

NOTICE TO WASHINGTON RESIDENTIAL CUSTOMERS

REGULATION OF SOME OF YOUR QWEST® SERVICES HAS BEEN CHANGED, REDUCED OR ELIMINATED AND RATES FOR BASIC TELEPHONE SERVICE AND SOME FEATURE SERVICES ARE INCREASING

Please review this notice carefully

The Washington Utilities and Transportation Commission (UTC) has authorized Qwest to be regulated under an Alternative Form of Regulation (AFOR).

At Qwest, our goal is to bring you outstanding service while remaining competitive. Part of that commitment includes informing you quickly of any changes to your service. Listed below are changes we want to call to your attention.

Here's how your service is affected:

- Standalone Residential Basic Exchange Telephone Service: remains regulated by the UTC. However, Qwest is permitted to raise its rates by a maximum of \$1.00/month during the four-year term of the AFOR without UTC approval. The current monthly rate is \$12.50, and the basic rate may not exceed \$13.50.

[INSERT NOTICE OF RESIDENTIAL BASIC EXCHANGE TELEPHONE SERVICE RATE CHANGE HERE]

- Residential Bundles: Qwest can change rates, terms, and conditions of its residential bundles, such as Qwest Choice™ Home or Qwest® Unlimited, without UTC approval.
- Custom Calling Features: Qwest can change rates, terms, and conditions of custom calling features, such as Voice Mail, Caller ID, and Call Waiting, without UTC approval. *Please note:* Call Trace and Caller ID Blocking Option will remain regulated as before.
- A' La Carte Option: Qwest must allow customers to select individual services if that customer does not want to purchase a package or bundle.
- Stand Alone Broadband Internet: Qwest will continue to offer customers the option to purchase Broadband Internet without any other Qwest services.
- Package Price Caps: Qwest cannot charge more for a package than the total price of subscribing to each service individually.
- Directory Assistance: Qwest is no longer required to provide customers one free directory assistance call.
- Residential Basic Exchange Service Connection Fees: Rates, terms and conditions remain regulated by the UTC.

Where can I find more information?

- For a complete list of affected services, please see www.qwest.com/legal/washington.

- Effective on [DATE], the services that have been deregulated under the AFOR will be listed in a new location on the Qwest website. These services will move from the section that lists tariffs filed with the UTC to a separate catalog of services (please see below for more important information about the online catalog).

In return for reduced regulation under the AFOR, Qwest makes the following customer commitments:

- Services subject to the AFOR will be the same price in all areas of the state.
- Qwest will commit \$4,000,000 to expand deployment of Broadband Internet service to underserved areas and customer classes in its service territory. Qwest has agreed to deploy Broadband Internet to Washington wire centers where it currently is not offered.
- Qwest will provide enhanced customer remedies such as bill credits for delayed exchange service installations, out-of-service conditions, and service trouble reports as a part of its **Customer Service Guarantee Program**. Examples of customer remedies provided include:
 - Missed Appointments and Commitments: Qwest will provide customers with a \$25 bill credit for residential customers and a \$50 credit for business customers if Qwest misses a scheduled appointment or commitment.
 - Delayed Phone Installation: Customers can receive a bill credit and interim services if the installation of phone service is not completed within five business days of the due date.
 - Out of Service: Customers who have an out-of-service condition (no dial tone) on their line that is not cleared within two working days or seven calendar days may be eligible for bill credits. Note: In accordance with UTC rules, Qwest also provides pro-rata credits to customers when service is not available for more than 24 hours in a monthly billing cycle.
 - Trouble Reports: In the event Qwest has an exchange with greater than 4 trouble reports per 100 access lines, for two consecutive months or four months out of a twelve month period, the company will credit the customers serviced by that exchange \$0.25 per line.

For detailed information about the Customer Service Guarantee Plan, please see: [provide web address].

The catalog will now serve as your contract with Qwest for deregulated services:

For services no longer under tariff, the Catalog published on the Qwest website will now serve as the official contract between you the customer, and Qwest. Except for the changes specified below, the rates, terms and conditions for the affected products will remain the same in the Catalog as they are currently under UTC regulation. Qwest may change the Catalog by giving you reasonable notice of important changes instead of filing them with the UTC. As a user of any of these services or features, you agree to the provisions in the Catalog unless you cancel the service(s) or feature(s).

Rate changes:

Changing market conditions require that we continually evaluate our prices, product offerings and infrastructure. Occasionally our evaluation reveals that we must change our rates for some products.

[INSERT SERVICE SPECIFIC RATE CHANGE NOTICE HERE – IF APPLICABLE]

If you have any questions regarding this rate change or your service or would like a free account review, please call Qwest at 1 800-XXX-XXXX.

What is an AFOR?

Washington State law allows telecommunications providers to operate under a reduced regulation plan called an Alternative Form of Regulation (AFOR) if the UTC finds that changes in technology and the structure of the telecommunications industry have produced conditions under which traditional regulation may not provide the most efficient and effective means of achieving the public policy goals of this state. Qwest seeks greater flexibility in order to better meet the needs and demands of the marketplace. The UTC has approved an AFOR for Qwest. The AFOR plan will remain in effect for four years unless extended or modified by UTC order. There will be a formal review at the end of the term to determine if the AFOR plan remains in the public interest.

During the AFOR, most Qwest services will be treated as if they are competitively classified. This means that Qwest is permitted to change rates, terms and conditions of a service without approval from the UTC.

Under the AFOR, Qwest's regulatory accounting and financial reporting requirements will be reduced, but not eliminated. Reports of financial, service quality, market share, and pricing data will be filed regularly during the AFOR.

Comments or Questions?

You may direct your comments regarding Qwest, the Catalog, or the AFOR to the Washington Utilities and Transportation Commission. You can contact them by calling toll free at 1 800-562-6150 or by email at consumer@utc.wa.gov.

For further explanation on Qwest products, product features or pricing, please visit Qwest online at www.qwest.com or call us at 1 800-XXX-XXXX.