

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 19th
day of October, 1994.

In the matter of an incentive plan for Southwestern)
Bell Telephone Company.) Case No. TO-90-1
)

ORDER APPROVING STIPULATION AND AGREEMENT

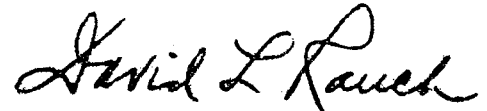
On August 31, 1994, Commission Staff, the Office of Public Counsel and Southwestern Bell Telephone Company (SWB) filed a Stipulation And Agreement (Stipulation) in this case which reflected an agreement among these three parties that SWB customers are entitled to certain one-time credits as a result of SWB's 1993 earnings levels. These credits are due pursuant to the terms of the extension for one year of the Incentive Regulation Plan approved by the Commission. The agreement reflects that customers will receive one-time credits totaling \$10 million as a settlement of all issues involving the 1993 earnings of SWB. The agreement was made contingent on the resolution of the appeals of Case No. TC-93-224. On October 5, 1994, the three parties filed a motion requesting the Commission issue an order by October 14, 1994, approving the Stipulation since no other party opposed the Stipulation.

The Commission has reviewed the Stipulation and the original positions of the parties and finds that the Stipulation is reasonable and should be approved. No party opposed the Stipulation. These one-time credits to customers reflect the earnings of SWB during 1993 as agreed to by the three signatory parties. 1993 is the last year of the plan and the issuance of these credits will conclude the experiment in alternative regulation.

IT IS THEREFORE ORDERED:

1. That the Stipulation And Agreement filed by Commission Staff, Office of Public Counsel and Southwestern Bell Telephone Company is hereby approved.
2. That Southwestern Bell Telephone Company shall issue one-time credits to customers of Ten Million Dollars (\$10,000,000) in accordance with the terms of the Incentive Regulation Plan and Stipulation And Agreement approved by the Commission in ordered paragraph 1.
3. That this docket will be closed on the effective date of this order.
4. That this order shall become effective on the 25th day of October, 1994.

BY THE COMMISSION



**David L. Rauch
Executive Secretary**

(S E A L)

Mueller, Chm., McClure, Perkins,
and Kincheloe, CC., concur.
Crumpton, C., not participating.