

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 8th
day of December, 1992.

In the matter of the application of Orchard
Farm Telephone Company for authority to
file, establish and put into effect
increased rates and charges for telephone
service.

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Case No. TR-93-153

SUSPENSION ORDER AND NOTICE OF PROCEEDINGS

On November 12, 1992, Orchard Farm Telephone Company (Company) submitted to this Commission tariffs reflecting increased rates for local exchange services provided to customers in the Missouri service area of the Company. The proposed tariffs bear a requested effective date of December 12, 1992. The proposed tariffs are designed to produce an increase of approximately 10 percent (\$84,000) in charges for local exchange service. Company filed its prefiled direct testimony with its proposed tariff.

To allow sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable and in the public interest, it is the opinion of the Commission that the proposed tariffs should be suspended for a period of one hundred fifty (150) days beyond the requested effective date, unless otherwise ordered by the Commission.

Inasmuch as the Commission is required by law to give the hearing and decision of rate increase cases preference over all other questions pending before it and to decide the same as speedily as possible, and since the burden of proof that the proposed rates are just and reasonable is upon the company proposing same, the Commission is of the opinion that a hearing should be scheduled at which time the Company shall present its entire case in support of these proposed rates. To facilitate the hearing process in this matter, the Commission concludes that a schedule of proceedings should be established, and that all parties should be required to file prepared testimony and schedules in advance of the hearing as hereinafter ordered.

Company has sent notice of the proposed tariffs to its customers as required by Section 392.230 RSMo Supp. 1991. The Commission is of the opinion that further notice should be given. The Records Department shall serve a copy of this order upon the mayor of each city and the county commission of each county in the Company's service area. In addition, the Information Officer shall send notice of this order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the newspaper directory of the current Official Manual of the State of Missouri, and to the members of the General Assembly representing the Missouri area served by the Company.

The Commission is also of the opinion that a public hearing should be held so that the customers may have an opportunity to be heard regarding the proposed increase in rates for local exchange services. The necessity of a public hearing is based upon the need for the Commission to determine if the rate increase is just, reasonable and in the public interest. After determining an appropriate location and time for the public hearing, the Commission will issue an order scheduling the local hearing.

Any city, county, or other proper entity desiring to intervene in this proceeding shall file its application to intervene on or before the date set in this order as provided by 4 CSR 240-2.110(12) and shall serve a copy of the application on the Company's attorney, W. R. England, III, Brydon, Swearngen & England, P.O. Box 456, Jefferson City, Missouri 65102-0956.

The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. The practice of prefiling testimony is designed to give parties notice, at the earliest reasonable opportunity, of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays in the proceedings caused by allegations of unfair surprise at the hearing.

Nothing herein, nor in any other order in this case, shall preclude a party from addressing, or having a reasonable opportunity to address, matters not previously disclosed and arising at the hearing. The Commission, in its dis

cretion and for good cause shown, may waive strict application of these requirements.

Since the instant case is subject to a statutory time limit, the Commission's general policy provides for the filing of the transcript within two (2) weeks after the conclusion of the hearing. If any party seeks to expedite the filing of the transcript, such a request shall be tendered, in writing, to the hearing examiner at least five (5) days prior to the date of hearing. The hearing examiner, in consultation with the chief hearing reporter, will determine whether the transcript can, and should, be expedited.

The Commission believes it is appropriate to limit the length of initial briefs to 100 pages and reply briefs to 50 pages unless otherwise ordered by the Commission or the hearing examiner. Please note that 4 CSR 240-2.080(7) now requires all pleadings, briefs and amendments to be filed on letter-sized paper.

The Commission is of the opinion that the Company should submit any requests for true-up by motion. The requests should include a proposed date to which the Company's financial data is to be brought forward as well as a proposed time for a true-up hearing. The Company's proposal should also specify a complete list of accounts or items of expense, revenues and rate base designed to prevent any improper mismatch in those areas. The Commission will not consider isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue/expense/rate base match at a proper point in time. *Re: Kansas City Power & Light Company*, 26 Mo. P.S.C. (N.S.) 104, 110 (1983). Any test year disputes shall also be raised by motion.

The Commission will schedule a prehearing conference in this case to allow the parties the opportunity to resolve substantive issues as well as to consider those matters described in 4 CSR 240-2.090(6). The parties shall also utilize the prehearing conference to eliminate those issues which can be resolved through updating of a party's case, clarification of misunderstandings, explanation of an issue's interrelationship with other issues, and correction of clerical or arithmetic errors if such issues have not been eliminated prior to the prehearing. Each party shall bring to the prehearing conference a list of contested

issues to be presented to the hearing examiner. These lists of contested issues are to be used to establish the scope of the settlement discussions that will be held during the prehearing conference. At the conclusion of the prehearing conference, the parties shall present an agreed-upon list of those issues still unresolved to the hearing examiner. These remaining unresolved issues are to be addressed by the parties in the hearing memorandum and will form the basis for the preparation of rebuttal testimony and the case reconciliation.

The Commission emphasizes the importance of the deadlines for filing the hearing memorandum and the case reconciliation. The Commission Staff will be responsible for preparing and filing the hearing memorandum and case reconciliation. Unless the Commission orders otherwise, the hearing memorandum and case reconciliation shall be filed on the dates set. Each party is expected to provide the Staff with its position on each unresolved issue in sufficient time for Staff to meet the established filing deadlines.

The Commission has determined that all prefiled testimony, briefs and reply briefs in this case shall be filed by 3:00 p.m. on the date they are scheduled to be filed.

Testimony and schedules shall not be filed under seal and treated as confidential unless a protective order has first been established by the Commission. The party which considers information to be confidential should request a protective order to ensure the information is treated as confidential. Any testimony or schedule filed without a protective order first being established shall be considered public information. The Commission has a form protective order which will be used in this proceeding.

On December 1, 1992, Office of Public Counsel (OPC) filed its motion for order suspending tariffs and granting hearing for the tariffs numbered 9300210 and also numbered 9300225 which are the subject of this case (TR-93-153). OPC's motion for order suspending tariffs and granting hearing herein is granted for tariffs numbered 9300225. OPC's motion for order suspending tariffs and granting hearing in tariffs numbered 9300210 shall not be granted as those tariffs were approved by a Commission order on November 24, 1992 and the Commission does not

find justification to reverse that decision.

IT IS THEREFORE ORDERED:

1. That all proposed tariff sheets submitted on November 12, 1992, by Orchard Farm Telephone Company for the purpose of increasing rates for local exchange service provided to customers in its Missouri service area be, and are hereby, suspended for a period of one hundred fifty (150) days from December 12, 1992, to May 11, 1993.

2. That any proper entity desiring to intervene and participate herein shall, except for good cause shown, file its application to intervene and serve a copy of same upon the Company's attorney on or before January 7, 1993.

3. That any disputes with regard to true-up or test year shall be raised by motion.

4. That the Commission Staff shall file fifteen (15) copies of its prepared direct testimony and schedules with the Executive Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon the Public Counsel and each intervenor, on or before February 19, 1993.

5. That the Public Counsel and each intervenor shall file twenty (20) copies of their prepared direct testimony and schedules with the Executive Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon each other party, on or before February 19, 1993.

6. That all parties in this matter shall file rebuttal testimony and schedules on or before March 3, 1993, and surrebuttal testimony and schedules on or before March 9, 1993. Such testimony and schedules shall be filed with the Executive Secretary of the Commission and served upon all parties in the quantities set forth for direct testimony and schedules above. Parties, except for Staff, shall file five (5) additional copies of their rebuttal and surrebuttal testimony with the Commission.

7. That testimony and any attachments to a witness's testimony shall be marked and filed only in the manner prescribed by 4 CSR 240-2.130(11).

8. That a prehearing conference in this matter be, and is, hereby scheduled to commence at 10:00 a.m. on February 25, 1993, and will continue

through February 26, 1993, as necessary. Said conference shall be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

9. That a party may be dismissed from this proceeding for failure of the party's attorney to appear and participate at the prehearing conference, unless excused in accordance with 4 CSR 240-2.090(5).

10. That the parties shall file a hearing memorandum setting out the issues to be heard and the witnesses to appear on each day of the hearing, definitions of terms used in describing those issues, each party's position on those issues and quantification of the amount on each issue in dispute no later than 5:00 p.m., March 5, 1993.

11. That the parties shall file on March 5, 1993 a reconciliation setting forth the total amount or values of each party's case as well as the individual contested amounts or values associated with each party's recommendation for expenses, revenues and rate base in conformance with the issues in the hearing memorandum. If necessary, the reconciliation may be amended or replaced during the proceedings to reflect any change in the issues or amounts in controversy.

12. That all parties shall present their testimony, schedules and witnesses for examination and cross-examination at a hearing commencing at 10:00 a.m. on March 11, 1993, and continuing through March 12, 1993, as necessary. Said hearing shall be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

13. That all counsel and parties to this proceeding shall review 4 CSR 240-4.020 and comply with its terms; shall communicate the meaning and importance of that rule to all personnel whom counsel believes or reasonably should believe ought to be made aware of same; and all counsel shall immediately report to the Commission all future possible violations of any Commission rule by any party, including the party they represent.

14. That requests for expedited transcripts or procedural determinations shall be made in the manner herein specified.

15. That initial briefs filed in this case shall be no longer than one hundred (100) pages and reply briefs shall be no longer than fifty (50) pages, unless otherwise ordered by the Commission or the hearing examiner.

16. That all prefiled testimony, briefs and reply briefs shall be filed by 3:00 p.m. on the scheduled filing date.

17. That prefiled testimony shall only be filed under seal pursuant to a protective order approved by the Commission.

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

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch,
Perkins and Kincheloe , CC., Concur.