

FILED

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PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Southwestern)	
Bell Telephone Company for authority)	
to file tariffs reflecting credits)	Case No. TR-88-23
to local service access lines and)	
life-line tariffs for telephone)	
service provided to customers in the)	
Missouri services area of the Company.)	
In the matter of the investigation of)	
the revenue affects upon Missouri)	Case No. AO-87-48
utilities of the Tax Reform Act of 1986.))	

MOTION FOR CLARIFICATION

Comes now Continental Telephone Company of Missouri, Contel System of Missouri, Inc. and Webster County Telephone Company (hereinafter collectively referred to as "Contel") and for their Motion for Clarification of the Public Service Commission of Missouri's (Commission's) order dated August 28, 1987, in the above-referenced matters state:

1. The Commission, among other things, approved a Stipulation and Agreement entered into by and between Southwestern Bell Telephone Company (SWB) and the Staff of the Public Service Commission of Missouri (Staff) concerning the manner in which the impact of the Federal Tax Reform Act of 1986 (TRA) would be reflected in the operations of SWB.

2. Paragraph 6 of the Stipulation and Agreement states:

That effective October 1, 1987, Southwestern Bell shall absorb the revenue loss resulting from the implementation of the Commission's Extended Measured

Service experiment, which has a revenue requirement effect of \$1,300,000;

3. In the Commission's May 14, 1987, Order of Clarification and Denial of Petition for Rehearing (hereinafter "Order of Clarification") in Case No. TO-86-8, The Investigation into all Issues Concerning the Provision of Extended Area Service (EAS), the Commission stated that experimental EMS should be classified as toll for separations purposes and that "costs, investment and revenues arising from experimental EMS should be absorbed by the intraLATA toll pool and reflected in the system which replaces the pool." (Page 6, Order of Clarification). (Emphasis added.)

4. Although the Commission has approved paragraph 6 of the Stipulation and Agreement stating that SWB shall absorb the revenue loss associated with the implementation of the EMS experiment, the Commission failed to explain how such approval affects or modifies the Commission's prior determination that "costs, investment and revenues" shall be assigned to the intraLATA toll pool (the Pool).

5. The effect of the Commission's May 14, 1987, decision that "revenues arising from experimental EMS" be absorbed by the Pool is that telephone companies participating in specific EMS routes remit "adjusted" toll revenues to the Pool (i.e. "rated" toll less fifty percent) from the EMS routes. This permits the revenue loss experienced by a telephone company participating in

an EMS route to be borne by all telephone companies in the toll pool and not by any one individual company.

6. Insofar as SWB has now agreed to "absorb the revenue loss" associated with experimental EMS, it would logically follow that SWB will remit "rated" toll revenues to the toll pool from those routes where EMS has been established. To do otherwise would put SWB in no different position than any other telephone company participating in the EMS experiment and render SWB's agreement to "absorb the revenue loss" meaningless. Indeed, if SWB is permitted to remit adjusted toll revenue to the pool then SWB is not absorbing the associated revenue loss but passing that loss on to the Pool.

7. Contel therefore requests that the Commission clarify its August 28, 1987, order to reflect the fact that SWB, as a result of its Stipulation and Agreement in the instant case, be required to remit rated toll revenue to the Pool that is associated with the EMS routes in which SWB is the originating local exchange.

WHEREFORE, Contel requests that the Commission issue a clarification of its August 28, 1987 Order, stating that, inasmuch as SWB has agreed to absorb the revenue loss associated with experimental EMS, SWB is therefore required to remit rated toll revenue associated therewith to the toll Pool.

Respectfully submitted,

PCB

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Certificate of Service

I hereby certify that on this 31st day of September, 1987,
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