

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

In the Matter of the Request from the Customers in the)
Rockaway Beach Exchange for an Expanded Calling) **Case No. TO-2003-0257**
Scope to Make Toll-Free Calls to Branson.)

STIPULATION AND AGREEMENT

As a result of continued discussions among the Office of the Public Counsel (“Public Counsel”) and CenturyTel of Missouri, LLC (“CenturyTel”) (collectively “the Signatory Parties”), the Signatory Parties hereby submit to the Missouri Public Service Commission (“Commission”) for its consideration and approval this Stipulation and Agreement (the “Agreement”) for resolution of this matter. The Signatory Parties respectfully state as follows:

A. Introduction and Background

1. On January 29, 2003, based upon signed petitions submitted by customers, Public Counsel filed a petition on behalf of customers in the CenturyTel Rockaway Beach exchange for an expanded toll free calling scope to Branson. A Prehearing Conference was convened on March 6, 2003 and, as noted in previous Commission Orders, since that time the case has been delayed “to give CenturyTel of Missouri, LLC, and the applicant an opportunity to agree on a solution and to give CenturyTel time to develop tariff sheets,” as well as “to allow the Metropolitan Calling Area/Calling Scope Task Force to file its report in Case No. TW-2004-0471.”¹

2. Various progress reports were filed by Public Counsel, CenturyTel and the Staff of the Commission (the “Parties”) and, as stated in those reports, CenturyTel

¹ Order Directing Notice, Setting An Intervention Deadline, Scheduling A Conference, And Regarding The Filing Of Illustrative Tariff Sheets, April 11, 2005.

conducted community informational meetings in Branson, Missouri during these time frames with representatives of several communities potentially involved in this matter. On December 16, 2004, the Staff, Public Counsel, representatives of CenturyTel, the Mayor of Rockaway Beach and a number of community leaders and interested parties in the community held a telephone conference concerning the petitions filed requesting expanded calling in the Rockaway/Branson area.

3. On February 14, 2005, the Commission issued its Order Directing Filing wherein it ordered “[t]hat no later than February 24, 2005, the Office of the Public Counsel shall file a statement advising the Commission and the parties whether the application remains unchanged, or advising the Commission of the specific modifications to the application.” In response to that Order, Public Counsel filed its *Request for Expanded Calling Plan* on February 24, 2005, which included the following information:

While the original petitions and letters requesting expanded calling did not reference specific terms and conditions for the proposed expanded calling plan, Public Counsel provides the following information regarding the proposed calling plan so that the request includes these elements for discussion with the interested parties:

a) A description of the new plan or the change(s) to an existing plan

Plan Description: Create calling plan to allow toll free calling among the communities of Rockaway Beach, Forsythe, Kimberling City, and Reed Springs and Branson.

b) The proposed price and terms of the new service

Rate/Terms of Service: This would allow callers in these communities to call within these communities for a monthly fee of \$3.00 month for unlimited two-way expanded calling in addition to present local rate (local rate not included).

c) Whether the proposed plan is optional to individual customers or mandatory for all customers

Mandatory for all customers in Rockaway Beach, Forsythe, Kimberling City, Reed Spring, and Branson and in addition to charges for local service and any other existing EAS charges.

d) Toll or local classification of calling plan traffic and associated inter-company compensation, if any, to be utilized to facilitate the plan

Bill and Keep. The company that offers this expanded calling plan will bill its own subscribers and keep all revenues from that service without payment of access fees.²

4. CenturyTel filed its Response to Public Counsel's Request for Expanded Calling Plan on March 7, 2005. The Commission issued an Order Directing Filing on March 23, 2005, instructing Public Counsel and Staff to clarify certain matters. Public Counsel filed its response on March 28, 2005, and Staff filed its Fourth Status Report on March 31, 2005. Thereafter, the Commission issued its Order Directing Notice, Setting An Intervention Deadline, Scheduling A Conference, And Regarding The Filing Of Illustrative Tariff Sheets on April 11, 2005, wherein the Commission ordered, *inter alia*, that CenturyTel of Missouri, LLC be made a party to this case; that interested parties be given notice and an opportunity to intervene, directing that copies of the Order be mailed to each certificated interexchange and local exchange telecommunications company in Missouri, and to the county commissions of Barry, Christian, Taney³, Greene, Lawrence, Polk, Stone and Webster counties (in addition to the Commission's Information Office providing notice to the media and members of the General Assembly representing those counties); that a Conference be held on May 2, 2005; and that CenturyTel should "file illustrative tariff sheets and supporting documentation if the company proposes to

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³ Taney County was substituted for "Davis" County, per the Commission's Notice of Correction issued on April 13, 2005.

increase or establish new rates designed to maintain revenue neutrality, including the recovery of new costs associated with implementing the new proposal” no later than May 25, 2005. No applications to intervene have been filed in this proceeding.

5. In accordance with the above-described Commission directive, on May 25, 2005, CenturyTel filed its “Response to Order Directing Filing and Motion to Reschedule Conference” submitting a public version illustrative tariff reflecting the applicant’s proposal, including Public Counsel’s proposed rates, as well as a highly confidential⁴ exhibit containing supporting documentation that included statements of revenue and expense impacts and revenue neutrality requirements related to the proposed plan. Regarding the illustrative tariff, CenturyTel specifically stated in its pleading that “CenturyTel does not support or propose such tariff, would object to its consideration and approval, and files it in response to the Commission’s previous directive.” CenturyTel also stated to the Commission that it “has advised the OPC and Staff that it would like to present and discuss alternative proposals designed to maintain revenue neutrality for the company, after those parties have had the opportunity to review the confidential information submitted herewith.” To accommodate that review, the Parties requested that the Commission reschedule the Conference from June 1, 2005 to June 16, 2005, and that the Conference be held at the offices of the Public Counsel without the need for going on the record. Noting that “the upcoming conference is basically a second settlement conference,” the Commission granted the Parties’ request by its Second Order Rescheduling Conference issued on May 27, 2005. In that Order, the Commission also directed the parties to file a status update no later than June 30, 2005.

⁴ On May 18, 2005, CenturyTel filed its Motion for Protective Order and Motion for Expedited Treatment, which was granted by the Commission’s Order Establishing Protective Order issued herein on May 19, 2005.

6. The Parties filed their Status Update on June 30, 2005, advising the Commission that:

[t]he Parties continue to discuss and review the supporting documentation submitted by CenturyTel, and the Parties have scheduled additional settlement conferences to be held each week over the next 30 days to facilitate such discussions and to continue attempts to resolve or narrow the issues. The parties commit to advise the Commission of the status of this matter and any suggested additional proposals and/or procedures, on or before July 29, 2005.

7. The Parties have participated in numerous additional settlement conferences and teleconferences since that filing in continuation of their efforts to resolve the issues, and Public Counsel and CenturyTel submit to the Commission for its consideration and approval the following terms and conditions for resolution of this matter.

B. Stipulations and Agreements to Resolve the Issues in This Proceeding

8. The Signatory Parties stipulate and agree to the following elements constituting the expanded calling plan (the "Plan"):

- a) Plan Description: One-way toll-free calling between the following originating and terminating CenturyTel exchanges:
 - Rockaway Beach to Branson
 - Rockaway Beach to Forsyth
 - Forsyth to Rockaway Beach
 - Kimberling City to Reeds Spring
 - Reeds Spring to Kimberling City

- b) Proposed Price and Terms of the New Service:
CenturyTel customers in the above-listed originating exchanges would have one-way unlimited expanded calling to the terminating exchange for a monthly fee in addition to the present local rate. For customers in the Forsyth, Kimberling City and Reeds Spring exchanges, the additional monthly fee is \$2.50. For customers in the Rockaway Beach exchange, the additional monthly fee is \$3.50.

c) Mandatory Service:

This plan is mandatory for all CenturyTel customers in the above-listed originating exchanges, and the monthly fee is in addition to charges for local service and any other existing EAS charges.

9. The Signatory Parties stipulate and agree that an integral component of this expanded calling plan is the partial funding mechanism accomplished through the annual price cap filing of CenturyTel being made concurrent herewith.⁵ A portion of the revenues represented by the annual change in the telephone service component of the Consumer Price Index (CPI-TS) are utilized herein, to offset a portion of the revenue requirement necessary to effectuate this expanded calling plan. Accordingly, the August 1, 2005 tariff filing being made by CenturyTel to implement its annual price cap changes incorporates this element, as well as the revised tariff changes required to implement the new expanded calling scope as specifically set forth herein.

10. The Signatory Parties respectfully submit that Commission approval of this Stipulation and Agreement is in the public interest, and that Commission approval will advance the economic development and economies of the above-listed communities.

11. The Signatory Parties Further Stipulate and Agree that:

A) This Stipulation and Agreement has resulted from extensive negotiations among the Signatory Parties and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and neither Signatory Party shall be bound by any of the agreements or provisions hereof. The stipulations herein are specific to the resolution of

⁵ See, "Joint Application for Variance and Motion for Expedited Treatment," ¶ 8; Order Granting Joint Application for Variance and Granting Motion for Expedited Treatment, Case No. TO-2006-0015, July 14, 2005.

this proceeding, and all stipulations are made without prejudice to the rights of the Signatory Parties to take other positions in other proceedings.

B) This Stipulation and Agreement is being entered into for the purpose of disposing of all issues in this case. The Signatory Parties represent that the terms of this Stipulation and Agreement constitute a fair and reasonable resolution of the issues addressed herein. Except as addressed herein, neither of the Signatory Parties to this Stipulation and Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

C) The Signatory Parties further understand and agree that the provisions of this Stipulation and Agreement relate only to the specific matters referred to in the Stipulation and Agreement and neither party waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation. The Signatory Parties further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation and Agreement in a manner which is adverse to the party withdrawing its support and further, the Signatory Parties reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the party contesting such Commission order.

12. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Signatory Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), R.S.Mo. 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs

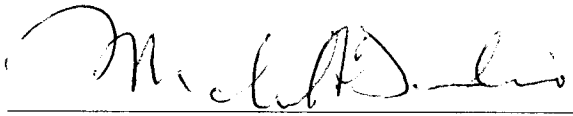
pursuant to Section 536.080.1, R.S.Mo. 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, R.S.Mo. 2000; their respective rights to seek rehearing pursuant to Section 386.500, R.S.Mo. 2000; and their respective rights to judicial review pursuant to Section 386.510, R.S.Mo. 2000.

13. To assist the Commission in its review of this Stipulation and Agreement, the Signatory Parties also request that the Commission advise them of any additional information that the Commission may desire from the parties relating to the matters addressed in this Stipulation and Agreement, including any procedures for furnishing such information to the Commission.

WHEREFORE, the Office of the Public Counsel and CenturyTel of Missouri, LLC respectfully request that the Commission issue its Order approving this Stipulation and Agreement and the tariffs being filed this date by CenturyTel of Missouri, LLC concurrent herewith, at its earliest opportunity so as to be effective September 1, 2005.

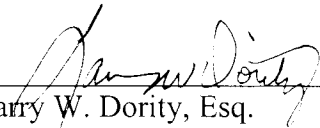
Respectfully submitted,

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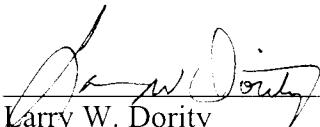
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, to all counsel of record this 1st day of August, 2005.


Larry W. Dority