

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 1st
day of October, 1982.

Case No. TR-82-199

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

ORDER

The decision of the Federal Communications Commission (FCC) in its Second Computer Inquiry (Computer Inquiry II) [FCC Docket 20828, final decision, 77 F.C.C.2d 384 (1980)], is to become effective January 1, 1983. Unless stayed by the FCC or an appropriate appellate court, it has been alleged that the implementation of Computer Inquiry II on that date will affect Southwestern Bell Telephone Company in at least the following respects: (a) Southwestern Bell will no longer offer new customer premises equipment (CPE); (b) new CPE business services will probably be installed and maintained by Southwestern Bell for American Bell, Incorporated (ABI) for the period January 1, 1983 to June 30, 1984; (c) personnel, equipment and leases presently used by Southwestern Bell in the provision of utility services and related activities will be transferred to ABI. The number of Missouri employees to be assigned to ABI has been estimated at 554.

The Commission is concerned by the possibility that Computer Inquiry II may become effective within a few weeks before or after the new rates sought by Southwestern Bell Telephone Company in the instant case, or any part thereof, become effective. The rates may then be too low or too high. Both Mr. Lorenz, counsel for Bell, and Staff witness Schallenberg, have referred to the possibility of

a revenue requirement reduction. While several parties and witnesses have characterized the instant case as a "business as usual" case, the implementation of Computer Inquiry II clearly is not "business as usual," as the Commission understands that term.

Therefore, the Commission will direct the parties in this case to orally address, before the Commission, the understanding of each party concerning the impact of the implementation of Computer Inquiry II upon the rates to be established in the instant case. The parties should give particular care to addressing the question of whether rates based upon the test year in this case would or should be affected as of the implementation of Computer Inquiry II, due to transfers of Southwestern Bell employees to ABI, detariffing of certain CPE, embedded CPE phase-out, and/or other changes in Southwestern Bell's rate base, for example; and whether any adjustments accounting for such eventualities have been, or could be, proposed by any party herein. If a party does not believe that the potential impact should be addressed in this case, (TR-82-199), then that party should state how it proposes that the Commission address that impact, i.e., through TO-83-57 (the "de-tariffing docket"), a new docket, or otherwise. These matters should be addressed by counsel at the commencement of the hearing Thursday morning, October 7, 1982.

The Commission further determines that the hearing in this case should reconvene at 1:00 p.m. on Monday, October 4, 1982, rather than at 9:30 a.m., in order to allow the Commission to address other pressing matters on its agenda.

It is, therefore,

ORDERED: 1. That the parties to this case be, and are hereby, directed to orally address, through counsel, the impact of the implementation of Computer Inquiry II upon the rates to be set in this case, pursuant to the discussion hereinabove, at the commencement of the hearing on Thursday, October 7, 1982.

ORDERED: 2. That the starting time for the hearing in this case on Monday, October 4, 1982 shall be 1:00 p.m.

ORDERED: 3. That this Order shall become effective on the date hereof.

BY THE COMMISSION

Harvey G. Hubbs
Harvey G. Hubbs
Secretary

(S E A L)

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