

BEFORE THE  
PUBLIC UTILITIES COMMISSION  
STATE OF COLORADO

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PUBLIC UTILITIES COMMISSION  
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In the Matter of the  
Application of )  
)  
SAN ISABEL )  
TELECOM, INC. )  
)  
For Designation )  
As An Eligible )  
Telecommunications Carrier )

Docket No.01A-442T

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STIPULATION AND SETTLEMENT AGREEMENT

San Isabel Telecom, Inc. ("San Isabel"), and the Staff of the Colorado Public Utilities Commission of the State of Colorado ("Staff") (collectively referred to as the "Parties"), through their undersigned counsel and representatives, enter into this Stipulation and Settlement Agreement ("Stipulation") concerning the above-referenced application of San Isabel for designation as an eligible telecommunications carrier ("ETC"). The Parties submit this Stipulation for approval by the Commission pursuant to Rule 83(a) of the Commission's Rules of Practice and Procedure, 4 CCR 723-1-83(a).

**Statement of the Case**

1. On September 24, 2001, San Isabel filed its application for designation as an ETC with the Commission pursuant to 4 CCR 723- 42-7. On September 27, 2001, the Commission issued its Notice of Application Filed in this docket. On November 20, 2001, the Commission issued its order setting this matter for hearing on January 25, 2002, before a Commission Administrative Law Judge.

2. Timely interventions were filed in this docket by CenturyTel of Eagle, Inc. ("CenturyTel")<sup>1</sup> and Staff.
3. Pursuant to the Commission's Rules Prescribing The Procedures For Designating Telecommunications Service Providers As Providers Of Last Resort, Or As An Eligible Telecommunications Carrier, 4 CCR 723- 42, the Commission may, in the case of an area served by a rural telecommunications provider, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the Commission, as long as each additional requesting carrier meets the requirements of 47 C.F.R. § 54.201(d). Prior to making such a designation, the Commission must find that the designation is in the public interest. 4 CCR 723- 42-7.
4. Concurrently with the filing of its application, San Isabel filed its Direct testimony and exhibits in support of its designation as an ETC. Pursuant to the Notice of Application, both CenturyTel and Staff timely filed Answer testimony in this docket. Since the filing of the Answer testimony, San Isabel has had the opportunity to discuss this docket with CenturyTel and Staff in an attempt to resolve the differences regarding issues raised by this application. San Isabel and Staff have now reached an agreement on the issues raised in this docket and enter into this Stipulation for the purpose of avoiding the costs and risks of litigation and in an effort to best manage the transition to competitive local telephone service, as contemplated by 4 CCR 723- 42-7. The Parties agree that this Stipulation is entered into for the sole purpose of resolving the issues presented in this docket, and has no legal effect outside of the instant proceeding.

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<sup>1</sup> The Parties have been informed by Counsel for CenturyTel that while CenturyTel is not executing this Stipulation, it does not oppose the Stipulation and will request leave to withdraw its Intervention in this docket

### The Stipulation

Having reviewed all of the filings in this docket, and negotiated the following settlement terms, the Parties hereby stipulate and agree as follows:

1. San Isabel, headquartered in Aurora, Colorado, holds a Certificate Of Public Convenience and Necessity from the Commission to provide competitive local exchange carrier ("CLEC") services for the exchanges of Eagle, Edwards, Gypsum and McCoy. As part of its overall expansion plans, San Isabel seeks designation as an ETC, enabling it to receive Universal Service Funds ("USF") for the provision of telephone service in these exchanges.
2. San Isabel will provide its current universal service offerings through a combination of landline and fixed wireless facilities owned and operated by the company or leased by the company in the exchanges identified above. San Isabel will offer all the services supported by the Federal Universal Service Program as listed in its local services tariff, Tariff CPUC No. 2. San Isabel will meet the requirements of 47 C.F.R. § 54.201(d) in each of the exchanges identified above by offering the services that are supported by federal universal service support mechanisms under subpart B of 47 C.F.R. Part 54.
3. San Isabel will offer the services that are supported by the Federal Universal Support Mechanisms under 47 U.S.C. 254(c).
4. San Isabel will use local radio and publications in addition to white and yellow page advertising to promote the availability of its services. It will offer basic local exchange service at tariffed rates to all who request such service within the area.

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shortly after the executed Stipulation is filed with the Commission.

5. San Isabel will make available lifeline service as defined in 54.401, pursuant to Subpart E of 47 C.F.R. 54 to qualifying low-income customers.
6. San Isabel has requested ETC designation in the exchanges of Eagle, Edwards, Gypsum and McCoy, as more fully described in its application for designation as an ETC. San Isabel does not propose to serve the entire study area of CenturyTel, due to limitations on its current Certificate of Public Convenience and Necessity. With respect to the exchanges of Eagle, Edwards, Gypsum and McCoy which San Isabel seeks ETC designation for by this application, it is the position of the parties that San Isabel has satisfied all legal criteria for designation as an ETC and should be granted conditional ETC status immediately by the Commission, pending disaggregation of the CenturyTel service area to a wire center or sub-wire center level.
7. San Isabel agrees to seek USF funding for only those basic local exchange services covered by its Tariff No. 2. As such, San Isabel will not seek USF funding for any mobile wireless service offerings.
8. San Isabel agrees to amend its Tariff No. 2 to include a line extension policy which complies with the Commission's rules governing line extensions for local exchange service, 4 CCR 723-2-5.4. San Isabel agrees to file the appropriate advice letter to amend its Tariff No. 2 within 30 days of the effective date of a Commission decision in this docket approving this Stipulation.
9. San Isabel agrees to participate in the Commission's annual state certification process to the FCC governing parties receiving universal service funding to the extent required by the Commission's procedures regarding the State certification process. San Isabel agrees to provide the Commission with any information the Commission deems necessary to

make a determination as to whether the USF support received by San Isabel will be used for its intended purpose.

10. San Isabel enters into this Stipulation with Staff in order to settle pending litigation. The Parties stipulate and agree that San Isabel shall provide its ETC universal service offerings in Colorado pursuant to this Stipulation and in accordance with its Tariff No. 2 service offerings and pricing set forth therein.
11. The Stipulation constitutes a settlement of disputed and compromised claims and is made for settlement purposes only. By participating in this settlement, no party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Stipulation. No precedential effect or other significance, except as may be necessary to enforce this Stipulation or a Commission Order concerning this Stipulation shall be attached to any principle or methodology contained in this Stipulation.
12. All witnesses of the Parties will support all aspects of this Stipulation embodied in this document in any hearing conducted to determine whether the Commission should approve this Stipulation. Each party also agrees that, except as expressly provided in this Stipulation, it will take no action in any administrative or judicial proceeding which would have the effect, directly or indirectly, of contravening the provisions of this Stipulation. Without prejudice to the foregoing, the Parties expressly reserve the right to advocate positions different from those stated in this Stipulation, in any proceeding other than one necessary to obtain approval of or enforce this Stipulation or a Commission Order approving this Stipulation. Nothing in this Stipulation shall constitute a waiver by any party with respect to any matter not specifically addressed in this Stipulation.

13. This Stipulation shall not become effective until the Commission issues a Final Order approving the Stipulation, which order does not contain any modification of the terms and conditions of this Stipulation that is unacceptable to any of the Parties to the Stipulation. In the event the Commission modifies this Stipulation in a manner unacceptable to any party hereto, that party may withdraw from the Stipulation and shall so notify the Commission and the other Parties to the Stipulation in writing within 10 days of the date of the Commission Order. In the event a party exercises its right to withdraw from the Stipulation, the Stipulation shall be null and void and of no effect in this or any other proceeding.
14. In the event this Stipulation becomes null and void, or in the event the Commission does not approve this Stipulation, the Stipulation, as well as the negotiations undertaken in conjunction with the Stipulation, shall not be admissible into evidence in these or any other proceedings.
15. The Parties state that they have reached this Stipulation by means of a negotiated process that is in the public interest, and that the results reflected in this Stipulation are just, reasonable and in the public interest. Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable and reasonable resolution of all issues which were or could have been contested by the Parties with respect to this Application.
16. This Stipulation is an integrated agreement that may not be altered by the unilateral determination of any party.
17. This Stipulation may be executed in separate counterparts, including facsimile. The counterparts taken together shall constitute the Stipulation and Settlement Agreement.

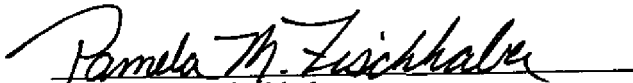
The Parties represent that the signatories to the Stipulation have full authority to bind their respective Parties to the terms of the Stipulation.

WHEREFORE, the Parties respectfully submit this Stipulation and Settlement Agreement for approval by the Commission, and request that the Commission issue an order approving this Stipulation.

DATED this 1<sup>st</sup> of February, 2002.

Staff, Public Utilities Commission

Approved as to Form:



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**CERTIFICATE OF SERVICE**

I hereby certify that on this 4<sup>th</sup> day of February, 2002, a true and correct copy of the **STIPULATION AND SETTLEMENT AGREEMENT** was served via United States mail, postage prepaid, and addressed to:

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