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

In the Matter of Southwestern Bell's)
tariff sheets designed to increase) CASE NO. TR-96-28
local and toll operator service rates.)

**CONCURRING OPINION OF COMMISSIONER HAROLD CRUMPTON
AND VICE CHAIR DRAINER**

We concur with the decision in TR-96-28 that Southwestern Bell Telephone Company's (SWBT) tariff sheets designed to increase local and toll operator services rates must be rejected. However, our decision to reject the tariffs is based only on the finding that SWBT, as a company that is currently subject to rate of return regulation in Missouri, is prohibited from raising its operator service rates, as this would permit single issue ratemaking. It is still the law in Missouri that the Commission must consider all relevant factors when determining a rate authorization. State ex rel. Office of Public Counsel v. Public Service Commission, 858 S.W.2d 806, 812 (Mo. App. 1993).

The settlement agreement of Case No. TC-93-224 does not prohibit SWBT from seeking an increase in its operator service rates. The language in the moratorium states **only** that there is "an agreement not to propose increases in basic local exchange rates." Although the settlement stated the following exceptions to proposed rate increases, "the introduction of new services or new features for existing services", it did not explicitly limit the exceptions to **only** these two types of services. Thus, outside of the prohibition against single issue ratemaking for companies,

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such as SWBT, that are currently subject to rate of return regulation, SWBT could propose increases in its operator service rates. Furthermore, the record is clear that competition does exist for these services in SWBT's Missouri service territory.

We recognize that with the passage of the federal Telecommunication Act of 1996 and the August 28, 1996 effective date for Missouri Senate Bill 507, SWBT may soon be one of the companies no longer under rate of return regulation. In the changed regulatory environment, when a company is no longer subject to rate of return regulation, the single issue ratemaking prohibition will no longer be applicable.

Respectfully submitted,


Harold Crumpton, Commissioner


Vice Chair Drainer

Dated at Jefferson City, Missouri, on
this 26th day of June, 1996.