



Commissioners

WILLIAM D. STEINMEIER  
Chairman

CHARLOTTE MUSGRAVE  
ALLAN G. MUELLER  
CONNIE B. HENDREN  
JAMES M. FISCHER

## Missouri Public Service Commission

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
814-751-3234

November 8, 1988

ROBERT J. SCRIBNER  
Staff Director

HARVEY G. HUBBS  
Secretary

MARY ANN YOUNG  
General Counsel

Mr. Harvey G. Hubbs  
Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

RE: Case No. AO-87-48 - In the matter of the investigation of  
the revenue effects of the Tax Reform Act of 1986 upon  
Citizens Telephone Company of Higginsville, Missouri.

Dear Mr. Hubbs:

Enclosed for filing in the above-captioned case is an  
original plus fourteen (14) conformed copies of a Stipulation And  
Agreement.

Thank you for your consideration in this matter.

Sincerely,

*William K. Haas*  
William K. Haas  
Assistant General Counsel

WKH:sg

cc: Office of Public Counsel

**FILED**  
NOV 08 1988  
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the investigation )  
of the revenue effects of the Tax )  
Reform Act of 1986 upon Citizens ) Case No. AO-87-48  
Telephone Company of Higginsville, )  
Missouri. )

STIPULATION AND AGREEMENT

On September 16, 1988, Citizens Telephone Company of Higginsville, Missouri (Company) filed a financing application with the Missouri Public Service Commission (Commission) in Case No. TF-89-60. During its review in that case, it appeared to the Commission Staff that Company was experiencing earnings in excess of what might otherwise be a reasonable level of earnings given current circumstances. Representatives of the Commission Staff and Company engaged in discussions concerning the impact of the Federal Tax Reform Act of 1986 on Company's revenue requirements. As a result of these discussions, the parties stipulate and agree as follows:

1. That Company shall file tariffs, effective December 1, 1988, which will reduce its monthly local access rates by \$2 per line; the reduction will approximate \$80,000 annually;

2. That this Stipulation and Agreement is a negotiated settlement which is intended to dispose of decreases in Company's gross annual revenue requirement for its Missouri jurisdictional operations due to provisions of the Federal Tax Reform Act of 1986. In addition, Company shall not be further subject to any present or future requirements of the instant docket; it being understood, however, that neither Commission Staff nor any other party is bound in any proceeding other than the above-captioned docket regarding the effects of the Tax Reform Act on Company's revenue requirement;

3. That this Stipulation and Agreement is intended to be binding on the parties and the Commission for purposes of Commission Case No. AO-87-48 (as it relates to Company); that none of the provisions of this Stipulation and Agreement, however, shall prejudice, bind, or otherwise affect any party should the Commission decide not to approve this Stipulation and Agreement in its entirety or in any way condition its approval of same;

**FILED**

NOV 08 1988


PUBLIC SERVICE COMMISSION

4. That except as otherwise expressly provided herein, the parties to this Stipulation and Agreement shall not be deemed to have approved of or acquiesced in any expressed or implied ratemaking principle, valuation method, cost of service method, or rate design proposal;


5. That in the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their respective rights to present oral arguments or written briefs, pursuant to Section 536.080(1), RSMo 1986 and their respective rights to judicial review regarding the dispositions of these matters, pursuant to Section 386.510, RSMo 1986;

6. That the agreements contained in this Stipulation and Agreement have resulted from extensive negotiations among the signatory parties and are interdependent; that in the event the Commission does not approve and adopt the terms of this Stipulation and Agreement and in the event the tariffs agreed to herein do not become effective in accordance with the provisions contained herein, this Stipulation and Agreement shall become effective in accordance with the provisions contained herein, this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

Respectfully submitted,

  
W. R. England, III  
Hawkins, Brydon, Swearingen &  
England  
312 East Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102  
314-635-7166

Attorney for Citizens  
Telephone Company

  
William K. Haas  
Assistant General Counsel  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
314-751-7510

Attorney for the Staff of the  
Missouri Public Service Commission

Dated: November 8, 1988

#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been hand-delivered to the Office of Public Counsel on this 8<sup>th</sup> day of November, 1988.

  
\_\_\_\_\_