BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Review of the Competitive)	
Classification of the Exchanges of Embarq)	Case No. IO-2008-0092
Missouri, Inc.)	

STIPULATION AND AGREEMENT

COME NOW Embarq of Missouri, Inc. ("Embarq"), the Staff of the Missouri Public Service Commission ("Staff") and the Office of the Public Counsel ("OPC") (collectively "the parties"), by their respective counsel, and pursuant to 4 CSR 240-2.115 present the following Stipulation and Agreement for the Commission's consideration in this matter:

- 1. On September 28, 2007, the Staff filed a report pursuant to Section 392.245.5, RSMo (Supp. 2006), regarding conditions for competitive classification of Embarq's competitively classified exchanges. Staff concluded that competitive conditions continue to exist in Embarq's competitively classified exchanges and recommended that the Commission make a finding of that fact.
- 2. On October 1, 2007, the Commission joined Embarq as a necessary party, and provided notice of Staff's filing to other potentially interested parties; also establishing a deadline of October 22, 2007, for the filing of applications to intervene.
- 3. On October 30, 2007, OPC filed its request for an evidentiary hearing, urging the Commission to make a factual record of the proceeding which will serve as the basis of the Commission decision.
- 4. Embarq filed its response to the OPC's request for hearing on November 6, 2007, requesting that the Commission deny OPC's request. On November 27, 2007,

the Commission entered its Order Granting Request for Evidentiary Hearing, noting that the OPC does not take issue with any detail of Staff's report and OPC indicates that it has not made an independent investigation into the state of competition in Embarq's exchanges.

5. In accordance with the Commission's order, a Procedural Conference was held on December 10, 2007 with the Staff, OPC and Embarq participating. Pursuant to discussions at such conference, the Staff, on behalf of all parties, filed a Motion To Extend the Time to file a Procedural Schedule on December 17, 2007, which was granted.

6. Section 392.245.5(6) provides in part:

The commission shall, at least every two years, or where an incumbent local exchange telecommunications company increases rates for basic local telecommunications services in an exchange classified as competitive, review those exchanges where an incumbent local exchange carrier's services have been classified as competitive, to determine if the conditions of this subsection for competitive classification continue to exist in the exchange and if the commission determines, after herring that such conditions no longer exist for the incumbent local exchange telecommunications company in such exchange, it shall reimpose upon the incumbent local exchange telecommunications company, in such exchange, the provisions of paragraph (c) of subdivision (2) of subsection 4 of section 392.200 and the maximum allowable prices established by the provisions of subsections 4 and 11 of this section, and, in any such case, the maximum allowable prices established for the telecommunications services of such incumbent local exchange telecommunications company shall reflect all index adjustments which were or could have been filed from all preceding years since the company's maximum allowable prices were first adjusted pursuant to subsection 4 or 11 of this section.

7. As noted above, in its Report filed pursuant to the above-referenced statutory section, the Staff concluded that competitive conditions continue to exist in Embarq's competitively classified exchanges and recommended that the Commission

make a finding of that fact. All of Embarq's competitive exchanges are "30-day track"

exchanges under Section 392.245.5.

8. The parties stipulate that for purposes of this case, the Commission may

consider in its review the verified Staff Report filed in this case as evidence to determine

if competitive conditions as defined and provided for in Section 392.245.5, RSMo (Supp.

2006) for a 30-day petition continue to exist in the Embarq exchanges previously granted

competitive classification. The Staff and Embarg stipulate that the Staff Report

demonstrates that the competitive conditions for those exchanges continue to exist and

such exchanges should remain classified as competitive. OPC does not join that

stipulation. OPC does not object to the Staff's and Embarq's stipulation and will not

offer any evidence in opposition to that stipulation, and has agreed to withdraw its

request for a hearing.

WHEREFORE, the parties respectfully submit their Stipulation and

Agreement in this matter.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed or hand delivered this 20th day of December, 2007 to the following:

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