

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 27th day of
December, 2007.

In the Matter of the Review of the)	
Competitive Classification of the Exchanges of)	<u>Case No. IO-2008-0092</u>
Embarq Missouri, Inc., d/b/a Embarq)	

**ORDER APPROVING STIPULATION AND AGREEMENT AND FINDING
CONTINUED COMPETITION IN CERTAIN EXCHANGES OF EMBARQ**

Issue Date: December 27, 2007

Effective Date: January 6, 2008

On September 28, 2007, the Staff of the Missouri Public Service Commission filed a report pursuant to Section 392.245.5, RSMo (Supp. 2006), regarding continued competitive classification for Embarq Missouri, Inc., d/b/a Embarq's competitively classified exchanges. Staff concluded that competition continues to exist in Embarq's competitively classified exchanges and recommended that the Commission make a finding of that fact. The Commission established October 22 as the deadline for the filing of applications to intervene. No such applications were filed.

Acting on a request for hearing made by the Office of the Public Counsel, the Commission scheduled a prehearing conference for December 10. At that conference, the presiding officer ordered the parties to file a proposed procedural schedule by December 17. The Commission subsequently extended that deadline to December 21.

On December 20, Embarq, Staff, and Public Counsel filed a unanimous stipulation and agreement. In that stipulation, all parties agree that the Commission may consider the previously filed verified Staff report as evidence to determine whether competitive

conditions continue to exist in the Embarq exchanges previously granted competitive classification. Staff and Embarq further stipulate that Staff's report demonstrates the continued existence of competitive conditions in those exchanges and that such exchanges should remain classified as competitive. Public Counsel did not join that part of the stipulation, but stipulated that it does not object to Staff and Embarq's stipulation and will not offer any evidence in opposition to that stipulation. As part of the stipulation, Public Counsel withdrew its request for a hearing.

Section 392.245.5(6), RSMo (Supp. 2006) requires the Commission to review the status of competition in exchanges previously designated as competitive. That review is to be conducted at least every two years. The statutorily established standard for determining whether competition continues to exist in those Embarq exchanges previously designated as competitive is very straightforward. Competition is defined to exist in those exchanges if at least two nonaffiliated entities in addition to the incumbent local exchange company are providing basic local telecommunications service to customers. Staff's verified report, which the parties stipulate may be considered as evidence, indicates the statutory standard continues to be met in Embarq's competitively classified exchanges.

On the basis of Staff's verified report and the stipulation and agreement of Staff and Embarq, to which no party objects, the Commission finds that competition as defined by Section 392.245.5 RSMo (Supp. 2006) continues to exist in those exchanges of Embarq that the Commission previously classified as competitive.

IT IS ORDERED THAT:

1. The Stipulation and Agreement filed by Embarq of Missouri, Inc., d/b/a Embarq; the Staff of the Commission; and the Office of the Public Counsel is approved.

2. The Commission finds that competition, as defined by Section 392.245.5, RSMo (Supp. 2006), continues to exist in those exchanges of Embarq of Missouri, Inc., d/b/a Embarq that the Commission previously classified as competitive.

3. This order shall become effective on January 6, 2008.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton, Appling,
and Jarrett, CC., concur.

Woodruff, Deputy Chief Regulatory Law Judge