

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Southwestern Bell Telephone )	
Company, d/b/a SBC Missouri's Proposed Revised )	Case No. IT-2004-0015
Tariff Sheet Intended to Increase by Eight Percent )	Tariff No. JI-2003-2141
the Rates for Line Status Verification and Busy )	
Line Interrupt as Authorized by Section 392.245, )	
RSMo, the Price Cap Statute. )	

**SBC MISSOURI'S RESPONSE TO STAFF'S  
PROPOSED PROCEDURAL SCHEDULE**

SBC Missouri,<sup>1</sup> respectfully opposes the procedural schedule Staff of the Missouri Public Service Commission ("Staff") filed on July 24, 2003.

In SBC Missouri's view, the price cap structure clearly entitles it to increase rates for non-basic services to the limited extent permitted by the statute. Under Section 392.245.11, tariffs implementing such rate changes are to be approved by the Commission within 30 days. All previous price cap filings by SBC Missouri have been approved within the 30 days as required by statute. The Commission's July 3, 2003 Order Suspending Tariff, however, pushed the approval of SBC Missouri's proposed tariff increases out 120 days. The Commission noted that "the cap for nonbasic services apparently may be increased by as much as eight percent annually regardless of general economic conditions," but nonetheless suspended the tariff on the theory that the legislature may not have "intended" to permit such increases. Because SBC Missouri will never recover the revenues foregone during the suspension period, and because this is a matter which warrants prompt judicial review, the Commission should resolve this case quickly.

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<sup>1</sup> Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, will be referred to in this pleading as "SBC" or "SBC Missouri."

If compelling reasons existed to justify such a protracted suspension, SBC Missouri would consider agreeing to a more extended procedural schedule for this case. But such circumstances do not exist here. The analysis Staff claims it needs to perform for this case can be done within the procedural schedule that SBC Missouri, Office of the Public Counsel, Spectra, CenturyTel and Sprint have proposed. By joining in this proposed schedule, OPC, which will likely perform the same type of economic analysis as Staff contemplates, believes it can complete its work within this timeframe. There is no reason that Staff cannot do the same. While Staff's proposed procedural schedule implies that it needs to review SBC Missouri's direct testimony before conducting discovery, that is not the case. All of the items cited by Staff (i.e., history of the tariffed rates, comparison with rates charged by other carriers in Missouri, examination of costs of providing the service, and examination of general economic conditions) can be addressed now and will not be addressed in SBC Missouri's Direct Testimony. As SBC Missouri advised Staff, its direct testimony will simply explain the tariffed services and why the tariff must be approved under the statute. SBC Missouri does not have the burden, and does not intend to prove, that the legislature really "intended," despite the clear statutory directive, to give the Commission the authority to reject an otherwise lawful tariff on the basis of a change in "general economic conditions."

Since the Commission determined SBC Missouri was subject to price cap regulation in 1997, rates for exchange access and basic local service (which comprise the majority of SBC Missouri's regulated revenue) have decreased. Basic local service rates are lower than they were in 1984. SBC Missouri has not increased the rates for all of its non-basic services by 8% every year. Moreover, SBC Missouri has offered numerous promotions and bundled services which have maintained or reduced price levels for many consumers. The order superceding these two

tariffs is at odds with the statute and the prior action of the Commission approving price cap adjustments. The Commission should resolve this case quickly, with no further suspensions, in order to permit judicial review as quickly as possible. Accordingly, the procedural schedule proposed by Staff should be rejected.

WHEREFORE, SBC Missouri respectfully requests the Commission to reject the proposed procedural schedule submitted by Staff. Instead, the Commission should adopt the procedural schedule proposed by SBC Missouri, OPC, Spectra Communications Group, L.L.C., CenturyTel of Missouri, L.L.C., and Sprint Missouri, Inc.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE, L.P.

BY \_\_\_\_\_

PAUL G. LANE #27011

LEO J. BUB #34326

ANTHONY K. CONROY #35199

MIMI B. MACDONALD #37606

Attorneys for Southwestern Bell Telephone, L.P.

d/b/a SBC Missouri

One SBC Center, Room 3520

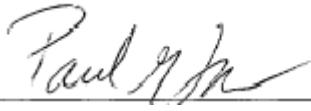
St. Louis, Missouri 63101

314-235-4300 (Telephone)/314-247-0014 (Fax)

[paul.lane@sbc.com](mailto:paul.lane@sbc.com) (E-Mail)

**CERTIFICATE OF SERVICE**

Copies of this document were served on the following parties by e-mail on July 25, 2003.

BY:   
Paul G. Lane

DAVID MEYER  
MISSOURI PUBLIC SERVICE COMMISSION  
PO BOX 360  
JEFFERSON CITY, MO 65102

MICHAEL F. DANDINO  
OFFICE OF THE PUBLIC COUNSEL  
PO BOX 7800  
JEFFERSON CITY, MO 65102

JAMES M. FISCHER  
LARRY W. DORITY  
FISCHER & DORITY, P.C.  
101 MADISON, SUITE 400  
JEFFERSON CITY, MO 65101

LISA CREIGHTON HENDRICKS  
SPRINT  
6540 SPRINT PARKWAY  
MS: KSOPHN0212-2A253  
OVERLAND PARK, KS 66251