STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 16th day of February, 1993.

In the matter of an incentive plan for Southwestern)

Bell Telephone Company.) Case No. TO-90-1

ORDER DENYING REHEARING

On January 12, 1993 the Commission issued an order denying a motion by Southwestern Bell Telephone Company (SWB) to approve the adoption of Financial Accounting Standard No. 106 (FAS 106) for its books of account and its cost of service effective January 1, 1993. On January 22, 1993 SWB filed a Motion For Rehearing requesting the Commission reconsider its denial and grant a hearing on the issue. On January 26, 1993, Midwest Independent Coin Payphone Association (MICPA) filed a response to SWB's motion for rehearing.

The Commission has considered SWB's motion and MICPA's response and finds there is insufficient reason to reconsider its January 12 order. The Commission considered SWB's motion and found that the proper place to litigate the issue of how to account for PBOPs (postretirement benefits other than pensions) is in either a complaint case or Case No. TO-93-192. Commission Staff has now filed a complaint case, TC-93-224, which will be heard simultaneously with TO-93-192 and the issue can be raised by SWB in either or both of those dockets. A decision will be issued in Case No. TO-93-192 and TC-93-224 prior to any refunding by SWB for 1993. This will give SWB sufficient opportunity to make any adjustments to its refund calculation which may result from those decisions.

IT IS THEREFORE ORDERED:

1. That Southwestern Bell Telephone Company's Motion For Rehearing be hereby denied.

2. That this order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart Executive Secretary

(SEAL)

McClure, Chm., Mueller, Perkins and Kincheloe, CC., concur. Rauch, C., absent.