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STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 17th day of June, 1994.

In the matter of	of Farber Telephone Company's)
modernization p	plans pursuant to) CASE NO. TO-94-338
4 CSR 240-32-10	00.)

ORDER APPROVING STIPULATION AND AGREEMENT

On May 6, 1994, the Commission established this case for the proceedings concerning Farber Telephone Company's (Farber) modernization plans pursuant to 4 CSR 240-32.100.

On May 23, 1994, Farber, the Staff of the Commission (Staff), and the Office of the Public Counsel (Public Counsel) filed a Stipulation and Agreement (Stipulation) in this matter. The Stipulation (Attachment A to this Order and incorporated herein by reference) states that Farber provides, and shall continue to provide, the minimum necessary elements for basic local and interexchange telecommunications service as prescribed in the modernization rule, with the exception of providing equal access.

The Stipulation also states that Farber will send a letter to interexchange carriers informing them of the date Farber intends to provide equal access, and that Farber will provide equal access no later than June 30, 1996. The letter is to be sent no later than six months prior to the date Farber intends to provide equal access. The Stipulation further specifies that Farber will comply with the requirements of the Federal Communications Commission Report and Order released March 19, 1985, in CC Docket No. 78-72, Phase III. In addition, the parties agree that if Farber fulfills the terms of the Stipulation, Farber will be providing basic service by June 30, 1996. Furthermore, the Stipulation states that the requirement for Farber to file three, five, and seven-year modernization plans should be waived.

The Commission has reviewed Farber's filings and the Stipulation in this matter. The Commission finds that Farber currently provides most elements of basic service, except equal access, and that Farber intends to provide equal access no later than June 30, 1996. The Commission also finds that the provision

for Farber to continue to provide the minimum necessary elements for basic service is beneficial for purposes of protecting the public interest in the future. Furthermore, the fact that Farber will be providing basic service as required by 4 CSR 240-32.100 within three years of the filing date specified by the modernization rule is good cause for Farber to be granted a waiver from the requirement to file three, five, and seven-year modernization plans. Thus, the Commission finds that the Stipulation is just and reasonable.

The Commission may approve a stipulation of the issues in a case if it finds that the stipulation is just and reasonable. The Commission has so found and thus determines that the Stipulation in this case should be approved.

IT IS THEREFORE ORDERED:

- 1. That the Stipulation and Agreement filed in this case (Attachment A) is hereby approved and adopted.
- 2. That Farber Telephone Company is hereby granted a waiver of the requirement to file three, five, and seven-year modernization plans pursuant to 4 CSR 240-32.100.
- 3. That Farber Telephone Company shall submit a copy of the letter to interexchange carriers required by the Stipulation and Agreement approved in Ordered Paragraph 1 to the Telecommunications Department of the Commission.
- 4. That Farber Telephone Company shall submit written notification to the Telecommunications Department of the Commission upon full implementation of equal access.
 - 5. That this Order shall become effective on June 28, 1994.

BY THE COMMISSION

David L. Rauch Executive Secretary

(SEAL)

Mueller, Chm., McClure, Perkins Kincheloe, CC., Concur. Crumpton, C., Absent.

- BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of Farber Telephone) TO-94-338
Company's Modernization Plans) Case No.
Pursuant to 4 CSR 240-32.100)

STIPULATION AND AGREEMENT

Based on documentation filed by Farber Telephone Company ("the Company"), the signatories -- the Office of the Public Counsel ("OPC"), the Staff of the Missouri Public Service Commission ("the Staff") and the Company -- agree and stipulate as follows:

- 1. As of the date of this Stipulation and Agreement, the parties agree that the Company provides the minimum necessary elements for basic local and interexchange telecommunications service ("Basic Service") as prescribed in 4 CSR 240-32.100 ("the Modernization Rule") with the exception of interLATA equal access. The Company agrees to continue to provide this level of service.
- 2. The Company agrees to send a letter to interexchange carriers no later than six months prior to the date the Company intends to provide customers with equal access. The Company shall provide equal access by June 30, 1996, or earlier if practicable considering the business conditions in the Company's service area and the Company's capital constraints. In implementing interLATA equal access, the Company shall comply with the requirements of the Federal Communications Commission Report and Order released March 19, 1985, in CC Docket No. 78-72, Phase III.

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- 3. OPC and the Staff agree that if the Company abides by the terms of paragraphs 1 and 2, by June 30, 1996, the Company will be providing all of the minimum necessary elements for basic local and interexchange telecommunications service as set forth in 4 CSR 240-32.100.
- 4. Given the Company's intent to provide Basic Service within three years of the filing date specified by the Modernization Rule, the Staff and the OPC agree that it is not essential for the Company to file three-, five- and seven-year modernization plans as provided by the Modernization Rule.
- 5. If the Missouri Public Service Commission ("the Commission") accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights:
 - a. to call, examine or cross-examine witnesses, pursuant to § 536.070(2) RSMo 1986;
 - b. to present oral argument and written briefs, pursuant to § 536.080.1 RSMo 1986;
 - c. to have the Commission read any transcript resulting from this proceeding, pursuant to § 536.080.2 RSMo 1986; and
 - d. to judicial review, pursuant to § 386.510 RSMo 1986.
- 6. Nothing in this stipulation shall constitute an agreement by the parties as to the reasonableness of the amount or value for ratemaking purposes of any specific planned or completed expenditure made by the Company in providing Basic Service. The Commission may consider, where appropriate, the ratemaking consequences of any such expenditure made or incurred by the Company in providing Basic Service in a subsequent ratemaking proceeding involving the Company.
- 7. The provisions of this Stipulation and Agreement have resulted from negotiations among the signatories and are interdependent. In the event the Commission does not approve this

Stipulation and Agreement in total, it shall be void and no party shall be bound, prejudiced or in any way affected by any of the agreements or provisions hereof.

- 8. This Stipulation and Agreement represents a negotiated settlement. Except as specified herein, the parties to this Stipulation and Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Stipulation and Agreement in any future proceeding or in any proceeding currently pending under a separate docket.
- 9. The Staff shall have the right to submit to the Commission, in confidential memorandum or oral briefing form, its rationale for entering into this Stipulation and Agreement, and to provide to the Commission whatever further explanation the Commission requests. Any rationales advanced by the Staff are its own and are not acquiesced in or otherwise adopted by the other signatories hereto. The Staff's explanation shall not become part of the record of this proceeding and shall not bind or prejudice the Staff in any future proceeding. In the event the Commission does not approve this Stipulation and Agreement, the Staff's explanation shall not bind or prejudice the Staff or any other party to this proceeding.

WHEREFORE, the signatories respectfully request that the Commission issue an order that:

- 1. Approves this Stipulation and Agreement, and
- 2. Waives the requirement that the Company file three-, five- and seven-year modernization plans.

Respectfully submitted,

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