

CURTIS, BAMBURG, OETTING, BRACKMAN & CROSSEN, P.C.
ATTORNEYS AT LAW

130 SOUTH BERMISTON, SUITE 200
ST. LOUIS, MISSOURI 63105
(314) 725-8788

THOMAS B. CURTIS
HAROLD B. BAMBURG
WILLIAM J. OETTING
PAUL BRACKMAN
DAVID F. CROSSEN
CHARLES M. SCHMIDT
LELAND B. CURTIS
KENNETH J. HEINZ
DAVID P. OETTING
STEVEN W. GARRETT

DAVID V. COLLIGNON
THOMAS G. BRACKMAN
RANDALL F. SCHERCK
ROBERT A. HUTTON, JR.
CARL J. LUMLEY

CARL V. EIMBECK
WILLIAM STIX
HAROLD P. HEITMANN
THOMAS E. ALLEN
OF COUNSEL
ALSO LICENSED IN ILLINOIS

June 30, 1987

FILED

JUL - 2 1987

PUBLIC SERVICE COMMISSION

Harvey G. Hubbs, Secretary
Missouri Public Service Commission
Truman State Office Building - 5th Floor
301 West High Street
Jefferson City, Missouri 65102

Re: Case No. TR-87-168

In the matter of the investigation of the
revenue effects upon Continental Telephone
Company of Missouri and Contel System of
Missouri, Inc. of the Tax Reform Act of 1986.

Case No. AO-87-48

In the matter of the investigation of the
revenue effects upon Missouri utilities of
the Tax Reform Act of 1986.

Dear Mr. Hubbs:

As a party-intervenor in the above-referenced docket, MCI wishes to bring certain matters to the Commission's attention before this particular "sub-docket" is closed.


MCI intervened in this docket because access charges paid to the local exchange telephone companies (LECs) are approximately 50% of MCI's cost of providing service and if the LEC's were to make any rate reductions due to the revenue effects of the Tax Reform Act of 1986, MCI wanted to ensure that such rate reductions would be made uniformly or "across the board" as to the existing and approved rate design structure. In this regard, MCI had indicted that it was primarily interested in the sub-dockets involving AT&T, Southwestern Bell, United, and Continental and again, only to ensure that reductions would be made evenly across approved rate design categories.

MCI participated in discussions with Staff, AT&T and Public Counsel leading up to the AT&T Stipulation which resulted in rate reductions which MCI believes fairly reflected all categories of service. MCI has been similarly involved in discussions with Staff, Southwestern Bell and Public Counsel regarding Southwestern Bell's sub-docket.

MCI was, therefore, surprised to learn on June 15 that Staff and Public Counsel had entered into a stipulation with Continental Telephone Company on June 11, which was filed with the Commission on June 12, 1987 with neither notice nor any opportunity for MCI to be heard. A post-facto review of the Continental Stipulation reveals that Continental's rate reductions were not made uniformly across existing rate categories. The Commission issued its order approving the Stipulation on June 23, 1987 and ordered Continental to file tariffs to be effective July 1, 1987. MCI is concerned that the procedures employed by the parties and the Commission in this sub-docket raise serious evidentiary and due process concerns (See State ex rel. Fischer v. PSC, 670 S.W. 2d 24 (Mo. App. 1984)). While MCI has determined not to raise such matters formally through the filing of a Motion for Rehearing in this particular sub-docket, MCI does wish to remind the Commission and all parties of its continuing interest in the AO-87-48 sub-dockets involving Southwestern Bell and United.

Thank you for bringing this letter to the Commission's attention and including it in the Commission's case papers.

Very truly yours,


Leland B. Curtis

LBC/mk

cc: Hearing Examiner Martha Hogarty
William Harrelson
Steven Dottheim
Douglas Walther
D.D. Dupree
Joseph Cowin
W.R. England, III
Joni K. Ott
C.K. Casteel, Jr.