

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

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|----------------------------------|---|----------------------|
| In the Matter of the Petition of |) | DOCKET NO. UT-050989 |
| |) | |
| Qwest Corporation, |) | ORDER NO. 01 |
| |) | |
| Petitioner, |) | |
| |) | |
| Seeking Exemption from Certain |) | |
| Provisions of WAC 480-120-104 |) | |
| Relating to Information to |) | ORDER GRANTING |
| Consumers |) | EXEMPTION FROM RULE |
| |) | |

BACKGROUND

- 1 On June 29, 2005, Qwest Corporation (Qwest or the Company) filed a petition requesting exemption from two provisions of WAC 480-120-104.

- 2 WAC 480-120-104 requires telecommunications companies to provide welcome letters to applicants regarding the services the applicants initially obtain from the companies. In addition, this rule requires the companies to provide confirmation notices to its customers when there are changes in services, rates, terms, or conditions of their existing service.

- 3 Qwest is requesting a permanent waiver of WAC 480-120-104 requiring the Company to provide welcome letters and confirmation notices to business customers who have designated account managers to work directly with its business customers. These managers customize new service orders and administer changes as necessary to meet customers' needs. According to Qwest, these customers are well aware of the services and charges they have ordered as well as additions and changes to these services. The Company assigns account managers based on a revenue scale. The Company's larger business customers are assigned account managers.

4 In addition, Qwest is requesting a permanent waiver of WAC 480-120-104(1)(b) requiring the inclusion of minimum and maximum rates under a banded rate schedule in the confirmation notices and welcome letters to all its customers. Qwest states the banded minimum and maximum rates are not currently programmed into the Company's billing databases. The Company maintains that it would cost millions of dollars to incorporate this additional information into its billing database system. For customers receiving service under a banded rate schedule, Qwest has committed to include initial rates in its welcome letters, and to provide notices of not less than 15 days from the date of mailing to its customers of any rate increases. The Commission believes the Company's commitment to mail notices to customers of initial rates, as well as any rate increases, is a satisfactory alternative to including the minimum and maximum rates on the welcome letters and confirmation notices.

5 On June 12, 2003, in Docket UT-030949, Qwest filed a petition requesting similar exemptions. In this petition, Qwest's criteria of which business customer would not receive the welcome letters or confirmation notices was based on the number of lines the business customer had. The Commission granted a two-year temporary exemption directing Commission staff monitor Qwest's customer complaints pertaining to these issues. These exemptions ended July 11, 2005.

6 After this petition was granted, Qwest found it could not program its system based on the number of lines. Therefore, it provided notices to all but the larger business customers.

7 Commission staff reviewed all complaints from July 2003 to June 2005 related to Qwest's business customers and banded rates. Staff identified five complaints from business customers which had issues regarding what services were ordered. All of these businesses were in the business group that received welcome letters and confirmation notices. Staff found no issues that were attributed to the banded rates.

- 8 Staff understands Qwest has account managers specifically assigned to its large business customers, unlike its residential and smaller business accounts. It seems apparent from reviewing the complaints that Qwest's account managers are able to handle the details of the services orders and resolve the issues to the customers' satisfaction.
- 9 Finally, Staff understands the financial impact of reprogramming its database to provide the minimum and maximum banded rates in the notices or letters. Staff believes that if the Company includes initial rates in its welcome letters, and provides notices of not less than 15 days for any rate changes, providing the minimum and maximum rates in the welcome letters and notices would not be necessary.
- 10 Commission Staff reviewed the petition and recommended granting Qwest's request for exemptions, subject to the provision that the Company would include the initial rates in its welcome letters, as well as a 15-day notice of rate changes including the new rate, for customers receiving service under a banded rate schedule.

FINDINGS AND CONCLUSIONS

- 11 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*
- 12 (2) Qwest is engaged in the business of providing telecommunications services within the state of Washington and is a public service company subject to

the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.

- 13 (3) Qwest is subject to the provisions of WAC 480-120-140, requiring telecommunications companies to provide welcome letters and confirmation notices to its applicants and customers.
- 14 (4) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 15 (5) Staff has reviewed the request in Docket UT-050989 and recommended the exemption requested by Qwest be granted.
- 16 (6) This matter was brought before the Commission at its regularly scheduled meeting on July 29, 2005.
- 17 (6) After review of the petition filed in Docket UT-050989 by Qwest on June 29, 2005, and giving due consideration, the Commission finds that a permanent exemption is reasonable and should be granted.

ORDER

THE COMMISSION ORDERS:

- 18 (1) After the effective date of this Order, Qwest Corporation is granted a permanent exemption from WAC 480-120-104, regarding 1) providing welcome letters and confirmation notices to business customers who have

designated Qwest account managers, and, 2) providing minimum and maximum banded rate information in its confirmation notices and welcome letters as required in WAC 480-120-104(1)(b), subject to the provision that the Company would include the initial rates in its welcome letters, as well as a 15-day notice of rate changes including the new rate, for customers receiving service under a banded rate schedule.

- 19 (2) The Commission retains jurisdiction over the subject matter and Qwest Corporation to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 29th day of July, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner