

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY**

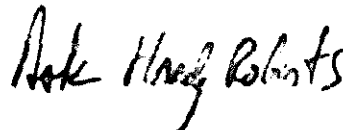
**January 27, 1998**

**CASE NO: TO-94-184**

**Paul G. Lane, Diana J. Harter, Leo J. Bub, Attorneys at Law, Southwestern Bell Telephone Company, One Bell Center, Room 3520, St. Louis, MO 63101-1976**  
**Mark W. Comley, Newman, Comley & Ruth, 205 E. Capitol Ave., P.O. Box 537, Jefferson City, MO 65102-0537**  
**James C. Stroo and William D. Kolb, GTE Midwest Inc., 1000 GTE Dr., Wentzville, MO 63385**  
**Jeremiah Nixon, Attorney General, and Mark E. Long, Assistant Attorney General, Supreme Court Bldg., 221 W. High St., P.O. Box 899, Jefferson City, MO 65102**  
**Carl J. Lumley and Leland B. Curtis, Curtis, Oetting, Heinz, Garrett & Soule, 130 S. Bemiston, Suite 200, St. Louis, MO 63105**  
**Stephen Morris, MCI Telecommunications Corporation, 701 Brazos, Suite 600, Austin, TX 78701**  
**Michael F. Dandino, Senior Public Counsel, Office of the Public Counsel, P.O. Box 7800, Jefferson City, MO 65102**

**Enclosed find certified copy of ORDER in the above-numbered case(s).**

**Sincerely,**



**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

**Uncertified Copy:**

**Gary Pace, World Communications, Inc., 11656 Lilburn Park Road, St. Louis, MO 63146**  
**W. R. England, III, Brydon, Swearingen & England, P.O. Box 456, 312 E. Capitol, Jefferson City, MO 65102**  
**Gloria Salinas, AT&T, 8911 Capital of Texas Highway, Suite 1300, Austin, TX 78759**  
**Paul DeFord, Lathrop & Norquist, 2600 Mutual Benefit Life Bldg., 2345 Grand Ave., Kansas City, MO 64108-2684**  
**Jeremiah D. Finnegan, Finnegan & Peterson, 3100 Broadway, Suite 1209, Kansas City, MO 64111**

17.

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 27th  
day of January, 1998.

**ORDER CLOSING CASE**

A Stipulation and Agreement (Stipulation) was filed on February 16, 1995. On April 11, 1995, the Commission issued its Order Approving Stipulation and Agreement. The Stipulation contained twelve pre-audit procedures which would allow the parties access to information concerning SWBT's affiliate transactions. The parties agreed to a pre-audit conference in June 1997 to begin utilization of the procedures, but stated that no audit of affiliate transactions would occur in 1997. In approving the Stipulation, the Commission noted that while Federal Communication Commission (FCC) rules on affiliate transactions could provide basic

safeguards, supplementary additional safeguards might be necessary. The Commission also found that any additional standards might be of general applicability and might have to be applied to all local exchange companies.

On October 24, 1997, SWBT, Staff, and the Office of the Public Counsel (OPC) filed a document entitled "Report on Affiliate Transaction Meeting." The parties indicated that, pursuant to the Stipulation, the parties held a conference in St. Louis on September 25-26, 1997,<sup>1</sup> to discuss the twelve procedures contained in the Stipulation. The report discusses the completion of the twelve procedures, as well as the results of a review of those procedures. The report states that SWBT has demonstrated that it maintained sufficient audit trails for sales to and purchases from affiliates. All sales and purchase transactions with affiliates are supported by written contracts which provide the basis for continued oversight and define the relationship, including pricing, between SWBT and the affiliate. The report also indicates that SWBT agreed to file certain documents with the Commission on an annual basis as public documents. Based upon compliance with the terms of the February 1995 Stipulation, the parties recommend that the Commission close this docket.

The Commission has reviewed this case and the parties' report, and finds that this case should be closed as recommended by the parties. The report addresses the concerns set forth in the Stipulation, and resolves SWBT-specific questions regarding affiliate transactions. The Commission also notes that it currently has a case open, Case No. TO-96-328, to address the general need for an affiliate transaction rule for telecommunications companies.

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<sup>1</sup> The pre-audit conference was delayed until September of 1997 as the result of unanticipated scheduling conflicts involving personnel from Staff and SWBT.

**IT IS THEREFORE ORDERED:**

1. That Case No. TO-94-184 is now closed.
2. That this order shall become effective on February 6, 1998.

**BY THE COMMISSION**

*Dale Hardy Roberts*

**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Crumpton,  
Murray, and Drainer,  
CC., Concur.

Bensavage, Regulatory Law Judge

ALJ/Sec'y: Pennington/Bridges  
1-20-98 TO-94-184  
Date Circulated CASE NO.

[Signature]  
Lumpe, Chair  
[Signature]  
Crumpton, Commissioner  
[Signature]  
Murray, Commissioner  
[Signature]  
Commissioner  
[Signature]  
Drainer, Vice-Chair

1-27-98  
Agenda Date

Action taken: 4-CAS  
Must Vote Not Later Than \_\_\_\_\_

**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,  
Missouri, this 27th day of January, 1998.

[Signature: Dale Hardy Roberts]  
Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge