STATE OF MISSOURI 1 2 PUBLIC SERVICE COMMISSION 3 4 5 6 TRANSCRIPT OF PROCEEDINGS 7 Prehearing Conference 8 January 25, 2005 Jefferson City, Missouri 9 Volume 2 10 11 Staff of the Missouri Public 12) Service Commission,) 13) Complainant,) 14)) Case No. TC-2002-1076 vs. 15) BPS Telephone Company,) 16) Respondent.) 17 18 KENNARD L. JONES, Presiding, 19 REGULATORY LAW JUDGE. 20 21 REPORTED BY: KELLENE K. FEDDERSEN, CSR, RPR, CCR 22 MIDWEST LITIGATION SERVICES 23 24 25

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PROCEEDINGS 1 2 JUDGE JONES: This is a prehearing 3 conference for Case No. TC-2002-1076, Staff of the 4 Missouri Public Service Commission vs. BPS Telephone 5 Company. My name is Kennard Jones. I am presiding judge 6 over this matter. 7 At this time I'll take entries of appearance, starting to my left with Mr. Dandino. 8 9 MR. DANDINO: Michael Dandino, Office of the Public Counsel, Post Office Box 2230, Jefferson City, 10 Missouri 65102, representing the Office of the Public 11 12 Counsel and the public. 13 MR. DORITY: Thank you, Judge. Appearing today on behalf of Southwestern Bell Telephone, L.P., 14 d/b/a SBC Missouri, Larry W. Dority, Fischer & Dority, PC, 15 101 Madison, Suite 400, Jefferson City, Missouri 65101. 16 MR. ENGLAND: Thank you, your Honor. Let 17 the record reflect the appearance of W.R. England. Sondra 18 Morgan from our office will also be appearing on behalf of 19 BPS later. Our mailing address is Post Office Box 456, 20 21 Jefferson City, Missouri 65102, on behalf of BPS Telephone 22 Company. 23 JUDGE JONES: Thank you. Mr. Snodgrass? 24 MR. SNODGRASS: Good afternoon, Judge. My

name is Cliff Snodgrass. I represent the Staff of the

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Missouri Public Service Commission. My formal mailing
 address is Governor's Office Building, Suite 800,
 200 Madison Street, P.O. Box 360, Jefferson City, Missouri
 65102.

5 There will be other counsel appearing on 6 behalf of the Staff, but to date yet those assignments 7 have not been made, your Honor.

8 JUDGE JONES: Thank you, Mr. Snodgrass. 9 Okay. As you-all know, the prehearing conferences are held in order to facilitate settlement between the parties 10 or settlement of some if not all of the issues. And 11 you-all know that this case has recently been assigned to 12 13 me. So my understanding at this point is the Staff filed 14 an overearnings complaint against BPS. Basically they earned more money than they should have, and if that's 15 16 true, then what's the recommendation. I know I've oversimplified the matter, but I'll try to keep it simple 17 18 for my sake.

Now, Mr. Dority, I know that you've been granted intervention, but I need to be clear on what interest you have in the matter.

22 MR. DORITY: Your Honor, SBC Missouri, as 23 they indicated in their application for intervention, is 24 primarily interested in the rate design aspects of this 25 case. So to the extent that any revenue overearnings may

be found to exist, then SBC Missouri would have an 1 interest in how that -- those monies would be allocated 2 3 pursuant to the rate design portion of this proceeding. 4 JUDGE JONES: So it's the possible remedy 5 that you're concerned with, if there is an overearnings, 6 then how is it dealt with? 7 MR. DORITY: That would be correct, your 8 Honor. 9 JUDGE JONES: All right. Now, this prehearing conference is supposed to last for two days, 10 and tomorrow, if you-all need to continue your 11 12 discussions, you won't need a court reporter; is that 13 correct? MR. ENGLAND: I don't think so. 14 15 MR. SNODGRASS: I don't believe so either, 16 Judge. MR. SNODGRASS: Okay. If this room is 17 taken or if the room next door is taken, there's a 18 conference room, Room 231, that is reserved for you-all 19 all day. That's in the human resources department 20 21 downstairs, and you don't need a pass to get through the 22 door into that area. 23 Now, I see there are a number of people in 24 the galley. Are all of the people out there going to be involved in the discussions? 25

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MR. SNODGRASS: Not at any particular time, Judge. JUDGE JONES: I'm just being sure we have enough room. I'm not sure how large that room is. If that is a problem, let me know and we'll figure something else out. Is there anything else that you-all know that needs to be discussed on the record before I leave you to yourselves? Hearing nothing, then we can go off the record. And thank you all for coming, and good luck in your discussions. WHEREUPON, the recorded portion of the prehearing conference was concluded.