

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 12th day
of December, 2006.

In the Matter of the Application of Southwestern Bell)
Telephone, L.P., d/b/a AT&T Missouri, for Authority) **Case No. TM-2007-0184**
to Transfer Certain Assets.)

ORDER APPROVING APPLICATION TO TRANSFER ASSETS

Issue Date: December 12, 2006

Effective Date: December 15, 2006

This order grants Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri's application for authority to sell certain real estate, known as One AT&T Center, to an affiliate of Inland Real Estate Acquisitions, Inc.

On November 8, 2006, AT&T Missouri applied for authority under Section 392.300, RSMo 2000, to sell the property at 900 Chestnut Street in St. Louis, Missouri. There are approximately 4,295 employees in the facilities, comprised mostly of employees of the various subsidiaries of AT&T, Inc., AT&T Missouri's parent company. Only 24 employees in the building are employees of AT&T Missouri. Simultaneous with the sale of the assets, AT&T Services, Inc., an affiliate of AT&T Missouri, will leaseback the facilities for ten years and nine months, with the ability to renew the lease for up to 20 additional years. To the extent that the building is being used to provision and support any intrastate regulated services, it will continue to do so under the terms of the lease.

AT&T requested that the Commission make a decision with regard to its application no later than December 15, 2006, so that the real estate transactions may proceed. No tax revenues will be affected by the sale.

The Staff of the Commission filed a recommendation and memorandum on December 4, 2006. Staff indicated that it reviewed the application for transfer of assets and concluded that the transaction with certain conditions will not be detrimental to the public interest. Staff recommends that the Commission approve the sale, require AT&T Missouri to provide Staff with all closing entries to record the sale within 60 days of the final closing, and find that the Commission is not making a decision with regard to ratemaking treatment of the sale, should AT&T become subject to rate of return regulation in the future.

On December 8, 2006, AT&T filed a response to Staff's recommendation. AT&T does not object to the conditions recommended by Staff.

The Commission has reviewed the verified application and pleadings and hereby admits them into evidence. The Commission finds that the proposed transfer of assets will have no adverse effect on the customers of AT&T Missouri. The Commission finds that the transaction is not detrimental to the public interest and shall be approved with the reasonable conditions set out by Staff.

IT IS ORDERED THAT:

1. Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri's application for authority to transfer to Inland Real Estate Acquisitions, Inc., certain assets known as One AT&T Center, located at 900 Chestnut Street in St. Louis, Missouri is approved.

2. Southwestern Bell Telephone, L.P., d/b/a AT&T Missouri, shall provide the Staff with all closing entries to record the sale of One AT&T Center within 60 days following the final closing of the transactions.

3. The Commission makes no finding of the value of these transactions for ratemaking purposes.

4. The Commission reserves the right to consider in a later proceeding any ratemaking treatment to be afforded these transactions.

5. This order shall become effective on December 15, 2006.

6. This case may be closed on December 16, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
and Appling, CC., concur.
Gaw, C., abstains.

Dippell, Deputy Chief Regulatory Law Judge