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BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Investigation)
into the Earnings of Le-Ru Telephone)
Company.)
Case No. TR-98-372

ORDER GRANTING INTERVENTIONS AND SETTING
EARLY PREHEARING CONFERENCE

The Staff of the Missouri Public Service Commission (Staff) filed a Motion to Open Docket on February 27, 1998, asking the Missouri Public Service Commission (Commission) to approve a Stipulation and Agreement between Staff and Le-Ru Telephone Company (Le-Ru). The Stipulation resolves issues surrounding Staff's audit of the Company, and calls for reductions in annual gross intrastate revenues. The Commission issued an order on March 9, which gave notice and set an intervention deadline of April 8. Applications to intervene were timely filed by Southwestern Bell Telephone Company (SWBT) and AT&T Communications of the Southwest, Inc. (AT&T).

In support of its application for intervention, SWBT states that because of its unique status as one of Le-Ru's largest access customers, it has an interest in this proceeding which cannot be represented by any other party. SWBT states that it opposes the proposed rate design under which Le-Ru will implement an earnings reduction, but takes no position on the extent to which Le-Ru may be overearning, or on the appropriate test year. SWBT also requests a hearing.

In support of its application to intervene, AT&T states that as a competitive telecommunications company, its interests in this proceeding are different than that of the general public, and that as a customer of

Le-Ru, AT&T believes it could be directly affected by the Commission's decision in this matter.

The Commission has reviewed the applications for intervention, and finds that they are in substantial compliance with Commission rules regarding intervention, and that the applicants each have an interest in this matter which is different from that of the general public. The Commission concludes that the requests for intervention should be granted.

The Commission also finds that it would be appropriate to set an early prehearing conference for May 1. The parties should use the early prehearing conference to discuss the possibility of settlement, and to delineate and narrow the issues. The parties shall file a proposed procedural schedule by May 11.

IT IS THEREFORE ORDERED:

1. That Kevin K. Zarling has complied with 4 CSR 240-2.040, and will be permitted to appear before the Commission *pro hac vice* on behalf of AT&T Communications of the Southwest, Inc.

2. That Southwestern Bell Telephone Company and AT&T Communications of the Southwest, Inc. are granted intervention in this proceeding.

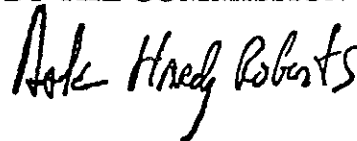
3. That an early prehearing conference is scheduled for 10:00 a.m. on May 1, 1998 in Room 750 of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

4. That anyone with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten days prior to the hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

5. That the parties shall file a proposed procedural schedule by May 11, 1998.

6. That this order shall become effective on April 27, 1998.

BY THE COMMISSION



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

(S E A L)

Elaine E. Bensavage, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1),
(November 30, 1995) and Section 386.240,
RSMo 1994.

Dated at Jefferson City, Missouri,
on this 15th day of April, 1998.