

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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| In the Matter of the Review of the Competitive |) | |
| Classification of the Exchanges of Spectra |) | <u>Case No. IO-2008-0097</u> |
| Communications Group, LLC, d/b/a CenturyTel |) | |

STIPULATION AND AGREEMENT

COME NOW Spectra Communications Group, LLC, d/b/a CenturyTel ("Spectra"), 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 October 4, 2007, the Staff filed a report pursuant to Section 392.245.5, RSMo (Supp. 2006), regarding conditions for competitive classification of Spectra's competitively classified exchanges. Staff concluded that competitive conditions continue to exist in Spectra's competitively classified exchanges and recommended that the Commission make a finding of that fact.
2. On October 9, 2007, the Commission joined Spectra as a necessary party, and provided notice of Staff's filing to other potentially interested parties; also establishing a deadline of October 30, 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's decision.
4. Spectra filed its response to the OPC's request for hearing on November 8, 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 Spectra's exchanges.

5. In accordance with the Commission's order, a Procedural Conference was held on November 27, 2007, with the Staff, OPC and Spectra participating. Pursuant to discussions at such conference, the Staff, on behalf of all parties, filed a Motion To Establish Procedural Schedule on November 28, 2007, setting forth a proposed procedural schedule. By its Order Adopting Procedural Schedule of November 30, 2007, the proposed schedule was adopted by the Commission.

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 hearing, 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 Spectra's competitively classified exchanges and recommended that the Commission make a finding of that fact. All of Spectra'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 Spectra exchanges previously granted competitive classification. The Staff and Spectra 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 in that stipulation. OPC does not object to the Staff's and Spectra's stipulation and will not offer any evidence in opposition to that stipulation.

WHEREFORE, the parties respectfully submit their Stipulation and Agreement in this matter.

Respectfully submitted,

/s/ Larry W. Dority

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by electronic mail or mailed, First Class, postage prepaid, to the following parties on the 13th day of December, 2007.

/s/ Larry W. Dority

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