

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY, MISSOURI

April 22, 1987

**CASE NO. AO-87-48**

Robert C. Johnson, Attorney, 720 Olive Street, 24th Floor, St. Louis, MO 63101  
J.B. Schnapp & Robin E. Fulton, Attorneys, 135 E. Main St., Fredericktown, MO 63645  
Robert Lehr, Attorney at Law, 1100 Main, Suite 1405, Kansas City, MO 64105  
Donald Johnstone, Drazen-Brubaker & Assoc., 605 Old Ballas Road., Suite 100, P.O. Box 12710,  
St. Louis, MO 63141  
Paul W. Phillips, U.S. Department of Energy, 1000 Independence Ave., S.W., Room  
6D-033, Washington, D.C. 20585  
Stuart Conrad, Attorney, 2600 Mutual Benefit Life Bldg., 2345 Grand Ave., Kansas City, MO 64108  
Paul Agathen, Attorney, Union Electric Company, P.O. Box 149, St. Louis, MO 63166  
Francis J. Hruby, Attorney, Anheuser-Busch, Inc., One Busch Place, St. Louis, MO 63118  
Steven L. Kitchen, Vice President-Finance, The Kansas Power & Light Co., 818 Kansas  
Ave., P.O. Box 889, Topeka, KS 66601  
Joseph P. Cowen, Sr. Attorney, United Telephone Company of Missouri, 6666 West 110th  
Street, Overland Park, KS 66211  
H. Edward Skinner, Ivester, Henry, Skinner & Camp, 212 Center Street, Suite 900,  
Little Rock, AR 72201  
Gary W. Duffy, W.R. England, James Swearengen, Attorneys, PO Box 456, Jefferson City, MO 65102  
J.E. Harrison, Asst. Treasurer, Missouri-American Water Co., 2707 Pembroke Lane,  
St. Joseph, MO 64505  
John Eckert, Vice President, Consolidated Water Services, Inc., 1000 N. Madison, P.O.  
Box 329, Greenwood, IN 46142  
L.D. Abbott, Vice President-Revenue Requirements, General Telephone Company of the  
Midwest, 11 Eleventh Ave., Grinnell, IA 50112  
Ernest Jones, U.S. Department of Energy, FCM Division, P. O. Box 5400,  
Albuquerque, NM 87115  
Michael A. Meyer, Attorney, Southwestern Bell Telephone Co., 100 N. Tucker Blvd.,  
St. Louis, MO 63101  
R.C. Jaudes, Exec. V.P.-Finance, Laclede Gas Co., 720 Olive, St. Louis, MO 63101  
Richard T. Ciottone, Vice President and General Counsel, St. Louis County Water Co.,  
535 N. New Ballas Road, St. Louis, MO 63141  
Bob Perkins, Vice President, Tel Central of Jefferson City, 130 E. High Street,  
Jefferson City, MO 65101  
Richard W. French, First Asst. Public Counsel, P.O. Box 7800, Jefferson City, MO 65102  
Gerald Hill, Dir. Rates, General Waterworks Management & Service Co., 950 Havenford  
Road, Bryn Mawr, PA 19010  
Gerald McNeive Jr., Assoc. Gen. Counsel, Laclede Gas Co., 720 Olive St., St. Louis,  
MO 63101  
E.L. McKenzie, Secretary, Associated Natural Gas Co., P.O. Box 628, Blytheville, AR 72316  
Regulatory Relations, AT&T, 101 Madison Street, Jefferson City, MO 65101  
Leland B. Curtis and Carl J. Lumley, Attorneys, 130 S. Bemiston, Suite 200,  
Clayton, MO 63105  
C. K. Casteel, Jr., Senior Attorney, MCI Telecommunications Corporation,  
One Centerre Plaza, Suite 1500, St. Louis, MO 63101  
Enclosed find certified copy of ORDER in the above-numbered case.

Sincerely,

*Harvey G. Hubbs*

Harvey G. Hubbs  
Secretary

**uncertified:**

John Low, Manager, West Fork Project, ASARCO, Inc., P.O. Box 116, Bunker, MO 63629  
Richard Wrench, Treasurer, Great River Gas Co., P.O. Box 967, Keokuk, IA 52632  
Timothy M. Rush, Mgr., Rates & Market Research, St. Joseph Light & Power Co., 520  
Francis Street, St. Joseph, MO 64502  
Jack Krokroskia, Vice President of Mining, Doe Run Co., Box 500, Viburnum, MO 65566

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 22nd  
day of April, 1987.

CASE NO. AO-87-48

In the matter of the investigation of  
the revenue effects upon Missouri  
utilities of the Tax Reform Act of  
1986.

---

ORDER

On January 23, 1987, the Office of the Public Counsel filed a motion requesting the Commission to issue an order to unseal and make public the reports and comments filed under seal in this docket by Kansas City Power & Light Company (KCPL), Southwestern Bell Telephone Company (SWB) and AT&T Communications of the Southwest, Inc. (AT&T).

On February 2, 1987, SWB filed its response, stating that it would file its February 28, 1987 filing (subsequently extended to March 2, 1987 and hereinafter referred to as the March 2, filing) in a format to enable it to be made public and would resubmit its December 15, 1986 filing in a form that would meet the Office of the Public Counsel's concerns.

By letter dated February 3, 1986, the Office of the Public Counsel requested the Commission to hold its motion in abeyance with respect to SWB pending receipt and review of the March 2 filing.

By letter filed February 9, 1987, KCPL withdrew its assertion of confidentiality and requested the Commission to unseal all parts of its December 15, 1986 report except for Schedules 6 and 7 which contained financial projections claimed to be confidential.

By letter filed February 10, 1987, the Office of the Public Counsel (OPC) withdrew its motion to unseal with respect to KCPL. Subsequently, by letter filed March 27, 1987, the OPC notified the Commission that upon review of SWB's March 2 filing, the OPC had withdrawn its motion to unseal with respect to SWB. The OPC noted that its motion is still pending with respect to AT&T's filing.

In support of its motion to unseal, OPC states that in filing the requested data under seal in its entirety, AT&T is guilty of overreaching since most of what was filed can in no way be described as confidential or proprietary.

AT&T's response to OPC's motion to unseal, was filed on January 2, 1987. AT&T states that public disclosure of the reported information would be unreasonable and patently unfair, since none of AT&T's interLATA competitors make public the type of information that has been requested in this docket and that it should not be required to make public such information for its competitors' unfettered use.

As pointed out by OPC in its motion, the Commission pursuant to Section 386.480, RSMo 1986, is the ultimate arbiter of what information may be kept under seal and what information should be open to public inspection. Although many of OPC's arguments have merit, the Commission believes that because of AT&T's competitive position in the interLATA interexchange market, it should not be compelled to unseal the information at this time. The Commission notes that this order grants the application to intervene in this matter filed by AT&T's competitor, MCI. If upon the conclusion of pending discussions regarding voluntary rate reductions, AT&T's rates become a contested matter before the Commission, the Commission will entertain requests to require AT&T to justify continued confidential treatment of each and every part of the information filed under seal herein.

Applications to intervene in this docket have been filed by the Department of Energy (DOE), Midwest Gas Users Association and Armco, Inc., and MCI Telecommunications Corporation (MCI).

Having reviewed the applications, the Commission determines that they should be granted.

On February 27, 1987, Arkansas Power & Light Company filed its "Motion For Rehearing, or in the Alternative For Extension of Time" requesting the Commission to reconsider its order of February 9, 1987, denying APL's request for waiver from the filing requirements for the 1986 calendar year data or in the alternative grant APL permission to modify the June, 1986 data to reflect an annualized revenue level and the single coincident peak jurisdictional allocation. If neither of the above alternatives is acceptable, APL requests the Commission to extend the time for filing the data from March 2, 1987 to April 24, 1987. Staff in its reply comments filed March 19, 1987, reiterates its position that APL should make its filing based upon the 1986 operating results with a one CP allocator.

Having reviewed APL's motion and Staff's response thereto, the Commission determines at APL should file the information as requested by Staff on or before April 24, 1987.

On March 2, 1987, AT&T filed a motion to be excluded from this docket on the ground that its rate reduction of approximately \$3.3 million implemented January 14, 1987, includes a voluntary flow-through of approximately \$618,000 in revenue requirement tax savings to reflect the 1987 impact of the Tax Reform Act. Staff in its reply comments filed March 19, 1987 opposes AT&T's request. Staff states that without additional information respecting the \$618,000 figure, Staff cannot comment whether the reduction represents the full effect of the Tax Reform Act. Staff states that by agreeing to the \$3 million rate reduction, Staff did not agree that any part of the rate reduction was related to the Tax Reform Act.

Having reviewed AT&T's request to be excluded from this docket and Staff's response thereto, the Commission concludes that AT&T's request should be denied.

On March 2, 1987, Union Electric Company requested the Commission to take administrative notice in this case of the Company's February 26, 1987 filing of its

direct testimony, schedules and minimum filing requirements in its pending rate case and that such filing be accepted as the Company's response for its gas business to the Commission's order in this case of January 30, 1987.

The Commission having reviewed UE's motion to take administrative notice, concludes that it is reasonable and should be granted.

The majority of utilities subject to the reporting requirements of this docket, filed their 1986 data and comments in response to the Commission's January 30, 1987 order. The comments expressed general opposition to a procedure whereby the Commission would require all companies within its jurisdiction to file a tariff or schedule, superceding all other filed tariffs and schedules, which would indicate that all tariff rates and charges in effect as of July 1, 1987 are interim and subject to refund.

Staff in its reply comments filed March 19, 1987, concurs with the conclusion reached by the utilities that pursuing such a course of action poses serious legal problems and should not be pursued.

Having reviewed all of the comments, the Commission concludes that Staff should continue to proceed with informal meetings as scheduled and, if no voluntary rate reduction is forthcoming, Staff should consider the filing of complaints on a company-by-company basis.

It is, therefore,

ORDERED: 1. That the motion to unseal and make public reports of AT&T, filed by the Office of the Public Counsel on January 23, 1987, be, and it is, hereby denied.

ORDERED: 2. That the applications to intervene in this matter filed by Department of Energy, MCI Telecommunications Corporation, Midwest Gas Users Association and Armco, Inc., be, and they are, hereby granted.

ORDERED: 3. That Arkansas Power & Light Company be, and it is, hereby granted an extension of time to April 24, 1987, to file its 1986 operating results as described above.

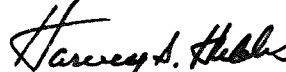
ORDERED: 4. That AT&T Communications of the Southwest, Inc.'s motion to be excluded from this docket be, and it is, hereby denied.

ORDERED: 5. That the Union Electric Company's motion to take administrative notice filed herein on March 2, 1987, be, and it is, hereby granted.

ORDERED: 6. That Staff shall continue its informal discussions with the utilities affected by this docket and attempt to negotiate voluntary rate reductions.

ORDERED: 7. That this Order shall become effective on the date hereof.

BY THE COMMISSION

  
Harvey G. Hubbs  
Secretary

(S E A L)

Steinmeier, Chm., Musgrave, Mueller,  
Hendren and Fischer, CC., Concur.

Hogerty - Buchta

CASE NO. AO-87-48

WDS p.2,3,4

Chairman

C. G. M.

Commissioner

A. G. M.

Commissioner

CRBIA

Commissioner

J. M. Z.

Commissioner

~~scribble~~ A.A. C. 4-21-87  
Agenda 4-22-87  
Issue date - 4-22-87

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission at Jefferson City, this 22nd day of April, 1987.

Harvey G. Hubbs

Harvey G. Hubbs

Secretary