

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the earnings review)
of Stoutland Telephone Company.) Case No. TO-96-349

CONCURRING OPINION OF COMMISSIONER HAROLD CRUMPTON

I strongly concur in the opinion of the majority of my colleagues to reject the Stipulation and Agreement (S & A) in this case. The majority was correct in rejecting the S & A. The responsibility of the Commission is to determine if the rates and charges as agreed to by the parties are just and reasonable. In the opinion of the majority the S & A was unreasonable in its suggestion that local customers deserved no direct consideration on their bills. Instead, the major reduction in this case would have gone to the primary toll carrier and the interexchange carriers (IXCs). Since the carriers use average rates, some local residents would have received little or no benefit as a result of a rate reduction of nearly one-half of a million dollars. By reducing local subscriber rates, the Commission ensures some minimal benefit for those customers. This is in large part a fairness issue.

The primary toll carrier, the Company and the IXCs are the beneficiaries of this agreement as currently written. The majority was justified in rejecting the S & A as not being in the public interest.

The majority was also correct in rejecting the document entitled "Restructuring Local Exchange Carrier Rates," that Staff included in its Memorandum as Attachment C. This document was presented into the public arena as a part of an official Commission document without giving the Commissioners or the public an opportunity to debate the issues raised

by the document. In the minds of the public, this document makes the Commission Staff the Commission.

To the unsuspecting public this appears to be a new Commission approved policy. This is far from the truth, and the majority was correct in calling public attention to that fact.

In fairness to all, I strongly urge Staff to propose public policy changes after having given the general public notice and an opportunity to participate in an open and free discussion. A Stipulation and Agreement is not the forum for the creation of public policy. Instead, a Stipulation and Agreement is a way of settling established issues within the realm of established law and public policy; it is not the proper forum for creating new policy.

This Commission should resist all efforts to determine public policy in a S & A. The reason is simple: the public in a S & A generally does not get notice; without notice the public cannot participate.

This process of creating public policy with only the utilities, Staff, the Office of the Public Counsel and a few intervenors involved smacks of back room deals which is not how the system should function.

Respectfully submitted,


Harold Crumpton, Commissioner

Dated at Jefferson City, Missouri, on
this 26th day of August, 1996.