

D. Whether the test year utilized by Company in this case is reasonable. In the event that there exists any possibility that the proper test year will be an issue in this case, then the parties shall notify the Commission at the earliest possible date, but in no event later than ten days after the Company's filing date set forth above, and make suggestions as to how the Commission might resolve such issue soon thereafter, in order that there be an early determination of this issue by the Commission in order to possibly avoid the use of different test years by the parties in the evidentiary hearing in this case.

E. The reasonableness of the Company's allocation of plant, revenues and expenses among the Company's rate jurisdictions; among the Company's several regulated activities; and, further, between the Company's regulated and unregulated activities, if any.

F. If the Company includes in its test year expenses any amount for advertising expense, particularly for goodwill advertising, then its effect and its benefit to the ratepayers (through the use of expert testimony. See Report and Order in P.S.C. Case No. ER-82-52, Re: Union Electric Company, decided July 2, 1982).

G. Whether the Company has paid amounts to Western Electric Company in excess of reasonable amounts for products and services and, if so, whether any adjustment should be made.

H. Whether the Company's expenses associated with Missouri intrastate rate case proceedings are reasonable, including (a) fees paid to outside consultants; (b) expenses associated with

the participation of in-house Company personnel in rate proceedings, including the proportional amount of salaries or wages paid to such employees during their preparation for and participation in the proceedings; and (c) miscellaneous costs.

I. Whether the Company's total cost of capital should be adjusted to account for varying return requirements of the Company's different lines of business and its Missouri intrastate rate base.

J. The reasonableness of the Company's proposed ratemaking treatment of asset valuation, asset transfer, and leasing arrangements, occurring as a result of the requirements of MFJ.

K. The reasonableness of the Company's participation in the Central Staff Organization (CSO), and of its expenses related thereto.

L. The reasonableness of the Company's proposed level of jurisdictional operating expenses and jurisdictional rate base after divestiture.

ORDERED: 25: That the Staff shall respond to the evidence filed by the Company or other parties addressing the issues delineated in ORDERED: 24 above, in Staff's direct and/or rebuttal testimony and schedules, to the fullest extent permitted by Staff's resources; and shall file testimony stating and explaining its inability to audit or address any of such issues by reason of lack of manpower or other resources or for any other cause, and stating whether it has any reason to doubt the reasonableness of the Company's evidence on any such issue which Staff is unable to fully audit or address.

ORDERED: 26. That any Stipulation and Agreement submitted in this case shall conform to the requirements stated herein unless otherwise ordered by the Commission.

ORDERED: 27. That the Secretary of the Commission shall serve a copy of this Order and provide notice as described, supra, including sending a copy of this Order to each independent telephone company operating in this State.

ORDERED: 28. That Case No. TO-83-222 be, and is hereby, consolidated with Case No. TR-83-253, and that the Company shall file reports in Case No. TO-83-222 no less than monthly advising the Commission of the status of the Company's implementation of Computer Inquiry II and of MFJ.

ORDERED: 29. That the Secretary of Defense of the United States, on behalf of the consumer interest of the United States Department of Defense and all Executive Agencies of the Federal Government, (Federal Agencies), be, and is hereby, granted leave to intervene in this case.

ORDERED: 30. That Citizens Telephone Company, Continental Telephone Company of Missouri, Eastern Missouri Telephone Company, Fidelity Telephone Company, and Missouri Telephone Company be, and are hereby, granted leave to intervene in this case.

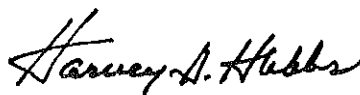
ORDERED: 31. That the Commission's Staff and any other party desiring to do so shall file fifteen (15) copies of its proposed alternative "true-up" procedures in this case with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon the Public Counsel and each intervenor, on or before April 18, 1983, unless otherwise ordered by the Commission or the Examiner.

ORDERED: 32. That any party desiring to do so shall file its response to Public Counsel's proposal for hearing and briefing the issues in this case in blocks of issues (Traditional Issues; Divestiture Issues; and Rate Design Issues), as discussed hereinabove, on or before March 18, 1983.

ORDERED: 33. That all interested parties are invited to file fifteen (15) copies of comments upon the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon the Public Counsel and each intervenor, on or before March 18, 1983, on the following matters: The suggestion that the case be subdivided into major areas or issues; the suggestion that independent telephone companies be joined as necessary parties to this case; the suggestion that Case No. TO-83-222 be closed, and its purposes carried out in subdivisions of the rate case itself; and scheduling and format for local public hearings.

ORDERED: 34. That this Order shall become effective on the date hereof.

BY THE COMMISSION



Harvey G. Hubbs
Secretary

(S E A L)

Shapleigh, Chm., Dority
and Musgrave, CC., Concur.
McCartney and Fraas, CC., Absent.