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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 17th
day of February, 1998.

In the Matter of an Investigation into Various)
Issues Related to the Missouri Universal Service) Case No. TO-98-329
Fund.)
)

ORDER ESTABLISHING CASE
AND SETTING EARLY PREHEARING CONFERENCE

The Staff of the Commission filed a Motion to Open Docket on February 4, 1998, asking the Commission to open a case concerning implementation of the Missouri Universal Service Fund (MoUSF). The MoUSF was formally established by rulemaking in Case No. TX-98-56, In the Matter of the Proposed Missouri Universal Service Fund Rule 4 CSR 240-31.010 - 31.110. The Orders of Rulemaking were issued February 5.

Staff's motion states that there are issues that must be addressed before the MoUSF can become fully operational. Those issues include:

- 1) determination of the most appropriate costing method for the MoUSF;
- 2) determination of just, reasonable and affordable rates;
- 3) low-income designation and certification procedures;
- 4) determination of existing subsidies;
- and 5) determination of the appropriate revenue-neutrality method.

Staff proposed that an investigation concerning the appropriate costing method, low-income designation and certification procedures, determination of existing subsidies, and of revenue-neutral methodology should all begin immediately. Staff stated that determination of just, reasonable and affordable rates must be delayed until a decision has been

made regarding the appropriate costing method. Staff suggested that the Commission provide notice of the opening of this case and set an intervention deadline and schedule an early prehearing conference. Staff has served a copy of its motion on all the parties to Case No. TO-97-367, In the Matter of the Establishment and Administration of a Missouri Universal Service Fund, and TX-97-163, In the Matter of a Rulemaking Concerning the Provision of Discounted Telephone Rates for Educational Institutions.

The Commission has reviewed Staff's motion and its prior orders regarding MoUSF and finds that a case should be opened to consider the issues set out by Staff in its motion. The Commission finds that interested parties should have an opportunity to intervene by filing an application to intervene with the Secretary of the Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, no later than March 19, 1998. The Commission's Records Department shall send a copy of this order to all Missouri telecommunications companies. The Information Officer shall send a copy of this order to the publisher of one newspaper in the service area of each incumbent local exchange company, as listed in the newspaper directory of the current *Official Manual of the State of Missouri*, and to the members of the General Assembly. The Commission will also schedule an early prehearing conference.

IT IS THEREFORE ORDERED:

1. That this case is established to consider the following issues concerning the Missouri Universal Service Fund:

- 1) Determination of the most appropriate costing method for the MoUSF;
- 2) Determination of just, reasonable and affordable rates;

- 3) Low-income designation and certification procedures;
- 4) Determination of existing subsidies; and
- 5) Determination of the appropriate revenue-neutrality method.

2. That the Commission's Records Department shall send a copy of this order to all Missouri telecommunications companies.

3. That the Commission's Information Officer shall send a copy of this order to the publisher of one newspaper in the service area of each incumbent local exchange company, as listed in the newspaper directory of the current *Official Manual of the State of Missouri*, and to the members of the General Assembly.

4. That parties wishing to intervene shall file an application to intervene no later than March 19, 1998.

5. That an early prehearing conference will be held on March 25, 1998, at 9:00 a.m. in Room 850, Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

6. That anyone wishing to attend who has special needs as addressed by the Americans With Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the prehearing conference at one of the following numbers: Consumer Services Hotline - 1-800-392-4211, or TDD Hotline - 1-800-829-7541.

7. That the parties shall file a proposed procedural schedule no later than April 1, 1998.

8. That this order shall become effective on February 17, 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.

Wickliffe, Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION