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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF QWEST  
CORPORATION'S PERFORMANCE  
ASSURANCE PLAN

DOCKET NO. T-01051B-03-0859  
**STIPULATION OF THE PARTIES**

COME NOW MCI, Inc. ("MCI"), Eschelon Telecom, Inc. ("Eschelon"), AT&T Communications of the Mountain States, Inc. and TCG of Phoenix, Inc. (collectively "AT&T"), DIECA Communications Company dba Covad Communications ("Covad"), (collectively, the "CLECs"), the Commission Utilities Division Staff ("Staff") and Qwest Corporation ("Qwest") (collectively, the "Stipulating Parties") and submit the following Stipulation, resolving the majority of outstanding issues in the Arizona First 6 Month Review of the Qwest Performance Assurance Plan ("QPAP") Proceeding. A copy of the QPAP may be found in the Statement of Generally Available Terms and Conditions ("SGAT") as Exhibit K.

The Stipulating Parties have agreed and respectfully recommend that the Arizona Corporation Commission ("ACC" or "Commission") issue its Order approving the following disposition of issues identified in the initial issues matrix in this Proceeding that relate to both the QPAP (Exhibit K) and Performance Indicator Definitions ("PIDs") found in Exhibit B of the SGAT. This Stipulation is intended to be a comprehensive resolution. As such, each Stipulating Party has agreed to compromise its positions, including legal positions, with the goal of achieving an overall resolution that is fair and in the public interest. The CLECs and Qwest have agreed to

1 support the Stipulation and bring no additional issues forward during this First 6 Month Review.  
2 Staff has agreed to support the Stipulation and bring no additional issues forward except as to the  
3 limited issue described herein in this Stipulation. Thus, the Stipulating Parties, at arms' length and  
4 with full knowledge of the facts, recommend that this Stipulation be approved by the Commission  
5 as it is consistent with the Federal Telecommunications Act of 1996 ("the Act") and this  
6 Commission's prior orders regarding the QPAP.

7 The Stipulating Parties have entered into this Stipulation with the intent that it be  
8 submitted to and recommended by the CLECs and Qwest to the other commissions in Qwest's  
9 14-state region except as to the limited issue raised by Staff.

10 If the ACC does not adopt the proposal in this Stipulation, in whole or in part, the CLECs  
11 and Qwest reserve their rights to take positions on issues in future proceedings in Arizona that  
12 may be contrary to this Stipulation. If any other regulatory commission does not adopt the  
13 proposal in this Stipulation, in whole or in part, the CLECs and Qwest reserve their rights to take  
14 positions on issues in future proceedings in those states that may be contrary to this Stipulation.  
15 Except as necessary to effectuate their agreement to promptly submit and recommend this  
16 Stipulation to all remaining state regulatory commissions, nothing in this Stipulation may be used  
17 as precedent or an admission against interest by any Stipulating Party against any other  
18 Stipulating Party in any future proceeding. Any Party may bring to Arizona subsequent  
19 agreements reached in other state proceedings on these or other issues for inclusion in the SGAT  
20 Exhibits B and K.

21 Agreement to Resolutions in Washington 2<sup>nd</sup> 6 Month Review Proceeding

22 Issues 2, 3, 4, 7, and 9 appearing on the Arizona 6 Month PAP Review Issues Matrix  
23 Tentative List filed on August 24, 2004 in this Docket ("Arizona initial issues list") were pending  
24 resolution in Washington when submitted in this docket. Subsequently, the CLECs and Qwest  
25 reached resolution in that proceeding. The Parties agree to resolve the Arizona issues in the same  
26

1 manner as contained in the Washington Stipulation.<sup>1</sup> The following reflects the Stipulating  
2 Parties' further resolution as to issues on the Arizona initial issues list matrix:

3 OP-5, New Service Quality

4 *Summarized Issue:* What benchmark should apply to OP-5B?

5 *Resolution:* The performance indicator definition OP-5B will be updated to reflect a benchmark  
6 of 96.5% for all products except Dark Fiber, Sub-Loop Unbundling and Frame Relay which will  
7 remain diagnostic. The QPAP and Minnesota Wholesale Service Quality Plan ("MWSQP") will  
8 also be revised to include OP-5A and B.

9 Further, in the QPAP, OP-5B for all states, and in the MWSQP in Minnesota, apply a  
10 standard of no more than one order with new service trouble (of the total orders in OP-5T) when  
11 order volumes are  $\leq 29$ . That is, low volume treatment for OP-5B will only be triggered if both  
12 (1) the CLEC volume of orders is less than or equal to 29 (the denominator of OP-5T) and (2) the  
13 number of orders with trouble in OP-5A is no more than one.

14 This resolution eliminates Issues 5 and 6 on the Arizona initial issues list. The Parties do  
15 not agree as to whether low volume treatment is appropriate. CLECs will not object to low  
16 volume treatment in this one instance to resolve this disputed issue. In agreeing to this  
17 compromise, the Parties are making no representations that low volume treatment or the linking  
18 of measures to determine low volume treatment is appropriate for any other measurement or  
19 purpose. All Parties reserve their rights to their positions as to the low volume treatment in other  
20 contexts, and Qwest will not state in any other context that CLECs agreed that low volume relief  
21 is appropriate based on this compromise.

22 In addition, the Parties do not agree as to whether a 96.5% benchmark is appropriate.  
23 Qwest will not object to a 96.5% benchmark in the instance of this one sub-measurement, for all  
24 states, to resolve this disputed issue. In agreeing to this compromise, the Parties are making no  
25 representations that such a standard or benchmark level is appropriate for any other measurement.  
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<sup>1</sup> The Washington Stipulation was filed in Docket T-01051-B-99-0068 on September 15, 2004 with the clean and redlined versions of both SGAT Exhibits B and K and is also attached to the Arizona initial issues list as an exhibit and filed concurrently with this Stipulation.

1 All Parties reserve their rights to their positions as to the types and levels of standards for other  
2 measurements in other contexts, and CLECs will not state in any other context that Qwest agreed  
3 that a 96.5% benchmark is appropriate for the OP measures or for any other measurement.

4 PO-2, Electronic Flow-Through and BI-5, Billing Claims Adjustments

5 *Summarized Issue:* Should PO-2 and BI-5 be added to the QPAP?

6 *Resolution:* The Stipulating Parties agree to withdraw PO-2 and BI-5 (Issue 8) from the issues list  
7 in this proceeding. The CLECs and Qwest intend by this agreement to maintain the status quo as  
8 to PO-2 and BI-5 in all states at least until the next 6 month review cycle following what may  
9 currently be started or underway.<sup>2</sup>

10 This resolution eliminates Issue 8 on the Arizona initial issues list.

11 QPAP Modifications Pending from May 3, 2004 SGAT Exhibit B Filing

12 *Summarized Issue:* How will the QPAP Exhibit K be modified to reflect applicable changes  
13 resulting from the May 3, 2004 SGAT Exhibit B filing in Docket No. T-01051B-99-0068?

14 *Resolution:* Changes to modify the Arizona QPAP based on Qwest's May 3, 2004 SGAT Exhibit  
15 B filing will be implemented for PID performance beginning with September data as governed by  
16 the business rules for each measurement. Application of the QPAP will begin with October data  
17 and will be paid pursuant to the applicable section of the QPAP. This resolution eliminates Issue  
18 10 on the Arizona initial issues list.

19 Changes to PID Administration Process

20 *Summarized Issue:* How will PID modifications outside of the 6 month review process be made  
21 and issues remaining on the Long Term PID Administration ("LTPA") issues matrix be handled  
22

23  
24 <sup>2</sup> CLECs agree not to seek the addition of PO-2 or BI-5 to any PAP that currently does not contain PO-2 (Arizona, Idaho, Iowa,  
25 Montana, Nebraska, North Dakota, Oregon, South Dakota, Utah and Wyoming) or BI-5 (all states) until at least the next 6 month  
26 review cycle following what may currently be started or underway. Qwest agrees not to seek the removal of PO-2 from the PAPs  
that currently contain PO-2 (Colorado, Minnesota, New Mexico & Washington) until at least the next 6 month review cycle  
following what may currently be started or underway and in any case not to begin earlier than January 1, 2005.

1 going forward?

2 *Resolution:* The Stipulating Parties disagree regarding the LTPA process. The CLECs and Qwest  
3 reserve all rights and positions if and when the issue arises; however, for the purpose of this  
4 Arizona First 6 Month Review Proceeding, with the exception of the staff, the CLECs and Qwest  
5 hereby withdraw issues 19 and 20 from the issues list. If Staff decides to pursue this issue, all  
6 Parties reserve their right to participate before the Commission. In the event that Staff pursues  
7 this issue, it does not void the agreement among the Parties as to the other issues.

#### 8 Staff Reporting Requests

9 *Summarized Issue:* Staff indicated on the October 15, 2004 conference call, that it had two  
10 remaining issues relating to Qwest reporting, one of which does not appear on the initial Arizona  
11 issues matrix. Staff requested that Tier II payment information be provided directly to the  
12 business office and that Qwest provide data regarding CLECs who had not opted-in to the QPAP  
13 and the amount of payments that those CLECs may have received had they opted-in to the QPAP.

14 *Resolution:* The first issue has been resolved with Qwest's agreement to provide the report with  
15 its monthly QPAP payment to the business office. The other issue, relating to a data request from  
16 Staff has been resolved with Qwest's agreement to provide the data but pending final  
17 confidentiality language to be determined by Staff and Qwest. This resolution eliminates Issue 24  
18 from the Arizona initial issues list.

#### 19 Compromise

20 The series of resolutions identified above and in the Washington Stipulation appear to  
21 resolve all known issues that may require a hearing in this Arizona First 6 Month Review  
22 Proceeding except as to the LTPA process which Staff continues to consider.

#### 23 Implementation


24 Application of the QPAP in all states and the MWSQP will begin with October data and  
25 will be paid pursuant to the applicable section of the QPAP. Qwest agrees to file the Stipulation  
26 and such SGAT revisions to Exhibits B and K by November 12, 2004 in Arizona and by

1 November 30, 2004 in Qwest's other 13 states. This Stipulation may be executed in counterparts.  
2 Changes to Exhibits B and K in other states resulting from this Arizona Stipulation are intended  
3 to be applicable to all CLECs that have adopted the QPAP in those states and in the MWSQP, and  
4 Qwest will request that the interconnection agreements be so amended. Party CLECs will not  
5 object to Qwest's request.

6 So have we all stipulated.

7  
8 RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of November, 2004.

9  
10 QWEST CORPORATION

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12   
13 Norman Curtright  
14 Counsel for Qwest Corporation  
15 4041 N. Central Ave  
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Dated \_\_\_\_\_

17 COMMISSION STAFF

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21 Maureen A. Scott  
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23 1200 West Washington Street  
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Implementation

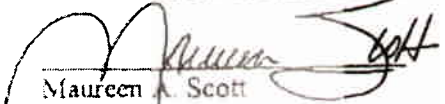
Application of the QPAP in all states and the MWSQP will begin with October data and will be paid pursuant to the applicable section of the QPAP. Qwest agrees to file the Stipulation and such SGAT revisions to Exhibits B and K by November 12, 2004 in Arizona and by November 30, 2004 in Qwest's other 13 states. This Stipulation may be executed in counterparts. Changes to Exhibits B and K in other states resulting from this Arizona Stipulation are intended to be applicable to all CLECs that have adopted the QPAP in those states and in the MWSQP, and Qwest will request that the interconnection agreements be so amended. Party CLECs will not object to Qwest's request.

So have we all stipulated.

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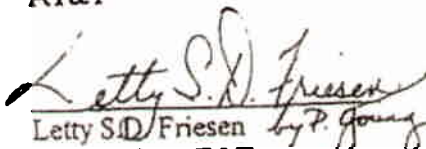
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