

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
November 27, 2001

CASE NO: TO-2002-185

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Mimi B McDonald/TM
Southwestern Bell Telephone Company
One Bell Center, Room 3510
St. Louis, MO 63101

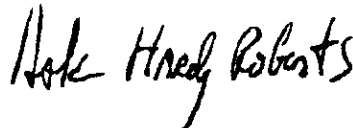
Craig S. Johnson
Lisa C. Chase
Andereck Evans Milne Peace & Johnson
P.O. Box 1438
Jefferson City, MO 65201

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

W.R. England, III
Paul A. Boudreau
Brydon, Swearngen & England P.C.
P.O. Box 456
Jefferson City, MO 65102

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

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copies:

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Application of)
Southwestern Bell Telephone Company) **Case No. TO-2002-185**
to Transfer Property and Ownership of)
Stock Pursuant to Section 392.300, RSMo)

ORDER GRANTING INTERVENTION AND DIRECTING FILING

On October 12, 2001, Southwestern Bell Telephone Company, Southwestern Bell Texas, Inc., and Southwestern Bell Telephone L.P. d/b/a Southwestern Bell Telephone Company filed a pleading requesting that the Commission approve a corporate restructuring and stock transfer. On October 29, the Small Telephone Company Group¹ filed an application to intervene, a response, and a request for hearing. The Missouri Independent Telephone Company Group,² also on October 29, filed a similar pleading.

1 The Small Telephone Company Group, or STCG, consists of BPS Telephone Company, Cass County Telephone Company, Citizens Telephone Company of Higginsville, Missouri, Inc., Craw-Kan Telephone Cooperative, Inc., Ellington Telephone Company, Farber Telephone Company, Fidelity Telephone Company, Goodman Telephone Company, Inc., Granby Telephone Company, Grand River Mutual Telephone Corporation, Green Hills Telephone Corporation, Holway Telephone Company, Iamo Telephone Company, KLM Telephone Company, Kingdom Telephone Company, Lathrop Telephone Company, Le-Ru Telephone Company, Mark Twain Rural Telephone Company, McDonald County Telephone Company, Miller Telephone Company, New Florence Telephone Company, Oregon Farmers Mutual Telephone Company, Ozark Telephone Company, Peace Valley Telephone Company, Rock Port Telephone Company, Seneca Telephone Company, Spectra Communications Group, Inc., and Steelville Telephone Exchange, Inc.

2 The Missouri Independent Telephone Company Group, or MITG, consists of Alma Telephone Company, Chariton Valley Telephone Corporation, Choctaw Telephone Company, Mid-Missouri Telephone Company, MoKan Dial, Inc., Modern Telecommunications Company, Northeast Missouri Rural Telephone Company.

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Both groups have complied with the Commission's rule on intervention, and both will be granted intervention.

Also on October 29, the Staff of the Commission and the Office of the Public Counsel filed responsive pleadings. Public Counsel, like the STCG and the MITG, requests a hearing. All three responses raise many of the same points. They question what would happen to the status of the charter under which Southwestern Bell (the Missouri corporation) operates if the corporation ceases to exist. Public Counsel raises similar questions about the status of price cap regulation. The STCG suggests that Bell (the limited partnership) might need to apply for a certificate of service authority.

On November 8, Bell filed a reply to these responses. On November 15, Staff filed its recommendation in which it recommended the Commission approve the application. No responses to these pleadings were filed.

The application and the responses raise a number of question, not all of which have been fully addressed by all parties. The Commission will therefore direct the parties to file briefs. The briefs shall address all the issues raised by the application and the responses (and any other issues relevant to the Commission's determination). The parties shall also address the following questions:

- If Southwestern Bell is allowed to reorganize as a Texas limited partnership, will the Commission's oversight over it be any different than if it had remained a Missouri corporation (the parties should pay particular attention to the Commission's oversight over future transfers of property)?

- If Southwestern Bell is allowed to reorganize as a Texas limited partnership, what will become of the franchise and charter granted to the Missouri corporation?
- What questions of fact (distinct from legal questions) are likely to be in dispute and require a hearing for resolution?

IT IS THEREFORE ORDERED:

1. That the Small Telephone Company Group is granted intervention.
2. That the Missouri Independent Telephone Company Group is granted intervention.
3. That the parties shall file briefs as discussed herein no later than December 10, 2001, at 12:00 P.M.
4. That this order shall become effective on December 7, 2001.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lewis Mills, Deputy Chief Regulatory
Law Judge by delegation of authority
pursuant to Section 386.240, RSMo 2000.

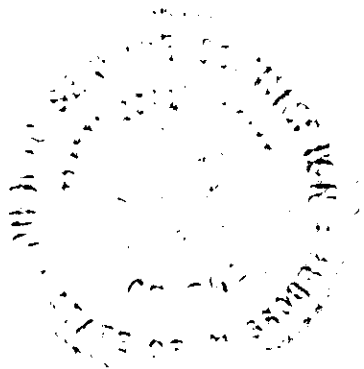
Dated at Jefferson City, Missouri,
on this 27th day of November, 2001.

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 Nov. 2001.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge