

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request of U S WEST)
COMMUNICATIONS, INC., for Approval of an)
Increase in its Rates and Charges.)

DOCKET NO. 97-049-08
ORDER GRANTING REHEARING

ISSUED: January 12, 1998

In this Docket, the Commission entered its order on December 4, 1997. US West Communications filed a Petition for Rehearing requesting rehearing on the Commission's decisions on directory publishing, reengineering costs, 'pension asset' consideration, income tax true-ups and treatment of rural exchange sales. AT&T Communications filed a Petition for Rehearing requesting rehearing on our decisions on switched access rates and payphone investments and rates.

Having considered the matters raised in the two petitions filed with the Commission, we hereby grant rehearing only on the reengineering costs issue. We grant rehearing solely on that issue with respect to a question raised on the appropriate interest calculation for 1996. Given that we have used AFUDC treatment for reengineering costs, the question is what amount of interest, if any, should be included for deferred reengineering costs for the test year utilized in this docket and whether the Commission's decision included this amount. Resolution of this question will occur at hearing scheduled by the Commission, notice of which accompanies this order.

DATED at Salt Lake City, Utah, this 12th day of January, 1998.

/s/ Stephen F. Mecham, Chairman

(SEAL) /s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary