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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

Docket No. 03I-213T

**IN THE MATTER OF THE PROPOSED RATES FOR ENHANCED EXTENDED LOOPS,
QWEST CORPORATION'S NINTH REVISED STATEMENT OF GENERALLY
AVAILABLE TERMS AND CONDITIONS**

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement ("Agreement") is entered into by and among Qwest Corporation ("Qwest"), AT&T Communications of the Mountain States, Inc. ("AT&T"), and WorldCom, Inc., on behalf of its regulated subsidiaries ("WorldCom")(collectively the "Parties") and sets forth the terms and conditions by which the Parties have mutually agreed to resolve certain issues in the above-captioned docket.

RECITALS

A. On March 4, 2003, in Docket No. 03M-078T, Qwest filed its Notice of Filing Ninth Revised Statement of Generally Available Terms and Conditions and Motion for Approval. In its filing, Qwest requested the Colorado Public Utilities Commission's ("Commission's") approval of a number of changes to its Statement of Generally Available Terms and Conditions ("SGAT") one of which was the inclusion of rates for the "DS0 EEL Low Side Channelization" and DS1/DS0 Low Side Channelization" (Exhibit A to the SGAT, Section 9.23.6.5). Because the Commission ordered "rate element not necessary" in Decision No. C02-409 (Docket No. 99A-577T), AT&T and WorldCom protested, in part, the Qwest-filed rate for Enhanced Extended Loop ("EEL") channel performance and the Commission opened the present docket in order to determine the appropriate rate.

B. On August 22, 2003, Qwest filed the testimony of its witness, Robert Brigham. Qwest proposed to set the rates for these elements at the same level as the "DS0 UDIT Low Side Channelization" and "DS1/DS0 Low Side Channelization" rates (SGAT Exhibit A, Section 9.6.7) that were approved by the Commission in Docket No. 99A-577T.¹

C. Based on the above, the Parties agree to the terms set forth below for the purpose of establishing the rates for EEL Channel Performance.

D. The Parties believe that this Agreement is in the public interest, as more fully explained below.

AGREEMENT

WHEREFORE, the Parties agree and stipulate as follows:

1. The rates for EEL channel performance should be identical to those set by the Commission for UDIT channel performance which are as follows:

DS0 Low Side Channelization	\$8.48
DS1/DS0 MUX Low Side Channelization	\$4.83 ²

2. The Direct Testimony of Robert Brigham filed in this matter on August 22, 2003, provides a basis to support setting the EEL channel performance rates as stated in paragraph 1. Further, the Commission's findings of fact found in paragraph VIII, 3, of Decision No. C01-1302 stating that "No differentiation is appropriate between unbundled, dedicated, and Enhanced Extended Loop (EEL) transport rates" supports the rates stated in paragraph 1. Finally, these are the same rates the Commission ordered for UDIT channel performance.

¹See, Decision No. C01-1302, para. VIII, 3, a, at page 77, entered in Docket No. 99A-577T, wherein the Commission states: No differentiation is appropriate between unbundled, dedicated, and Enhanced Extended Loop (EEL) transport rates.

² See, Appendix A to Decision No. C01-1302.

3. If this stipulation and settlement agreement is approved, the parties request that the Commission approve the rates in paragraph 1, vacate the hearing in this matter and permanently suspend the procedural schedule that hereto for governed this proceeding.

4. This Agreement shall not become effective and shall be of no force and effect until the issuance of a final Commission order approving this Agreement, which order does not contain any modification of the terms and conditions of this Agreement that is unacceptable to any of the Parties. In the event the Commission modifies this Agreement in a manner unacceptable to any Party hereto, that party may withdraw from the Agreement and shall so notify the Commission and the other Parties to the Agreement in writing within ten (10) days of the date of the Commission order. In the event a Party exercises its right to withdraw from the Agreement, this Agreement shall be null and void and of no effect and no force in these or any other proceedings.

5. In the event this Agreement becomes null and void or in the event the Commission does not approve this Agreement, this Agreement, as well as the negotiations or discussion undertaken in conjunction with the Agreement, shall not be admissible into evidence in these or any other proceedings.

6. The Parties state that they have reached this Agreement by means of a negotiated process that is in the public interest, and that the results reflected in this Agreement are just, reasonable, and in the public interest. The Parties agree that approval by the Commission of this Agreement shall constitute a determination that the Agreement represents a just, equitable, and reasonable resolution of the issues raised.

7. The Parties agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules and Regulations to the extent necessary to permit all provisions of this Agreement to be carried out and effectuated.

8. This Agreement is an integrated agreement that may not be altered by the unilateral determination of any Party to the Agreement.

9. This Agreement may be executed in separate counterparts. The counterparts taken together shall constitute the whole Agreement.

10. Counsel for WorldCom and AT&T have authorized counsel for Qwest to sign this Stipulation on their behalf.

Dated this 24th day of September, 2003.

QWEST CORPORATION:

By: Winslow B. Waxter
Winslow B. Waxter, Reg. No. 31695
Qwest Services Corporation
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WORLDCOM, INC.

By: Thomas F. Dixon (USBI)
Thomas F. Dixon, Reg. No. 500
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**AT&T COMMUNICATIONS OF
THE MOUNTAIN STATES, INC.**

By: Letty S.D. Friesen (USBI)
Letty S.D. Friesen, Reg. No. 21848
1875 Lawrence Street, Suite #1500
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303-298-6475
303-298-6301 (facsimile)

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of September, 2003, an original and 15 copies of the foregoing **STIPULATION AND SETTLEMENT AGREEMENT** was hand-delivered to:

Bruce Smith, Director
Colorado Public Utilities Commission
1580 Logan Street, Office Level 2
Denver, CO 80203

and a copy was placed in the United States mail, postage prepaid, addressed to the following:

Thomas F. Dixon
WorldCom, Inc.
707 17th Street, #4200
Denver, CO 80202

Letty S.D. Friesen
AT&T Communications
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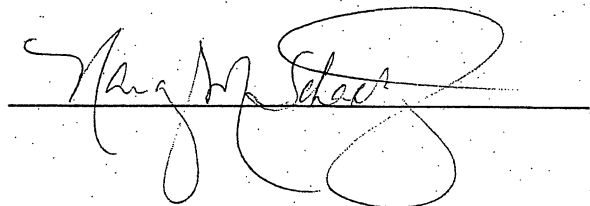
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A handwritten signature in black ink, appearing to read "Mary M. Schaefer", is written over a horizontal line.