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October 7, 2002

Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Mo 65102

FILED³
OCT 07 2002

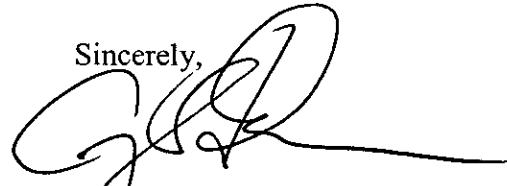
Re: TM-2002-465

Missouri Public
Service Commission

Dear Secretary:

Enclosed for filing find an Original and eight copies of a Joint Stipulation, as anticipated at the October 4 prehearing conference. Copies have been served on all attorneys of record, and Judge Thompson. Thank you for seeing it filed.

Sincerely,



Craig S. Johnson

cc: Cliff Snodgrass
Michael Dandino
Leo Bub
Steve Weber/Matt Kohly
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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE
STATE OF MISSOURI

FILED³
OCT 07 2002

Missouri Public
Service Commission

In the Matter of the Joint Application)
of Northeast Missouri Rural Telephone)
Company and Modern Telecom-)
munications Company for Approval)
to Merge Modern Telecommunications)
Company and Northeast Missouri)
Rural Telephone Company.)

Case No. TM-2002-465

Stipulation

Come now the following Parties, Applicants Northeast Missouri Rural Telephone Company (Northeast) and Modern Telecommunications Company (Modern), the Staff of the Missouri Public Service Commission, and the Office of Public Counsel, and submit the following Stipulation to the Commission in this matter:

1. On March 27, 2002, Applicants Northeast Missouri Rural Telephone Company and Modern Telecommunications Company filed this joint application for authority to merge Modern Telecommunications Company with and into Northeast Missouri Rural Telephone Company pursuant to §392.300 RSMo, with an effective transaction date of January 1, 2003.

2. The signatories hereby stipulate and agree that, if the terms and conditions contained in paragraph 4 of this Stipulation are met, the proposed merger is not detrimental to the interest of the public, of any customer of Modern, or of any customer of Northeast.

3. The proposed merger will have no direct impact on tax revenues of political subdivisions in which Northeast Missouri Rural Telephone Company and Modern Telecommunications Company operate.

4. Upon approval of the proposed merger, as survivor, Northeast Missouri Rural Telephone Company commits to comply with the following terms and conditions:

a. Northeast will continue to honor the commitment of Modern to forego recovery in future rate cases of an acquisition premium paid by Modern in acquiring the three GTE exchanges which are now Modern exchanges;

b. Northeast will forego recovery in future rate cases of incremental acquisition costs associated with merging Modern into Northeast;

c. Northeast will track all merger transaction costs so they can be excluded in future rate cases;

d. Northeast will continue to honor the commitment of Modern to continue to use an additional income tax offset to the rate base associated with the three exchanges Modern acquired from GTE;

e. Northeast will forego recovery in future rate cases the membership fee contribution of Modern to Modern customers in connection with the merger;

f. Northeast will seek to obtain waiver of the requirement imposed by the Commission in TM-95-142 regarding the completion and filing of a depreciation study;

g. Unless prior rate or overearnings proceedings are initiated in connection with Northeast, Northeast will file a revenue neutral access rate design proceeding on or before January 1, 2004 to address concerns associated with regard to maintaining separate access rates for different exchanges. The Signatories agree that should rate

proceedings or an over-earnings complaint be initiated by Staff or OPC in connection with Northeast before January 1, 2004, that any changed or new rates resulting from those rate or complaint proceedings can be made prospectively effective at any time ordered by the Commission. Unless rate or over-earnings complaint proceedings are initiated by Staff or OPC, the Signatories agree there will be no change in the access rates for the Northeast and Modern exchanges until Northeast files the revenue neutral rate design proceeding on or before January 1, 2004. Northeast will provide to the parties to this case a copy of any proposed access rate changes when filed with the Commission.

h. The merged company will retain Northeast's currently ordered depreciation rates as approved in TR-2001-344 with the authorization to use accelerated rates approved in Commission Case No. TA-2002-61 for purposes of booking depreciation expenses in excess of minimum rates.

5. The Staff shall file suggestions or a memorandum in support of this Stipulation and Agreement and the other Parties shall have the right to file responsive suggestions or prepared testimony.

6. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that Staff shall, to the extent reasonably practicable, provide the other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any protective order issued in this case.

7. The provisions of this Stipulation have resulted from negotiations among the signatories and are interdependent. In the event the Commission does not approve and adopt the terms of this Stipulation in total, it shall be void and no party hereto shall be bound, prejudiced, or in any way affected by any of the stipulations, agreements or provisions hereof. The stipulations, agreements and provisions herein are specific to the resolution of this proceeding, and are all made without prejudice to the rights of the parties to take other positions in other proceedings.

8. In the event the Commission accepts the specific terms of this Stipulation, the signatories waive, with respect to the above-settled issues, their respective rights to cross-examine witnesses; their respective rights to present oral argument and written briefs pursuant to Section 536.080.1 RSMo.; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo.; and their respective rights to judicial review pursuant to 386.510 RSMo. This waiver applies only to a Commission order respecting this Stipulation issued in this proceeding and does not apply to matters raised in any subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation.



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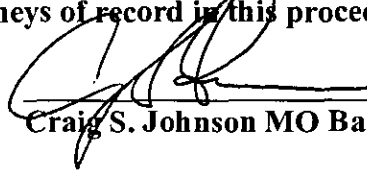
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CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and accurate copy of the foregoing was mailed, via U.S. Mail, postage prepaid, this 2 day of October, 2002, to all attorneys of record in this proceeding.



Craig S. Johnson MO Bar No. 28179