

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Midcontinent Communications, a
South Dakota Partnership,**

Case No. PU-06-345

Complainant,

vs.

North Dakota Telephone Company,

Respondent.

STIPULATION

WHEREAS, by "NOTICE OF BONA FIDE REQUEST FOR SERVICES" (herein "the NOTICE") dated August 2, 2006 Midcontinent Communications (herein "Midcontinent") requested the North Dakota Public Service Commission (herein the "Commission") to conduct an inquiry on a request to provide certain telecommunications services in North Dakota Telephone Company (herein "NDTC") Devils Lake, ND exchange (herein the "Exchange") under an interconnection agreement for certain services under Section 251(c) of the Communications Act of 1934, as amended (the "Act"), and

WHEREAS, it appears to both Midcontinent and NDTC (collectively called the "the Parties") that the Commission has authority to arbitrate or mediate, as may be appropriate, an interconnection agreement between the Parties, and

WHEREAS, the Parties have each concluded that the public interest in avoiding future litigation and resource commitments of the Commission and the Parties would be advanced through the compromise and settlement of conflicting positions that the Parties have with respect to the subject matter of the Notice and the issuance by the Commission of an Order as set forth below, without the necessity of conducting a hearing,

NOW, THEREFORE, IT IS STIPULATED AND AGREED AS FOLLOWS:

1. A. That the Parties agree that, (a) based on the specific scope of the request made by Midcontinent limiting such request to the Exchange and (b) the fact that NDTC currently anticipates providing video programming services in competition with Midcontinent in February, 2007 for the Exchange or shortly thereafter, the Commission may enter an ORDER upon receipt of this signed stipulation, specifically finding that the request of Midcontinent, as applied solely to NDTC and solely to the Exchange:

1. is not unduly, economically burdensome,
2. is technically feasible, and
3. is consistent with the goals of 47 USC Section 254, other than subsections (b)(7) and (c)(1)(D) thereof;

B. The Parties further agree that, in the submission of this Stipulation, they will jointly encourage the Commission to adopt this Stipulation without change as to its scope and effect;

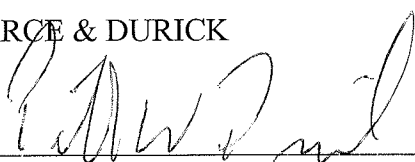
C. Should the Commission deem it necessary to hold further proceedings in any form including without limitation a hearing (the "Commission Action"), the Parties will respond to the Commission Action with submissions that are wholly consistent with this Stipulation and the Parties shall not, in any way, suggest alteration of the Stipulation either directly or indirectly by any and all submissions required of either of them by the Commission Action; and

D. The Parties each further agree that, since each of the terms contained herein are inexorably intertwined with the others and reflect a compromise of all relevant considerations of the Parties with respect to the matters raised by the Notice,

should a decision issued by the Commission on this Stipulation change in any way the terms of this Stipulation the Stipulation shall become null and void unless both Parties agree to abide by such Commission. change

2. For purposes of establishing the time frames established in Section 252 of the Act for negotiation, arbitration and resolution of the request for interconnection made by Midcontinent to NDTC (the "Request"), the Parties agree that the Request from Midcontinent was received by NDTC on June 1, 2006, and that the effective date for implementation of any negotiated agreement will be March 1, 2007.
3. That either Party shall have the ability to seek the assistance of the Commission through mediation by a letter to Commission no sooner than 10 days following a letter to the other Party indicating that there is an impasse on an issue or issues.
4. The Parties further agree that, as an integral component of the compromise and settlement of positions reflected in this Stipulation (including the avoidance of the expense associated with currently scheduled Commission proceedings), the discount rate for wholesale resale under the resale agreement dated August 21, 2006 (the "Agreement") shall be seventeen percent (17%) for the initial term of the Agreement. Nothing in this Section 4 shall prohibit either Party from seeking to renegotiate this rate or requesting that the Commission determine the correct resale discount at any time after the initial term of the Agreement.
5. Within 3 business days of the execution of this Stipulation, the Parties, through their respective counsel, shall jointly file this Stipulation with the Commission and seek the Commission's prompt approval of it.
6. This Stipulation may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

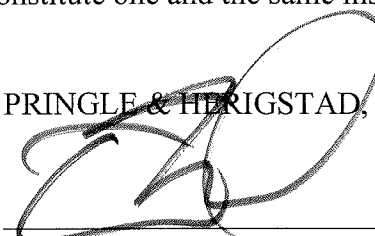
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Dated: 8/22/06
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Dated: August 21, 2006