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

In the Matter of the Investigation       )  
into the Earnings of Rock Port       )  
Telephone Company.                       )  
CASE NO. TR-98-349

**NOTICE OF CORRECTION**

The Commission issued its Order Establishing Case, Giving Notice, and Setting Intervention Period on March 2, 1998. The order stated that the Stipulation And Agreement was attached to the order as Attachment A, but this was inadvertently omitted from the order as issued. Please find a copy of the Stipulation And Agreement attached to this Notice of Correction.

BY THE COMMISSION

*Dale Hardy Roberts*

**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

(S E A L)

Dated at Jefferson City, Missouri,  
on this 6th day of March, 1998.

Bensavage, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED  
FEB 18 1998  
MISSOURI  
PUBLIC SERVICE COMMISSION

In the matter of the investigation into the )  
earnings of Rock Port Telephone ) Case No. TR-98-349  
Company. )

**STIPULATION AND AGREEMENT**

In May of 1997, the Staff of the Missouri Public Service Commission (Staff) began a per books review of the earnings of Rock Port Telephone Company (Company). Staff's audit was based upon the twelve (12) months ending December 31, 1996, updated for known and measurable changes occurring during 1997. Upon completion of its preliminary earnings analysis, the Staff began discussions with the Company. As a result of extensive negotiations, the signatories hereto stipulate and agree as follows:

1. The Company's gross intrastate revenues will be reduced by approximately \$171,028 on an annual basis. This overall reduction in revenues is to be accomplished as a result of changes in certain intrastate rates as more specifically set forth in Attachment A, which is attached hereto and incorporated herein by reference.

2. The Company will prepare draft tariff sheets incorporating the rate changes identified in Attachment A and provide such drafts to Staff no later than March 6, 1998.

3. Beginning January 1, 1998, the Company shall be authorized to accrue depreciation expense based on the depreciation rates set forth in Attachment B, which is attached hereto and incorporated herein by reference.

4. The approval of this Stipulation and Agreement in its entirety by the Commission will conclude Staff's per books earnings investigation of the Company upon which this settlement was based.

5. None of the signatories to this Stipulation and Agreement shall have been deemed to have approved or acquiesced in any ratemaking or procedural principle or any method of cost determination or cost allocation, or any service or payment standard and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding, except as otherwise expressly specified herein.

6. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in its entirety, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

7. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights to present testimony, to cross-examine witnesses, and to present oral argument and written briefs pursuant to Section 536.080.1 RSMo. 1994; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo. 1994; and their respective rights to judicial review pursuant to Section 386.510 RSMo. 1994.

8. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each Party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of the Staff's memorandum, a responsive memorandum which shall also be served on all Parties. All memoranda submitted by the Parties shall be considered privileged in the same manner as are settlement discussions

under the Commission's rules, shall be maintained on a confidential basis by all Parties, and shall not become a part of the record of this proceeding or bind or prejudice the Party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves this Stipulation and Agreement.

WHEREFORE, the signatories respectfully request that the Commission issue its order approving the terms of this Stipulation and Agreement and for such other orders as are reasonable in the circumstances.

Respectfully submitted,

*Cynthia R. Bryant* <sup>by PEP</sup>

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Attorneys for  
Rock Port Telephone Company

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following:

Michael Dandino  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

*Penny G Baker*

**Rock Port Telephone Company  
Rate Design Changes**

1. Customer Activity Charges \$ 4,736

Activity	Old Rate	New Rate
New Installation	\$4.00	\$10.00
Service Change Charge.	\$4.00	\$8.00
Reconnection	\$5.00	\$15.00

2. Introduce Directory Assistance Charge \$ 1,469

Charge will be \$0.45 per call with a two free call allowance for each customer each month. Language regarding exemptions for physically handicapped from Citizens Telephone Company tariff will be included in the Rock Port tariff.

3. Introduce new tariff for E911 trunks \$ 0

Rock Port will introduce a new section in its local tariff to specifically tariff the provision of trunks for E911 service. The portion of those trunks provided by Rock Port will be tarified at a rate of \$25.00 per month per trunk.

4. Modify local service rates \$ (1,824)

Local service rates will be modified to include touch calling as a standard feature of basic local service. Rural differentials for basic local service will be eliminated. Rate changes are as follows:

Rate Element	Old Rate	New Rate
Business-Town-Rotary	\$6.90	\$7.90
Business-Rural-Touch Call	\$8.90	\$7.90
Residence-Town-Rotary	\$4.40	\$5.40
Residence-Rural-Rotary	\$4.90	\$5.40
Residence-Rural-Touch Call	\$5.90	\$5.40

Attachment A

5. Introduce local operator charges \$ 586

Rates for local operator charges will be added to the tariff as follows:

- a. Calling Card calls \$0.50
  - b. Operator assisted calls \$1.00
- (These include local collect, third number, and other operator assisted local calls.)

5. Billing and collecting rates \$ (8,743)

Rate Element	Old Rate	New Rate
Recording	\$0.0483	\$0.0250
Message Bill Service	\$0.7575	\$0.2016
Sample Message Data	\$0.0163	\$0.0023

6. Switched Access Rates: \$ (167,274)

The Carrier Common Line (CCL) intraLATA cap and intraLATA discounted CCL rates will be eliminated. CCL rates for interLATA and intraLATA will be brought into parity. Line Termination, End Office Switching, and Directory Surcharge rates will be combined into a single Local Switching Rate. The following switched access rates will be established:

Rate Element	Old Rate	New Rate
CCL - InterLATA Originating	\$0.02920	\$0.01004
CCL - InterLATA Terminating	\$0.05010	\$0.01466
CCL - IntraLATA Orig. Full	\$0.04780	\$0.01004
CCL - IntraLATA Term. Full	\$0.08190	\$0.01466
CCL - IntraLATA Orig. Disc.	\$0.03010	None
CCL - IntraLATA Term. Disc.	\$0.05160	None
Local Transport	\$0.01390	\$0.01390
Local Switching	None	\$0.01988
Directory Surcharge	\$0.000397	None
End Office Switch - LS1	\$	None
End Office Switch - LS2	\$0.01180	None
Line Termination	\$0.01490	None

Total Rate Design Changes \$ (171,050)

**Rock Port Telephone Company  
Depreciation Rates**

2112.000	Motor Vehicles	10.23%
2116.000	Other Work Equipment	6.71%
2121.000	Buildings	2.80%
2122.000	Furniture & Office Equipment	6.71%
2123.100	Office Support Equipment	9.70%
2123.200	Company Comm Equipment	11.55%
2124.000	Gen Purpose Computers	13.59%
2210.000	Central Office Switching	6.67%
2232.000	Circuit Equipment	10.30%
2321.000	Customer Premises Wiring	10.00%
2351.000	Public Tel Term Eq.	8.74%
2411.000	Poles	6.19%
2421.000	Aerial Cable	5.52%
2423.000	Buried Cable	3.68%
2431.000	Aerial Wire	14.17%

Attachment B