

FISCHER & DORITY
PROFESSIONAL CORPORATION

Attorneys at Law
Regulatory & Governmental Consultants

101 Madison, Suite 400
Jefferson City, MO 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383

James M. Fischer
Larry W. DORITY

April 7, 2003

FILED³

APR 07 2003

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

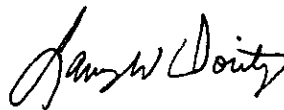
RE: In the matter of the Joint Application of Digital Teleport, Inc. and CenturyTel Fiber Company II, LLC for 1) authority to transfer and acquire Digital Teleport, Inc.'s franchise, facilities or system located in the State of Missouri; (2) for issuance of certificates of service authority to CenturyTel Fiber Company II, LLC; and (3) to classify CenturyTel Fiber Company II, LLC as a competitive telecommunications company.
Case No. _____

Dear Mr. Roberts:

Enclosed for filing on behalf of Digital Teleport, Inc. and CenturyTel Fiber Company II, LLC, please find an original and eight (8) copies of a Joint Application, and an original and eight (8) copies of a Motion for Expedited Treatment.

Thank you for bringing this filing to the attention of the appropriate Commission personnel.

Sincerely,



Larry W. DORITY

Enclosure

cc: Office of the Public Counsel
General Counsel

APR 07 2003

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of the Joint Application of)
Digital Teleport, Inc. and)
CenturyTel Fiber Company II, LLC)
for 1) authority to transfer and acquire)
Digital Teleport, Inc.'s franchise, facilities)
or system located in the State of Missouri;))
(2) for issuance of certificates of service)
authority to CenturyTel Fiber Company)
II, LLC; and (3) to classify CenturyTel)
Fiber Company II, LLC as a competitive)
telecommunications company.)

Case No. _____

JOINT APPLICATION

COME NOW Digital Teleport, Inc. ("DTI") and CenturyTel Fiber Company II, LLC ("CTF II") (collectively "Joint Applicants"), through their undersigned counsel, and file this verified application pursuant to 4 CSR 240-2.060 and §§ 392.300, 392.361, 392.410, 392.430 and 392.440, RSMo 2000, respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

- (a) grants authority to transfer and acquire DTI's franchise, facilities and system located in Missouri pursuant to § 392.300, RSMo 2000, as approved by the United States Bankruptcy Court for the Eastern District of Missouri;¹

¹ DTI and certain of its affiliates filed for bankruptcy on December 31, 2001 and currently operate under Chapter 11 of the U.S. Bankruptcy Code in a case before the U.S. Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"). See Chapter 11 Case No. 01-54369-399 (Bankr. E.D. Mo.).

The acquisition was approved by the Bankruptcy Court in *In re: Digital Teleport, Inc., Order Approving Asset Purchase Agreement with CenturyTel Fiber Company II, LLC and Authorizing Sale of Assets Free and Clear of Liens, Interests, and Encumbrances; And Approving Assignment of Certain Executory Contracts and Unexpired Lease Pursuant to Sections 363 and 365 of the Bankruptcy Code*, Case No. 01-54369-399 (Bankr. E.D. Mo. Feb. 13, 2003) (hereinafter, "Sale Order"). The Sale Order is attached hereto as **Exhibit 1**.

(b) issues certificates of service authority to CTF II to provide interexchange and non-switched local exchange telecommunications services pursuant to §§ 392.410 and 392.430, RSMo 2000;

(c) classifies CTF II as a competitive telecommunications company pursuant to § 392.361, RSMo 2000;

(d) waives or suspends certain Commission rules and statutory provisions pursuant to § 392.420 RSMo 2000; and

(e) authorizes DTI to discontinue the provision of telecommunications services in Missouri.

CTF II, a subsidiary of CenturyTel, Inc., is acquiring the core domestic telecommunications assets of DTI, including the related operations of DTI in Missouri (the “Transaction”). Among other things, the Transaction contemplates the transfer to CTF II of customers in Missouri to whom DTI currently provides competitive interexchange and non-switched local exchange private line telecommunications services pursuant to this Commission’s Report and Order issued in Case No. TA-92-145.² Therefore, Joint Applicants seek the authority necessary to sell, transfer, assign or otherwise enable DTI to convey its Missouri operations and customers to CTF II.

Because DTI is in the process of terminating its operations through a Chapter 11 bankruptcy proceeding, and in order to complete an orderly transition and the continued provision of high quality competitive telecommunications services in Missouri, Joint Applicants respectfully request that the Commission act expeditiously to grant the authority

² Following consummation of the Transaction, CTF II will advise the Commission and seek any necessary approvals should it determine that changes to the business that would impact the regulated assets and/or customers that it is acquiring are appropriate. However, CTF II currently does not anticipate making any such changes.

requested herein as soon as practicable, but to be effective no later than May 31, 2003. Accordingly, concurrent with this Joint Application, Joint Applicants are filing their Motion for Expedited Treatment pursuant to 4 CSR 240-2.080(16). As explained below, failure to obtain the requisite approval by this date will jeopardize the continued provision of service to DTI customers as well as the transition process necessary to assure the orderly transfer of the assets and to avoid disruption of service that would otherwise occur.

In support of their Joint Application, Joint Applicants state as follows:

DESCRIPTION OF THE JOINT APPLICANTS

CenturyTel Fiber Company II, LLC (“CTF II”)

1. CenturyTel Fiber Company II, LLC is a recently formed Louisiana Limited Liability Company with its principal business office located at 100 CenturyTel Drive, Monroe, Louisiana, 71203. CTF II’s telephone number is (318) 629-5330 and its fax number is (318) 629-9324. CTF II is authorized to do business in Missouri as evidenced by the certificate of authority issued by the Missouri Secretary of State attached hereto and incorporated by reference as **Exhibit 2**. CTF II is a direct wholly owned subsidiary of CenturyTel, Inc., and was formed specifically in conjunction with the proposed acquisition of the core domestic telecommunications assets of DTI. If the instant transaction is approved by the Commission, CTF II will become a “telecommunications company” and a “public utility” as those terms are defined in § 386.020, RSMo. 2000, and will be subject to the jurisdiction, supervision and control of this Commission.

CenturyTel, Inc., the parent company of CTF II, is organized under the laws of the State of Louisiana with its principal business office located at 100 CenturyTel Drive, Monroe, Louisiana, 71203. CenturyTel, Inc. and its subsidiaries provide communications

services including local, long distance, Internet access and data services to more than 3 million customers in 22 states, including Missouri. CenturyTel, Inc. is the parent of CenturyTel of Missouri, LLC³. CenturyTel Inc., through its affiliate CenturyTel of Northwest Arkansas, provides service in two Missouri exchanges in Southwest Missouri, and it also is an owner of Spectra Communications Group, LLC d/b/a CenturyTel.⁴ CenturyTel, Inc. is publicly traded on the New York Stock Exchange under the symbol "CTL" and is included in the S&P 500 Index.

Digital Teleport, Inc. ("DTI")

2. Digital Teleport, Inc., is a corporation organized under the laws of the State of Missouri with its principal business office located at 14567 North Outer Forty Road, Chesterfield, Missouri, 63017. DTI's telephone number is (314) 880-1000 and its fax number is (314) 880-1999. DTI is a wholly owned operating subsidiary of DTI Holdings, Inc. The requisite certificates and supporting information have been previously furnished to the Commission in preceding cases, most recently in Case No. TA-96-406, and DTI hereby incorporates such information by reference. DTI provides wholesale fiber optic transport services in secondary and tertiary Midwest markets to national and regional telecommunications carriers. The company's network spans 5,700 route miles across Arkansas, Illinois, Iowa, Kansas, Missouri, Nebraska, Oklahoma, Tennessee, Colorado, Indiana, Georgia, Kentucky and Alabama. DTI, more particularly, is authorized to

³ On August 30, 2002, CenturyTel of Missouri, LLC purchased the local exchange property of GTE Midwest Incorporated d/b/a Verizon Midwest, pursuant to the Commission's Report & Order in Case No. TM-2002-232 issued on May 24, 2002.

⁴ Spectra Communications Group, LLC d/b/a CenturyTel purchased 107 rural exchanges in Missouri from Verizon, pursuant to this Commission's Report & Order issued in Case No. TM-2000-182. Spectra operates in Missouri using the fictitious name of CenturyTel, pursuant to the registration of fictitious name filed in Case No. TO-2001-437.

provide intrastate interexchange and non-switched local exchange telecommunications services in Missouri, pursuant to certificates of service authority issued by this Commission in Case No. TA-92-145. In addition, DTI is classified as a competitive telecommunications company pursuant to the Commission's Report & Order issued in Case No. TA-92-145. DTI is a "telecommunications company" and a "public utility" as those terms are defined in § 386.020, RSMo 2000, and, therefore, is subject to the jurisdiction, supervision and control of this Commission.

DTI Holdings, Inc., is a corporation organized under the laws of the State of Missouri with its principal business office located at 14567 North Outer Forty Road, Chesterfield, Missouri, 63017. DTI Holdings, Inc. has, together with DTI, filed for reorganization pursuant to Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Eastern District of Missouri. DTI Holdings, Inc. will be liquidated upon the closing of the sale of DTI's assets to CTF II. DTI Holdings, Inc.'s major shareholders are KLT Telecom, Inc. (approximately 84%) and Mr. Richard Weinstein (approximately 15%). KLT Telecom, Inc. is a corporation organized under the laws of the State of Missouri with its principal business office located at 10740 Nell, Suite 230, Overland Park, Kansas, 66211. KLT Telecom, Inc.'s primary holding is its interest in DTI Holdings, Inc. KLT Telecom, Inc. is a wholly-owned subsidiary of KLT Inc., which in turn is a wholly-owned investment subsidiary of Great Plains Energy Incorporated, a public utility holding company.

CONTACT INFORMATION

3. All communications, correspondence, and pleadings in regard to this application should be directed to:

Counsel for Joint Applicants:

James M. Fischer, Esq.
Larry W. Dority, Esq.
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, Missouri 65101
(573) 636-6758 (Tel)
(573) 636-0383 (Fax)
jfischerpc@aol.com
lwdority@sprintmail.com

and

Russell M. Blau, Esq.
Brett P. Ferenchak
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
(202) 424-7835 (Tel)
(202) 295-8478 (Fax)
RMBlau@SWIDLAW.com
BPFerenchak@SIDLAW.com

For DTI:

Daniel Davis, Esq.
Senior Vice President and General Counsel
Digital Teleport, Inc.
14567 North Outer Forty Road
Chesterfield, MO 63017
(314) 253-6608 (Tel)
(314) 880-1999 (Fax)
dan.davis@digitalteleport.com

For CTF II:

Stacey W. Goff, Esq.
Vice President and Assistant General Counsel
CenturyTel, Inc.
100 CenturyTel Drive
Monroe, LA 71203
(318) 388-9539 (Tel)
(318) 388-9488 (Fax)
stacey.goff@centurytel.com

4. For purposes of other Commission inquiries, complaints, and correspondence, the contact for the Commission will be as follows after the transfer:

Craig Davis
CenturyTel Fiber Company II, LLC
401 Edwards Street, Suite 1900
Shreveport, LA 71101
Tel: (318) 629-5330
Fax: (318) 629-9324
E-mail: craig.davis@centurytel.com

5. For purposes of referring consumer inquiries, the contact information will be as follows after the transfer:

Craig Davis
CenturyTel Fiber Company II, LLC
401 Edwards Street, Suite 1900
Shreveport, LA 71101
Tel: (318) 629-5330
Fax: (318) 629-9324
E-mail: craig.davis@centurytel.com

DESCRIPTION OF THE TRANSACTION

6. Pursuant to 4 CSR 240-2.060(3), "Competitive telecommunications companies are exempt from subsections (7)(A)-(E) [addressing requirements for applications for authority to sell, assign, lease or transfer assets], . . . however, they must file a pleading indicating which company will be holding the certificate of service authority and providing service to Missouri customers, and the tariff under which service will be provided." 4 CSR 240-2.060(9) provides, "If the purchaser under either section (7) or (8) is not subject to the jurisdiction of the commission, but will be subject to the commission's jurisdiction after the sale, the purchaser must comply with these rules." Accordingly, as fully explained herein, CenturyTel Fiber Company II, LLC is seeking certificates of service authority to provide intrastate interexchange and non-switched

local exchange telecommunications services in Missouri, and is requesting classification as a competitive telecommunications company. Therefore, CTF II will be holding the certificates of service authority and, as discussed, *infra*, CTF II will be adopting the existing tariffs of DTI to provide services to Missouri customers.

7. DTI provides wholesale fiber optic transport services in secondary and tertiary markets to national and regional communications carriers. DTI also provides Ethernet service to enterprise customers and governmental agencies in office buildings in areas adjacent to the company's metropolitan network rings. DTI purchased a nationwide network of dark fiber with plans to build a national long-haul transmission network, but was unable to obtain the funding to complete and operate such a network. As a result, DTI found it necessary to file for Chapter 11 reorganization on December 31, 2001, to facilitate an orderly withdrawal from the national long-haul business.

8. Pursuant to a bidding process overseen by the Bankruptcy Court, CTF II has agreed to acquire the core domestic telecommunications assets of DTI pursuant to Sections 363 and 365 of the Bankruptcy Code⁵ and will operate those assets and continue to provide services to DTI's customers in Missouri. In order to complete the Transaction, CTF II entered into an Asset Purchase Agreement with DTI for the sale of substantially all of the assets utilized by DTI to operate its domestic telecommunications business, as well as the assignment of certain contracts and leases. In consideration for these assets, CTF II will provide the DTI bankruptcy estate \$38 million in immediately available funds upon closing of the Transaction. The Asset Purchase Agreement, and the sale of assets to CTF II, was approved by the Bankruptcy Court on February 13, 2003. The

⁵ See Sale Order, Exhibit 1.

Court found that the approval of the sale to CTF II was in the best interest of DTI, its creditors, its estate, and other parties in interest.⁶

9. Pursuant to 4 CSR 240-2.060(7)(F), the proposed transfer should have no impact on the tax revenues of the political subdivisions in which any of the structures, facilities or equipment of DTI is located inasmuch as the location and the character of these structures, facilities or equipment will not change as the result of the proposed transaction nor will the tax status of the entity owing same.

10. According to the terms of the court-approved Asset Purchase Agreement, all required regulatory approvals must be received for the assignment of assets from DTI to CTF II and the assumption by CTF II of DTI's business and operations before the Transaction can close. Failure to obtain the required regulatory approvals in a timely manner could endanger the Transaction, in which case DTI may be forced to suspend operations. Joint Applicants, pursuant to their Motion for Expedited Treatment filed concurrently herewith, therefore respectfully request that the Commission act expeditiously to grant the authority requested herein prior to, but to be effective no later than, May 31, 2003, in order to assure the orderly transfer of the assets and the continued provision of service to DTI customers, as well as to allow for the transition process necessary to avoid disruption of service that would otherwise occur.

11. As discussed above, the orderly transition approved by the Bankruptcy Court will assure that the customers of DTI will not suffer a precipitous disruption of service as a result of DTI's financial situation. Moreover, in order to assure that the transaction will be virtually transparent to DTI's existing customers, CTF II will adopt the

⁶ See Sale Order at para. 8.

existing DTI tariffs so that customers can continue to receive the same rates and services during the transition to CTF II. Following consummation of the Transaction, CTF II will advise the Commission and seek any necessary approvals should it determine that changes to the business that would impact the regulated assets and/or customers that it is acquiring are appropriate. However, CTF II does not currently anticipate making any such changes.

12. Joint Applicants also intend to keep customers informed of any significant changes to their services. All customers of DTI receive their services pursuant to individual contracts, which will be assigned to and assumed by CTF II pursuant to the bankruptcy court's Sale Order. All customers were provided with notice sent via first class mail on January 24, 2003, of the Transaction and the proposed assumption and assignment of contracts to CTF II and given assurances regarding the continued provision of DTI services. A copy of that notice is attached hereto and incorporated by reference as **Exhibit 3**. In addition, all of DTI's customers are telecommunications carriers, government agencies, or large enterprises purchasing dedicated services under contract, so traditional consumer slamming concerns are not applicable. Accordingly, Joint Applicants request a waiver of Commission Rule 4 CSR 240-33.150, Verification of Orders for Changing Telecommunications Service Provider, if applicable.

13. Joint Applicants respectfully submit that approval of the Transaction is not detrimental to the public interest and, in fact, the Transaction serves the public interest. In particular, Joint Applicants submit that (1) the Transaction will prevent a precipitous discontinuance of service to DTI customers and will be conducted in a manner that will be virtually transparent to these customers; and (2) the establishment of CTF II as a

strong competitor in the telecommunications market will assure that the benefits of competition generated by DTI's presence will not be lost to consumers.

Failure to approve the Transaction will harm the public interest. Not only would this pose a risk of interruption of service to existing DTI customers, it would also result in the diminution of competition in Missouri, since DTI's current financial position has impeded its ability to compete aggressively in the telecommunications market. Specifically, DTI's bankruptcy status has limited its ability to obtain and maintain the services and facilities it needs to compete for new customers and to expand certain services to existing customers. CenturyTel, Inc. and CTF II have both the management experience and the financing necessary to complete the Transaction.

CERTIFICATES OF SERVICE AUTHORITY

14. Upon approval and the closing of this transaction, DTI proposes to discontinue the provision of telecommunications services in Missouri, and CTF II proposes to begin the provision of telecommunications services, operating the acquired assets of DTI and continuing to provide services to DTI's customers in Missouri. Accordingly, CTF II seeks a Certificate of Service Authority to provide intrastate interexchange telecommunications service and non-switched local exchange telecommunications service within Missouri.

15. CTF II respectfully submits that the grant of the requested certificates of service authority will serve the public interest. CTF II is extremely well qualified to acquire and operate the DTI business. As discussed, *supra*, CTF II's parent company, CenturyTel, Inc., provides communications services including local, long distance, Internet access and data services to more than 3 million customers in 22 states.

CenturyTel, Inc. is the eighth largest local exchange telephone company, based on access lines, in the United States. By the end of 2002, CenturyTel, Inc. had nearly 2,415,000 access lines in service and was providing long distance service to almost 650,000 subscribers.

CenturyTel, Inc.'s success in developing innovative products and services and in expanding its geographic reach has translated into impressive growth in recent years, and has created a company that is extremely well-qualified financially to operate and expand the DTI business. CenturyTel, Inc. is publicly traded on the New York Stock Exchange under the symbol "CTL" and is included in the S&P 500 Index. Consolidated annual revenues for CenturyTel, Inc. increased from \$1.68 billion for 2001 to approximately \$1.98 billion for 2002, with net income for 2002 of approximately \$801.6 million. Accordingly, CTF II is financially qualified to operate within Missouri.

CTF II also has the managerial and technical resources necessary to operate the DTI business in Missouri. Members of CenturyTel, Inc.'s senior management team will be actively involved in operating CTF II to assure the continued and uninterrupted provision of service pending regulatory approvals and in assessing and, as necessary, reformulating the DTI business so that it may offer innovative and competitive telecommunications services on a more financially secure basis. CenturyTel, Inc.'s management also expects to rely upon many of DTI's existing operations and management personnel who are familiar with the nature of the existing operations. As a result, CTF II will be led by a well-qualified management team and will have the managerial and technical expertise and resources necessary to acquire and operate DTI's telecommunications assets in Missouri.

Finally, as noted above, the establishment of CTF II as a strong competitor in the telecommunications market will assure that the benefits of competition generated by DTI's presence will not be lost to consumers.

16. Pursuant to Section 392.361, RSMo 2000, CTF II respectfully requests to be classified as a competitive telecommunications company. CTF II proposes to offer interexchange and non-switched local exchange private line telecommunications services, which are already classified as competitive telecommunications services in the State of Missouri. Both the company and its services will be subject to sufficient competition to justify a lesser degree of regulation. Such regulation will be consistent with the protection of the ratepayer and promote the public interest.

17. CTF II also respectfully requests, pursuant to Section 392.420, RSMo 2000, that the Commission suspend, waive or modify the application of the following rules and statutory provisions as it relates to the regulation of the applicant interexchange and non-switched local exchange telecommunications company:

- | | | |
|------------------------|---|---|
| 4 CSR 240-10.020 | - | Depreciation and income |
| 4 CSR 240-30.010(2)(C) | - | Posting of exchange rates at central operating offices |
| 4 CSR 240-30.040 | - | Uniform system of accounts |
| 4 CSR 240-33.030 | - | Minimum charge rules |
| Section 392.210.2 | - | Establish uniform system of accounts for annual reports |
| Section 392.240(1) | - | Rates – reasonable average return on investment |
| Section 392.270 | - | Property valuation |
| Section 392.280 | - | Depreciation rates |
| Section 392.290 | - | Issuance of securities |
| Section 392.300.2 | - | Acquisition of stock |
| Section 392.310 | - | Issuance of stocks and debt |
| Section 392.320 | - | Stock dividend payment |
| Section 392.330 | - | Issuance of securities, debt, and notes |
| Section 392.340 | - | Reorganization(s) |

The above-referenced rules and statutory provisions have been waived with regard to other interexchange and non-switched local exchange carriers in prior cases. These rules or statutory provisions are principally designed to apply to noncompetitive telecommunications carriers. It would be inconsistent with the goal and purposes of Section 392.530, RSMo 2000, to apply them to a competitive telecommunications company such as CTF II.

18. As discussed, *supra*, in order to assure that the subject transaction will be virtually transparent to DTI's existing customers, after this transaction is approved, CTF II will adopt, in all material respects, the existing DTI tariffs so that customers can continue to receive the same rates and services during the transition to CTF II. In addition, as previously noted in Paragraph 12, all customers of DTI receive their services pursuant to individual contracts, which will be assigned to and assumed by CTF II pursuant to the bankruptcy court's Sale Order. Accordingly, CTF II requests a waiver of 4 CSR 240-2.060(6)(C) requiring that a proposed tariff with a forty-five (45) day effective date be filed with its request for certificates of service.

19. Neither DTI nor CTF II have any annual report or assessment fees that are overdue.

20. Neither DTI nor CTF II have any pending action or final unsatisfied judgments or decisions against them from any state or federal agency or court that involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the application.

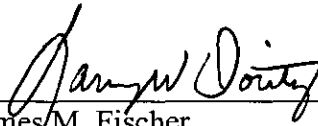
CONCLUSION

WHEREFORE, Digital Teleport, Inc. and CenturyTel Fiber Company II, LLC respectfully request the Commission to issue its order:

1. Approving the transfer and acquisition of DTI's franchise, facilities and system used in providing service to the public in Missouri in accordance with the Asset Purchase Agreement as approved by the United States Bankruptcy Court for the Eastern District of Missouri in its "Sale Order" attached hereto as Exhibit 1;
2. Authorizing DTI to discontinue providing telecommunications services in Missouri, canceling its certificates of service authority and tariffs, as of the date of transfer.
3. Granting certificates of service authority to CTF II to provide interexchange and non-switched local exchange telecommunications services within Missouri;
4. Authorizing CTF II to commence providing telecommunications services in Missouri effective on the date of closing of the sale;
5. Authorizing Joint Applicants to do and perform, or cause to be done and performed, such other acts and things, as well as to make, execute and deliver any and all documents as may be necessary, advisable and proper to the end that the intent and purposes of this transaction may be fully effectuated;
6. Classifying CTF II as a competitive telecommunications company providing competitive services;
7. Waiving or suspending the above-referenced rules and statutory provisions as they relate to the regulation of CTF II in the state of Missouri; and

8. Granting such other relief as is reasonable in the circumstances, and issuing such Order on an expedited basis in accordance with Joint Applicants' Motion for Expedited Treatment filed concurrently herewith.

Respectfully submitted,



James M. Fischer MBN 27543
Larry W. Dority MBN 25617
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, MO 65101
Telephone: (573) 636-6758j
Facsimile: (573) 636-0383
E-mail: jfischerpc@aol.com
E-mail: lwdority@sprintmail.com

Russell M. Blau
Brett P. Ferenchak
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
Telephone: (202) 424-7835
Facsimile: (202) 424-7645

COUNSEL FOR JOINT APPLICANTS

Dated: April 7, 2003

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 7th day of April, 2003, to:

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Dana K. Joyce
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Stacey W. Goff, Esq.
Vice President and Asst. Gen. Counsel
CenturyTel, Inc.
100 CenturyTel Drive
Monroe, LA 71203

Daniel Davis, Esq.
Senior Vice President & General Counsel
Digital Teleport, Inc.
14567 North Outer Forty Road
Chesterfield, MO 63017




Larry W. Dority

VERIFICATION

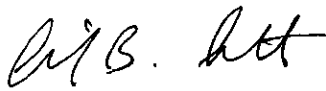
STATE OF LOUISIANA)
) ss
PARISH OF OUACHITA)

I, Stacey W. Goff, being duly sworn, depose and state that I am an authorized representative of CenturyTel Fiber Company II, LLC ("CTF II"), one of the Joint Applicants in the subject proceeding; that I am authorized to make this Verification on behalf of CTF II; that I have read the foregoing joint application and exhibits and know the content thereof; that the same are true and correct to the best of my knowledge, information and belief.



Stacey W. Goff
Vice President and Asst. General Counsel
CenturyTel Fiber Company II, LLC

Subscribed and sworn to before me this 2nd day of April, 2003.



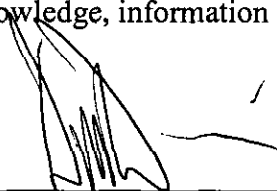
Notary Public

My Commission Expires: Death

VERIFICATION

STATE OF MISSOURI)
) ss
COUNTY OF ST. LOUIS)

I, Daniel Davis, being duly sworn, depose and state that I am an authorized representative of Digital Teleport, Inc. ("DTI"), one of the Joint Applicants in the subject proceeding; that I am authorized to make this Verification on behalf of DTI; that I have read the foregoing joint application and exhibits and know the content thereof; that the same are true and correct to the best of my knowledge, information and belief.



Daniel Davis
Senior Vice President and General Counsel
Digital Teleport, Inc.

Subscribed and sworn to before me this 4 day of April, 2003.



Notary Public

My Commission Expires: 8/7/06



RICK KELLEY
St. Charles County
My Commission Expires
August 7, 2006

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

Digital Teleport, Inc.

Chapter 11 Bankruptcy

Debtor.

Bky 01-54369-399

Hearing Date: February 13, 2003
Hearing Time: 2:00 p.m.

**ORDER APPROVING ASSET PURCHASE AGREEMENT WITH
CENTURYTEL FIBER COMPANY II, LLC AND AUTHORIZING SALE OF ASSETS
FREE AND CLEAR OF LIENS, INTERESTS, AND ENCUMBRANCES; AND
APPROVING ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES PURSUANT TO SECTIONS 363 AND 365 OF THE
BANKRUPTCY CODE**

This matter came before the Court on February 13, 2003 for hearing on the Motion of Digital Teleport, Inc. (the "Debtor") For Entry of an Order: (A) Authorizing Sale of Assets Free and Clear of Liens, Claims, and Encumbrances, and (B) Authorizing Assumption and Assignment of Leases and Executory Contracts to CenturyTel Fiber Company II, LLC, an affiliate of CenturyTel, Inc. or Such Higher and Better Bidder as May Be Presented (the "Sale Motion"). Appearances as noted in the record.

At a previous hearing held by this Court on January 21, 2003, the Court issued an Order Approving Bid Procedures and Break-Up Fee (the "Procedure Order"). The assets to be sold (the "Assets") are described in detail in the Asset Purchase Agreement between Debtor and CenturyTel Fiber Company II, LLC as the prevailing bidder (the "Purchaser") filed with the Court as an exhibit hereto (the "Asset Purchase Agreement"), which is substantially the same form as was attached as an exhibit to the Sale Motion.

Due notice of the proposed sale and each of the hearings (as described herein) have been given, as evidenced by the certificates of service filed with this Court, to all creditors, employees and interestholders; all parties in interest having been heard, or having had the opportunity to be heard; the Court has heard testimony and received evidence in support of approval of the sale of assets; and upon such testimony, the motions, all prior proceedings held in the Debtor's case, the arguments of counsel and the record of the hearings on the motions held before this Court, the relief herein is granted. Any and all objections to the sale transaction or to the assumption and assignment of certain executory contracts or unexpired leases or the asserted cure amounts related thereto have either been settled or have been resolved as set forth in the record at the sale hearing; and

The Court having ruled that this Court has jurisdiction to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 157 and 1334; venue of this proceeding in this district being proper pursuant to 28 U.S.C. § 1409(a); the Sale Motion constituting a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (N); and the statutory predicates for the relief requested herein being Section 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004; and after due deliberation and sufficient cause appearing therefor;

THE COURT HEREBY FINDS in addition to the Court's findings of fact and conclusions of law set forth on the record at the hearings, which shall be incorporated herein by reference, that:

1. The Debtor has followed in good faith the procedures for notice and sale of the Assets set forth in the Procedure Order.
2. Proper, timely, adequate and sufficient notice of the Sale Motion, the hearings and the auction scheduled herein for sale of the Assets has been provided in accordance with

Section 102(1) of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2002 and 6004, and the Procedures Order.

3. No other or further notice of the Sale Motion, of the hearings or of the entry of this Order is necessary. All requirements of Bankruptcy Code § 363(b) and (f), § 365 and any other applicable law relating to the sale of the Assets contemplated by the Asset Purchase Agreement have been satisfied. The defined terms used but not otherwise defined herein shall have the meaning set forth in the Asset Purchase Agreement.

4. The sale process was conducted in good faith pursuant to the terms of the Procedure Order. The Debtor has marketed its assets over the course of the past 12 months and has given approximately 40 days notice of this sale hearing to potential rival bidders. Potential rival bidders were given an adequate period to submit qualified bids and no parties submitted a rival bid or appeared at the February 10, 2003 auction.

5. A reasonable opportunity to object or be heard regarding the requested relief has been afforded to all interested persons and entities, including (a) all parties who claim an interest in or liens upon the Assets; (b) all government taxing authorities who have, or as a result of the sale of assets may have, claims, contingent or otherwise, against the Debtor; (c) all parties to executory contracts or unexpired leases with the Debtor which are currently in effect; and (d) employees of the Debtor.

6. The Debtor is authorized by this Order, and therefore has full power and authority, to consummate the transactions contemplated by the Asset Purchase Agreement without further corporate authorization and Paul Pierron, Daniel Davis, Andrew Whipple or any persons authorized by them to sign a document on behalf of the Debtor are authorized signatories to bind the Debtor.

7. Sufficient business justification exists for the sale of the Assets pursuant to Section 363(b) of the Bankruptcy Code outside of a plan of reorganization, and the Debtor has satisfied the standards of *In re Lionel Corp.*, 722 F.2d 1063 (2d Cir. 1983), in that, among other things:

a. A sale should be accomplished to lock in the value of the business and provide a source of liquidity to fund distributions to creditors and avoid damage to the prospects of the business through it remaining in Chapter 11. The major creditors constituencies of the Debtor support this sale.

b. Several material customers have indicated that they are withholding certain orders during the pendency of Chapter 11 and would like to see the business on financially stronger and better capitalized footing.

c. Efforts to fund a stand-alone plan of reorganization have been difficult in this market and such a plan will not provide as much liquidity for creditors as an asset sale.

d. Certain regulatory approvals are necessary for a sale to close and it is desirable to get a sale approved promptly so that the regulatory approval process can begin. CenturyTel is not willing to expend the time and expense of pursuing regulatory approvals until it knows that its bid is approved.

e. Claims against the Debtor's estate will be minimized as a result of the prompt consummation of a sale of Assets. The Purchaser will be assuming certain liabilities of the Debtor as set forth in Section 2.1(c) of the Asset Purchase Agreement. To the extent the Purchaser assumes such liabilities, the holders of such claims will have no further recourse against the Debtor or its estate and the right of the holders of such claims to pursue the Debtor or the estate for liability arising from such liabilities will be extinguished. Further, there will be no rejection damage claims with respect to the Contracts & Leases which are assumed and assigned to Purchaser.

8. The Asset Purchase Agreement represents the highest and best offer for the Assets, the purchase price is fair and reasonable, and the sale of the Assets at this time is in the best interest of the Debtor, its creditors and its estate. Without limiting the foregoing, the purchase price to be paid by the Purchaser constitutes full and adequate consideration and reasonably equivalent value for the Assets.

9. The aggregate sale price of all Assets either (i) exceeds the aggregate amount of the applicable liens on the Assets, (ii) the holders of interests could be compelled to accept money satisfaction of such interests, or (iii) the holders of interests consent to the sale pursuant to Section 363(f). KLT Telecom, Inc. has consented to the sale. All parties who submitted objections to the sale based on alleged secured claims are protected because to the extent their secured claims were timely and properly asserted in these cases, those liens will attach to the sale proceeds in the priority and to the extent of the value of their secured claim in the applicable collateral if included as part of the Assets.

10. The Assets being acquired by Purchaser shall be free of any claims or cause of action (a) by any party under a right or option to effect any transfer, assignment, license, forfeiture, modification, rights of first refusal, or termination of the Debtor's or any purchaser's interest in the Assets or any similar rights and (b) relating to taxes under or out of, in connection with, or in any way related to the operations of the Debtor's business prior to the Closing Date and the transfer of the Assets. Purchaser is acquiring all of its rights or title of the Debtors in and to the Assets free and clear of all liens, claims, interests, charges, equities, restrictions, security interests, encumbrances or the like under Section 363 and other applicable sections of the Bankruptcy Code and such acquisition shall not subject Purchaser and its affiliates to any liability whatsoever not expressly assumed with respect to the operation of the Debtor's business prior to the Closing Date under any theory of law or equity (including, without limitation, under any theory of successor or transferee liability whatsoever), other than Assumed Liabilities.

11. The Asset Purchase Agreement was negotiated, proposed and entered into in good faith, from arm's length bargaining positions, by the parties. Purchaser is a good faith purchaser for all purposes pursuant to Section 363(m) of the Bankruptcy Code. Neither the Purchaser nor

the Seller engaged in any conduct that would cause or permit the Asset Purchase Agreement to be avoided pursuant to Bankruptcy Code § 363(n).

12. The Debtor shall only be required to pay any Cure Costs related to the Contracts & Leases as set forth in the notice given to the Procedure Order or as determined in a final order of this Court based on a timely objection to the proposed cure amount under the Procedure Order. A chart summarizing all cure or assumption objections received and their resolution or status is attached hereto and incorporated herein. Any other or greater claims for Cure Costs shall be barred and cannot be asserted against the Debtor or the Purchaser. Any other closing costs shall be paid in accordance with the Asset Purchase Agreement. Purchaser has demonstrated reasonable assurance of future performance. Section 365 and the procedures in the Procedure Order related to assignments of Contracts & Leases have been complied with. All of the Contracts & Leases remain in effect and are assignable. Any counterparty not timely objecting to assignment shall be deemed to have consented to assignment.

13. Section 1146(c) of the Bankruptcy Code is applicable to the transactions proposed herein. Consequently, the Debtor is authorized to consummate the transactions contemplated hereby and to convey the Assets, without the payment of any stamp or other similar tax that may be applicable to the conveyance of Assets pursuant to the Transaction Documents.

IT IS THEREFORE ORDERED AND ADJUDGED THAT:

A. To the extent not previously approved, the Sale Motion is hereby granted in all respects, except to the extent specifically set forth in this Order, and all objections, to the extent not settled or withdrawn, are overruled.

B. The Asset Purchase Agreement is hereby approved.

C. The Debtor is authorized and empowered to fully perform under, consummate and implement the Asset Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Asset Purchase Agreement, and to take all further actions as may reasonably be requested by Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to Purchaser, or reducing to possession, any or all of the Assets, or as may be otherwise necessary or appropriate to the performance of the obligations as contemplated by the Asset Purchase Agreement (collectively, the "Transaction Documents").

D. Pursuant to Section 363(f) of the Bankruptcy Code, the Assets shall be sold and transferred to Purchaser, and upon the closing, sale and transfer of Assets as provided under the Asset Purchase Agreement, the Assets shall be free and clear of all interests, including liens, claims, interests and encumbrances of any nature arising or accruing prior to or on the closing date of the Asset Purchase Agreement, and whether imposed by agreement, understanding, law, equity or otherwise, with all such interests to attach to the net proceeds in the order of their priority with the same validity, force and effect which they now have as against the Assets.

E. Nothing contained in any Chapter 11 plan confirmed in this case or the order of confirmation confirming any Chapter 11 plan shall conflict with or derogate from the provisions of the Asset Purchase Agreement or the terms of this Order.

F. The terms and provisions of the Asset Purchase Agreement, together with the terms and provisions of this order shall be binding in all respects upon, and shall inure to the benefits of the Debtor, its estate, its creditors and shareholders, Purchaser, and their respective successors and assigns, and any affected third parties including but not limited to all non-Debtor parties to all unexpired leases or executory contracts to be assigned to Purchaser pursuant to the

Asset Purchase Agreement and persons asserting a claim against or interest in the Debtor's estate or any of the Assets to be sold to Purchaser pursuant to the Asset Purchase Agreement, notwithstanding any subsequent appointment of any trustee for the Debtor under any chapter of Title 11 of the United States Code, as to which trustee such terms and provisions likewise shall be binding in all respects.

G. Purchaser, having been found to be a purchaser in good faith, is entitled to the protections of Section 363(m) of the Bankruptcy Code, accordingly, the reversal or modification on appeal of this Order and the authorization to consummate the transactions provided herein shall not affect the validity of any transfer under the Purchase Agreement and this Order to Buyer, unless such transfer is duly stayed pending such appeal. The Asset Purchase Agreement is the product of substantial and good faith negotiations that were conducted at arm's length and without collusion.

H. The failure specifically to include any particular provisions of the Asset Purchase Agreement in this order shall not diminish or impair the efficacy of such provision, it being the intent of the Court that the Asset Purchase Agreement be authorized and approved in its entirety, except as expressly modified herein.

I. The Contracts & Leases identified in the Asset Purchase Agreement, including those identified through the Closing Date may be assumed and assigned to Purchaser pursuant to Section 365 of the Bankruptcy Code and the Procedures Order. A complete list of the Contracts & Leases identified as of this hearing date has been provided to CenturyTel, KLT and the Committee. To the extent of any changes, additions or deletions between the schedule as attached to the Asset Purchase Agreement and the schedule as provided to CenturyTel, KLT and

the Committee, that schedule will prevail and shall be deemed to modify and supercede the original schedule to the Asset Purchase Agreement in all respects.

J. All entities who are presently, or as of the Closing (the "Closing Date") may be, in possession of any of the Assets, are hereby directed to surrender possession of the Assets to the Purchaser on the Closing Date and allow Purchaser to retrieve such assets.

K. The sale of the Assets pursuant to the Transaction Documents, and any transfer or assignment relating thereto, shall be exempt from any transfer tax, stamp tax or other similar tax pursuant to § 1146(c) of the Bankruptcy Code.

L. All creditors and other persons, entities and other parties are authorized and directed to execute and deliver to Purchaser such documents or instruments as may be reasonably required by the Debtor or Purchaser (without material cost or expense to such creditors) for the purposes of canceling or discharging of record any claim or lien on any of the Assets that are sold. All applicable governmental entities are directed to recognize the transfer of the Assets free and clear to the applicable purchaser in the public records and to accept and record filings reflecting the same.

M. The Court retains jurisdiction (i) to enforce and implement the terms and provisions of the Transaction Documents, any amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith, (ii) to prevent any party from pursuing Purchaser or its affiliates for liabilities or obligation related to the Debtor (which Purchaser and its affiliates may also enforce in any other court of competent jurisdiction) and (iii) to interpret, implement and enforce the provisions of this Order.

N. The Transaction Documents and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance

with the terms thereof, in consultation with the Committee and KLT, without further order of the Court, provided that any such modification, amendment or supplement does not represent a material change to the sales transaction approved hereby.

O. With respect to Union Electric Co., d/b/a Ameren UE ("Ameren"), the assumption and assignment of the Amended and Restated Agreement for the Provision of Digital Transport Services ("Agreement for Provision") and the Amended and Restated Network Services Agreement, both as referenced in and/or amended by the court approved Settlement Agreement between the DTI and Ameren, and the court approved modification thereto, at closing of DTI's sale of assets are hereby authorized provided that prior to closing: (a) DTI takes all steps necessary to complete the "Grant of Title" and remove the "other customer traffic" from Ameren's Network, as required by Sections 1 and 2 of the Agreement for Provision, as amended and modified pursuant to court order; or (b) Buyer provides to Ameren adequate assurance that the obligations under sections 1 and 2 of the Agreement for Provision due from DTI will be completed within a reasonable time.

Dated: February 13, 2003


BARRY S. SCHERMER
UNITED STATES BANKRUPTCY JUDGE

No. FL0072746

STATE OF MISSOURI



Matt Blunt
Secretary of State

CERTIFICATE OF REGISTRATION
FOREIGN LIMITED LIABILITY COMPANY


WHEREAS,
CENTURYTEL FIBER COMPANY II, LLC

using in Missouri the name
CENTURYTEL FIBER COMPANY II, LLC

and existing under the laws of the State of LOUISIANA
has filed with this state its application for registration and
WHEREAS this application for registration conforms to the
Missouri Limited Liability Company Act;

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the
State of Missouri, by virtue of authority vested in me by law,
do certify and declare that on the 28th day of OCTOBER, 2002,
the above Foreign Limited Liability Company is duly authorized
to transact business in the State of Missouri
and is entitled to any rights granted
Limited Liability Companies.

IN TESTIMONY WHEREOF, I have set my
hand and imprinted the GREAT SEAL of
the State of Missouri, on this, the
28th day of OCTOBER, 2002.


Secretary of State

\$105.00

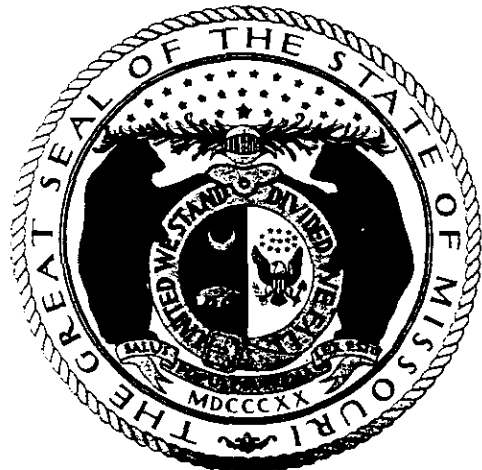


EXHIBIT 2

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In the Matter Of:)
)
DIGITAL TELEPORT, INC., et al.) CASE NUMBER 01-54369-399
)
) IN PROCEEDINGS UNDER CHAPTER 11
Debtors.)

**NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CONTRACT
OR LEASE AND PROPOSED CURE AMOUNT, IF ANY**

Digital Teleport, Inc. ("DTI") proposes to sell substantially all of its business assets to CenturyTel Fiber Company, II ("CenturyTel Fiber") or such higher and better bidder as the above-referenced Bankruptcy Court may approve after an auction ("Prevailing Rival Bidder"). In connection with that sale, CenturyTel Fiber has requested that certain contracts and leases to which DTI is a party be assumed and assigned to CenturyTel Fiber by DTI pursuant to Sections 365 and 363 of the United States Bankruptcy Code.

CenturyTel Fiber or any Prevailing Rival Bidder would acquire the business of DTI, which had revenues in excess of \$21.4 million for 2002 and assets with a book value in excess of \$62.9 million as of December 31, 2002. CenturyTel Fiber has made arrangement to retain key members of DTI's management and employee base to, among other things, maintain relationships with counterparties to DTI's contracts and leases and perform thereunder. DTI and CenturyTel Fiber believe that this provides sufficient evidence of adequate assurance of future performance by CenturyTel Fiber to you. CenturyTel Fiber's parent corporation, CenturyTel, Inc, www.centurytel.com will assist DTI with operational matters, but is not guaranteeing CenturyTel Fiber's future performance under assigned contracts or leases. CenturyTel, Inc. has operations in 22 states, over 7,000 employees and, excluding its recently disposed wireless business, had revenues in excess of \$1.67 billion for 2001 and revenues of \$1.38 billion for the first nine months of 2002. Further information regarding CenturyTel Fiber and its affiliates is available upon request to Stacey W. Goff at (318)-388-9500.

Unless otherwise specifically listed on the attached exhibit, DTI asserts that there are no existing defaults under the contract or lease to which you are counterparty, that such contract or lease is in full force and effect and that no cure or damages payment of any nature is due to you as part of the assumption and assignment of such contract or lease under Sections 365 and 363 of the Bankruptcy Code. If you (i) assert a cure or damages amount is due to you or dispute any of the other statements in the prior sentence or the exhibit, or (ii) object to CenturyTel Fiber's ability to perform under the applicable contract or lease, the Bankruptcy Court has entered an order providing that any such objection must be in writing and must be served upon both of the following counsel for DTI so as to be RECEIVED no later than 4 p.m. on February 6, 2003.

Daniel Davis
Digital Teleport, Inc.
14567 N. Outer Forty Road
Suite 500
Chesterfield, Missouri 63017
Telephone (314) 880-1000
Facsimile (314) 880-1554
Email: dan.davis@digitalteleport.com

Robert Richards
Sonnenschein Nath & Rosenthal
8000 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
Telephone (312) 876-8000
Facsimile (312) 876-7934
Email: Rrichards@sonnenschein.com

If a Prevailing Rival Bidder is recommended by DTI following the auction, you will receive notice of the identity of that bidder and information regarding that bidder ability to perform by email, phone, facsimile or overnight courier by February 11, 2003. You will then have until noon on February 13, 2003, to request in writing further information or to object in writing to the proposed Prevailing Rival Bidder as assignee by serving both of the above referenced counsels for DTI. THIS WILL NOT BE A SECOND CHANCE TO OBJECT TO THE CURE AMOUNT OR ANY OTHER MATTER (OTHER THAN THE PREVAILING RIVAL BIDDER'S ABILITY TO PERFORM), FOR WHICH THE DEADLINE IS FEBRUARY 6, 2003 REGARDLESS OF WHO THE ASSIGNEE IS.

DIGITAL TELEPORT, INC.
By: Robert E. Richards
One of its Counsels

Exhibit To Notice

Name and Address of Counterparty to Contract or Lease:

Identification of Contract(s) or Lease(s) to be Assigned (including any amendments thereto):

Unless specifically noted below, DTI will seek a finding that there are no defaults under the applicable contract or lease and that no cure or damage amounts are owed to you.

NONE