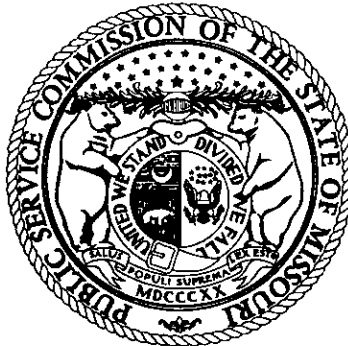


**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of the Investigation into the) Case No. TR-98-343
Earnings of Mid-Missouri Telephone Company.)

REPORT AND ORDER

Issue Date: May 6, 1999

Effective Date: May 18, 1999

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Investigation into the) Case No. TR-98-343
Earnings of Mid-Missouri Telephone Company.)

APPEARANCES

Craig S. Johnson, Andereck, Evans, Milne, Peace & Baumhoer, 305 East
McCarty Street, Post Office Box 1438, Jefferson City, Missouri 65102, for
Mid-Missouri Telephone Company.

Leo J. Bub, Senior Counsel, Southwestern Bell Telephone Company, One Bell
Center, Room 3518, St. Louis, Missouri 63101, for Southwestern Bell
Telephone Company.

Paul S. DeFord, Lathrop & Gage, 2345 Grand Boulevard, Suite 2500,
Kansas City, Missouri 64108-2684, for AT&T Communications of the
Southwest, Inc.

Michael F. Dandino, Senior Public Counsel, and Shannon Cook, Legal
Counsel, Office of the Public Counsel, Post Office Box 76800, Jefferson
City, Missouri 65102, for the Office of the Public Counsel and the
public.

Carol M. Keith, Assistant General Counsel, and David J. Stueven,
Assistant General Counsel, Missouri Public Service Commission, Post
Office Box 360, Jefferson City, Missouri 65102, for the staff of the
Missouri Public Service Commission.

REGULATORY LAW JUDGE: Vicky Ruth.

REPORT AND ORDER

Procedural History

On February 13, 1998, the Staff of the Missouri Public Service
Commission (Staff) filed a Motion to Open Docket. The motion indicated
that Staff had conducted a per book review of the earnings of
Mid-Missouri Telephone Company (MMTC). The Staff's review was based upon

the twelve months ending December 31, 1996, updated to November 30, 1997. The motion noted that Staff and MMTC had executed the attached Stipulation and Agreement to resolve all issues surrounding the audit performed by Staff and the results of that audit. The Stipulation and Agreement was attached to the motion, and Staff requested that the Commission approve the Agreement. The Staff filed an addendum to the Stipulation and Agreement on March 3, 1998, in which it detailed the depreciation agreement between Staff and MMTC. On March 17, 1998, MMTC filed a schedule that provided the rate design changes in the Stipulation and Agreement. MMTC inadvertently submitted the wrong schedule and corrected this error on March 23, 1998, by filing a new schedule.

On February 27, 1998, the Commission issued an Order Establishing Case, Rejecting Tariff Sheets, Giving Notice, Setting Intervention Period, and Granting Protective Order. The order provided that any party wishing to intervene shall file an application to do so no later than March 30, 1998. Southwestern Bell Telephone Company (SWBT) filed an Application to Intervene and Request for Hearing on March 30, 1998. On the same date, AT&T Communications of the Southwest, Inc. (AT&T), also filed an Application to Intervene. On April 8, 1998, the Commission issued an order granting the intervention applications of SWBT and AT&T.

The April 8 order also scheduled a prehearing conference for April 21, 1998, and directed the parties to file a proposed procedural schedule. Staff filed a Motion to Establish Procedural Schedule on April 30, 1998, and the Commission issued an Order Adopting Procedural Schedule on May 29, 1998. Direct testimony was filed on behalf of MMTC

and Staff on July 20, 1998, and rebuttal testimony was filed on behalf of AT&T and SWBT on August 31, 1998. Surrebuttal testimony was filed on September 28, 1998, on behalf of MMTC, SWBT, AT&T, and Staff.

On October 8, 1998, MMTC filed a Motion for Continuance of Hearing and Extension of Hearing Memorandum Date, as one of its witnesses, Mr. Robert Schoonmaker, was unavailable on the scheduled hearing dates of October 29-30, 1998. The motion stated that MMTC confirmed with the other parties that continuing the case to December 16 and 17, 1998, was acceptable. The Commission issued an order modifying the procedural schedule on October 19, 1999, rescheduling the hearing to December 16 and 17, 1998. In addition, the Commission extended the deadline for filing the Hearing Memorandum from October 15, 1998, to December 1, 1998.

The parties filed the Hearing Memorandum on December 1, 1998, and an evidentiary hearing was held on December 16, 1998. During the hearing, the Commission reserved Exhibit Nos. 18-23 for the late filing of exhibits offered in response to questions raised during the hearing. Although the parties were given the opportunity to make objections to these late-filed exhibits, no objections were filed.

The Commission conducted a local public hearing on February 9, 1999, in Pilot Grove, Missouri. The local public hearing had originally been scheduled for January 13, 1999, but was rescheduled due to adverse weather conditions. Staff, MMTC, AT&T, and SWBT filed initial briefs on March 10, 1999, and reply briefs on March 25, 1999. The Office

of the Public Counsel (Public Counsel) did not file either initial or reply briefs.

Pending Motion

On April 19, 1999, MMTC filed a Motion for Expedited Consideration of Stipulation. The motion requested that the Commission issue its decision on or before May 1, 1999, due to deadlines which MMTC is subject to in other dockets involving related or dependent issues. Although the Commission agrees that a prompt decision will be beneficial to all parties, the request does not allow the Commission adequate time to render a decision.

Findings of Fact

The Missouri Public Service Commission has considered all of the competent and substantial evidence upon the whole record in order to make the following findings of fact. The Commission has also considered the positions and arguments of all parties in making these findings. Failure to specifically address a particular item offered into evidence or a position or argument made by a party does not indicate that the Commission has not considered it. Rather, the omitted material was not dispositive of the issues before the Commission.

I. Uncontested Issues

The Stipulation and Agreement submitted by Staff and MMTC, as amended by the March 3, 1998, Addendum and supplemented by the March 23, 1998, Schedule, contains two provisions that did not draw objections from any party. These provisions are:

A. Removal of Touchtone Charges

The Stipulation and Agreement would eliminate MMTC's existing touchtone additive, resulting in a decrease in annual local service revenue of \$25,815.00.

B. Depreciation Rates

The Stipulation and Agreement authorizes MMTC to adopt new depreciation rates that are consistent with Staff's "generic" depreciation rates for small telephone companies.

II. Contested Issues

The parties disagreed regarding the amount of the reduction and the particulars of some rate reduction methods employed in the Stipulation and Agreement. SWBT disputed both the amount of the reduction and the rate design. AT&T did not dispute the amount of the revenue reduction, although it did disagree with the rate design. Public Counsel did not object to the Stipulation and Agreement. The issues disagreed upon are as follows:

A. Amount of Overearnings

The Stipulation and Agreement proposes to lower MMTC's annualized revenue requirement by \$254,504.75. SWBT argues that MMTC should be required to further reduce its revenues by approximately \$250,000 annually. AT&T does not dispute the amount of the overearnings.

1. Retirement of Plant

The retirement of plant, or modernization, consisted of replacing interoffice microwave facilities with fiber, installing fiber reach in a Carrier Service Area configuration, and replacing all existing digital switches with a Lucent host/remote configuration.

SWBT appears to object to the special amortization of the retired plant for several reasons, including the fact that the new plant was not ordered or required by the Commission. Staff and MMTC responded with evidence that the new level of plant was necessary for MMTC to meet certain levels of service and quality as required by the changing environment in telecommunication. For example, the retired plant did not have the ability to provide Signaling System 7 capabilities, to change to the new 660 area code, four-digit carrier identification codes, and intraLATA presubscription. Staff and MMTC indicated that it was more cost effective to replace the plant than to upgrade the existing facilities.

This Commission agrees that the modernization program was necessary before MMTC customers could access many modern telecommunications services. The Commission finds that the retirement of plant was appropriate.

2. Amortization of Retired Plant

The decision to retire existing plant resulted in an extraordinary amortization. The equipment replaced was not fully depreciated because the past depreciation life exceeded the useful/used

life of the equipment. The unrealized depreciation on the replaced equipment amounted to approximately \$1,250,000. Staff argued that the ability to directly amortize the retired plant depended on whether it qualified as a non-recurring extraordinary retirement. Staff applied the criteria set forth in the Uniform System of Accounts for telephone companies to make this determination. Based upon those criteria, Staff determined that the retirement was nonrecurring and extraordinary, and that a special amortization was warranted. As a result of the negotiations between Staff and MMTC, the Stipulation and Agreement provides that MMTC may amortize approximately \$250,000 per year for five years, for a total special amortization of around \$1,250,000 for the retired plant.

SWBT objects to the special amortization of retired plant. Specifically, SWBT alleges that MMTC's actual overearnings have been inappropriately reduced by approximately \$250,000 per year due to this extraordinary amortization of retired plant. SWBT also objects because the Stipulation and Agreement does not contain a provision terminating the special amortization at the end of the five years. At the hearing, witnesses for MMTC and Staff agreed that there is no provision in the Stipulation and Agreement that would automatically terminate the \$250,000 extraordinary amortization from being recovered in the sixth and subsequent years. However, both MMTC and Staff contend that there were other agreements in the negotiation of the Stipulation and Agreement to offset this. For example, MMTC argued that it had interoffice facilities that were in place in the last quarter of the year but weren't recognized

in the calculations because Staff looked at what was in place as of August. Likewise, Staff noted that with MMTC's additional \$2 million in plant, Staff does not expect there to be overearnings at the end of the five-year period. Staff also stated at the hearing that traditionally it looks at a company's earnings at the end of such an amortization period.

The Commission has reviewed the parties' positions and determines that the extraordinary amortization of approximately \$1,250,000 is appropriate. However, the Commission notes that the March 3, 1998, Addendum to the Stipulation and Agreement specifically states that that the amortization is for a five-year period and that it commences January 1, 1997. The Commission finds that by the terms of the parties' agreement, the special amortization does terminate after the five-year period.

Furthermore, the Addendum states that the parties agree to the creation of an extraordinary retirement totaling \$1,868,202 for an amortization of \$373,640.40 per year for five years. Although the parties did not adequately explain the discrepancy, the Commission finds that the evidence presented and the briefs submitted establish that the extraordinary amortization actually totals approximately \$1,250,000, to be amortized at a rate of \$250,000 for the five years.

B. Rate Design

As noted previously, the rate design proposed in the Stipulation and Agreement uses the first \$25,815.00 to reduce local rates by

eliminating the current touchtone additives. The remaining \$228,689.75 annual revenue reduction is accomplished by modifying the switched access rate structure. Specifically, the Stipulation and Agreement proposed reducing interLATA access rates (thus reducing the disparity between interLATA and intraLATA CCL rates), and removing the intraLATA Carrier Common Line (CCL) Cap.

1. Bringing interLATA and intraLATA Access Rates Closer to Parity

Under the Stipulation and Agreement, interLATA access rates are reduced to bring interLATA and intraLATA access rates closer to parity. Staff and MMTC allege that there was an insufficient revenue reduction amount to bring interLATA rates to complete parity with intraLATA rates.

SWBT argues that it is inappropriate to reduce interLATA access rates with no reduction to intraLATA access rates. SWBT contends that the over-earnings should be allocated to the access rates based on the percentage that SWBT contributed to MMTC's total state access revenues. SWBT further suggests that if MMTC desires parity, then MMTC can either absorb the costs of bringing access rates into parity or offset those costs by raising the prices of ancillary services. Staff points out that this would raise the cost to individual customers and/or might place MMTC in an under-earnings situation.

SWBT's position must be rejected. In an over-earnings situation, there is no analysis to determine which customer group contributed to the over-earnings to determine which customer group should receive a "refund." As Staff noted in its initial brief, rate design is prospective

in nature. The annualized overearnings should be calculated and then the rate design should be developed to correct the over-earnings on a total company basis.

2. Elimination of the Carrier Common Line (CCL) Cap

The agreement would eliminate the intraLATA CCL Cap, which imposes a reduced access rate for traffic above a certain level of annual minutes of usage. The agreement would create a single access rate no matter the amount of annual usage. Staff and MMTC argue that eliminating the CCL Cap for intraLATA access helps bring intraLATA and interLATA access rates closer to parity. Staff's analysis determined that eliminating the CCL Cap is revenue-neutral using test year quantities, and that the composite rate is actually the same that SWBT pays when using test year quantities.

SWBT opposes the elimination of the intraLATA CCL Cap, and argues that by eliminating the Cap, the Stipulation and Agreement really allows a rate increase because it allows MMTC to raise the access rates it applies to minutes of use above the test period level. SWBT alleges that this would be costly to intraLATA service providers such as SWBT.

SWBT's argument in favor of retaining the CCL Cap is not persuasive. There is no compelling evidence that would indicate that SWBT would be harmed by the elimination of the CCL Cap. The evidence does indicate that Staff and MMTC have carefully considered the revenue effects for the proposed CCL rate reduction and the elimination of the CCL Cap, and that the proposed changes will reduce MMTC's revenue in the

desired manner. SWBT's objection to the elimination of the CCL Cap is rejected.

3. Decision Not to Create Parity Between the CCL Originating and Terminating Rates

Staff states that since the amount of the annualized revenue reduction was not sufficient to bring interLATA and intraLATA access rates into parity, it did not reach the issue of originating and terminating rate parity.

AT&T argues that the Commission should set MMTC's originating and terminating CCL rate, for both interLATA and intraLATA, at parity. In order to accomplish this, the originating rate would have to be raised to offset reductions in the terminating rate. Staff contends, and MMTC agrees, that it is inappropriate to raise the originating rate in an overearnings case. SWBT also opposes AT&T's proposal because AT&T funds the decrease in interLATA rates (which are the access rates AT&T primarily pays) by increasing rates to MMTC's intraLATA access customers (primarily SWBT).

The Commission is persuaded by the position of Staff and MMTC that there is an inadequate amount of annualized revenue reduction to create parity between the CCL originating and terminating rates at this time.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law:

Mid-Missouri Telephone Company is a local exchange telecommunications service provider as defined under Section 392.410, RSMo Supp. 1998, and, therefore, is subject to the jurisdiction of the Missouri Public Service Commission under Chapters 386 and 392, RSMo.

The Commission has the legal authority to accept a stipulation and agreement as offered by the parties as a resolution of issues raised in this case, pursuant to Section 536.060, RSMo Supp. 1998.

Orders of the Commission must be based upon competent and substantial evidence on the record. § 536.140, RSMo 1994. Based upon its findings of fact, the Commission concludes that the Stipulation and Agreement submitted by Staff and MMTc should be approved.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed by Mid-Missouri Telephone Company and the Staff of the Missouri Public Service Commission on February 13, 1998, and amended by the March 3, 1999, Addendum and supplemented by the March 23, 1998, Schedule (Highly Confidential), is hereby approved (see Attachments A and B).

2. That the creation of an extraordinary retirement of plant totaling approximately \$1,250,000 for an amortization of \$250,000 over five years is approved, to commence January 1, 1997.

3. That the Staff of the Commission is directed to complete an earnings review at the end of the special amortization period. A report regarding the review shall be filed as a new case.

4. That late-filed exhibits numbered 18-23 are received into evidence.

5. That Mid-Missouri Telephone Company's pending Motion for Expedited Consideration of Stipulation, requesting that the Commission issue its decision on or before May 1, 1999, is denied.

6. That those motions and objections not specifically ruled on in this order are hereby denied or overruled.

7. That this Report and Order shall become effective on May 18, 1999.

BY THE COMMISSION

A handwritten signature in cursive script that reads "Dale Hardy Roberts".

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton and Drainer,
CC., concur.
Murray and Schemenauer, CC., dissent,
with dissenting opinions attached.

Dated at Jefferson City, Missouri,
on this 6th day of May, 1998.

MISSOURI
PUBLIC SERVICE COMMISSION

The investigation into the earnings)
of Mid-Missouri Telephone Company) Case No. TR-98-343

The Staff of the Missouri Public Service Commission (Staff) began a per book review of the earnings of Mid-Missouri Telephone Company (Company). Staff's audit was based upon the 12 months ending December 31, 1996, updated to November 30, 1997. As a result of extensive negotiations, the signatories hereto stipulate and agree as follows:

1. The Company's intrastate revenues will be reduced by approximately \$ 254,500 on an annual basis. This overall reduction in revenues is to be accomplished as a result of changes in certain intrastate rates as more specifically described in a schedule that will be filed by the Company within 5 days of when the Commission issues a protective order.

2. The Company will prepare draft tariff sheets incorporating the rate changes identified in such schedule, and provide such drafts to Staff no later than February 20, 1998. The Company will file tariff sheets implementing the revenue reduction and schedule of rate changes with the Commission no later than February 27, 1998.

3. The approval of this Stipulation and Agreement in its entirety by the Commission will conclude the Staff's per books earnings investigation of the Company, upon which this Stipulation

and Agreement was based.

4. None of the signatories to this Stipulation and Agreement shall have been deemed to have approved or acquiesced in any ratemaking or procedural principle or any method of cost determination or cost allocation, or any service or payment standard, and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding, except as otherwise expressly specified herein.

5. This Stipulation and Agreement has resulted from extensive negotiations between the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

6. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.080.1 to present testimony, to cross-examine witness, and to present oral argument and written briefs; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo. 1994; and their respective rights to judicial review pursuant to Section 386.510 RSMo. 1994.

7. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each

Party of Record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of Staff's memorandum, a responsive memorandum which shall also be served on all parties. All memoranda submitted by the parties shall be considered privileged in the same manner as are settlement discussions under the Commission's rules, shall be maintained on a confidential basis by all parties, and shall not become a part of the record of this proceeding or bind or prejudice the party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

WHEREFORE, the signatories respectfully request that the Commission issue its order approving the terms of this Stipulation and Agreement as soon as practicable.

Respectfully submitted,



Craig S. Johnson
Attorney at Law
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PEACE & BAUMHOER, L.L.C.
P. O. Box 1438
Jefferson City, MO 65102

ATTORNEY FOR MID-MISSOURI
TELEPHONE COMPANY

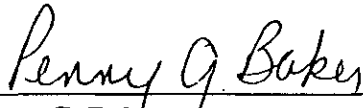


Carol Keith
Assistant General Counsel
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MISSOURI PUBLIC SERVICE
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ATTORNEY FOR THE STAFF OF THE
MISSOURI PUBLIC SERVICE

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to counsel as shown on the attached service list this 13th day of February, 1998.



Penny G. Baker

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED
MAR 03 1998
MISSOURI
PUBLIC SERVICE COMMISSION

In the Matter of the Investigation into the)
Earnings of Mid-Missouri Telephone)
Company)

Case No. TR-98-343

ADDENDUM TO THE STIPULATION AND AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and the Mid-Missouri Telephone Company ("Mid-Missouri") and for their Addendum to the Stipulation and Agreement state as follows:

1. On February 13, 1998, the Staff and Mid-Missouri filed a Stipulation and Agreement to settle the issues involved in the Staff's overearnings investigation of Mid-Missouri.
2. Inadvertently, the parties failed to include the following depreciation items in the Stipulation and Agreement:
 - a. The Company and Staff agree to the creation of an extraordinary retirement totaling \$1,868,202 for an amortization of \$373,640.40 per year over five years;
 - b. This amortization shall commence January 1, 1997; and,
 - c. The Company and Staff agree that the depreciation rates identified on Schedule 1, attached to this Addendum, should be used, effective January 1, 1997.
3. Both the Staff and Mid-Missouri agree to this Addendum.

WHEREFORE, the parties respectfully request the Commission consider this Addendum as part of the Stipulation and Agreement filed by the parties.

Respectfully submitted,



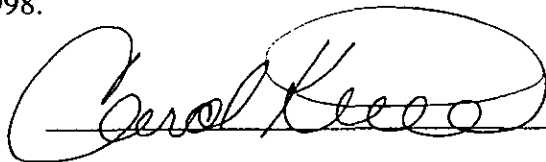
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown below this 31 day of March, 1998.



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Mid Missouri Telephone Company
Depreciation Rates
Case No. TR-98-343

Account	Account Number	Net Salvage	Average Service Life	Rate (%)
Vehicles - Combined	2112	12	8.6	10.23
Garage Work Equipment	2115	1	13.0	7.62
Other Work Equipment	2116	6	14.0	6.71
Buildings	2121	2	35.0	2.80
Furniture	2122	6	14.0	6.71
Office Equipment - Office Support	2123.0	3	10.0	9.70
Office Equipment - Company Communications	2123.1	3	8.4	11.55
General Purpose Computers	2124	13	6.4	13.59
Digital Switching	2212	0	15.0	6.67
Radio Equipment	2231.2	2	11.3	8.67
Circuit Equipment	2232	-3	10.0	10.30
Poles	2411	-30	21.0	6.19
Buried Cable - Metallic	2423.0	-3	24.0	4.29
Buried Cable - Fiber	2423.1	-3	28.0	3.68

Schedule 1

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Investigation into the)
Earnings of Mid-Missouri Telephone)
Company.)

Case No. TR-98-343

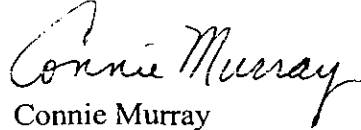
Dissenting Opinion of Commissioner Connie Murray

I respectfully dissent from the majority opinion for the reasons articulated in the dissenting opinion of Commissioner Schemenauer.

Furthermore, the Stipulation and Agreement does not account for additional revenue that will be created by the new plant. Nor does it consider that elimination of the CCL cap will increase overearnings. Additionally, I am concerned that Mid-Missouri Telephone Company appears to have no clear method of allocating expenses between its regulated utility and its non-regulated businesses.

I would reject the Stipulation and Agreement.

Respectfully submitted,



Connie Murray
Commissioner

Dated at Jefferson City, Missouri,
on this 6th day of May, 1999.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Investigation into the)
Earnings of Mid-Missouri Telephone)
Company.)

Case No. TR-98-343

Dissenting Opinion of Commissioner Robert G. Schemenauer

I respectfully dissent from the majority opinion regarding the disposition of overearnings by Mid-Missouri Telephone Company (Mid-Missouri).

The creation of an extraordinary retirement of plant totaling \$1,250,000 to be amortized at \$250,000 over five years is not in the public interest. An additional concern of mine is that the ordered paragraph does not agree with the Stipulation and Agreement in the amount to be amortized. An Addendum to the Stipulation and Agreement filed by Staff on March 3, 1999 indicates an agreement by Staff and Mid-Missouri that the total extraordinary retirement is \$1,868,202 with an amortization of \$373,640.40 per year over five years.

The overall reduction in revenue for Mid-Missouri, as agreed to by Staff and Mid-Missouri, reflect annual overearnings of between \$504,000 and \$627,640 at the expense of Missouri telephone subscribers. To grant an extraordinary retirement and amortization of this magnitude as a reward for overearning is not a prudent remedy for Missouri telephone subscribers.

Regarding Mid-Missouri's recovery of the unamortized balance of its unused plant due to early retirement, it is clear to me that Mid-Missouri has already been compensated for this by its overearnings in past years. The inconvenience of waiting to write off the unamortized balance of the unused plant until its normal depreciation cycle transpires should be of little consequence to Mid-Missouri in light of its overearnings. A better remedy to this overearnings case would have been to grant this special amortization retroactively to begin January 1, 1995 and end December 31, 1999 and then to order prospectively a further reduction in the CCL rates in an amount equal to this special annual amortization.

For these reasons and others I respectfully dissent and pray that further creative accounting maneuvers which tend to reward overearning companies are disposed of before being included in a proposed Stipulation and Agreement.

Respectfully submitted,



Robert G. Schemenauer
Commissioner

Dated at Jefferson City, Missouri,
on this 6th day of May, 1999.