



- 3 The Commission finds that the tariff revisions filed with the Commission by Qwest on February 6, 2002 and again on April 19, 2002 under Advice No. 3309T, are consistent with the Commission's Fifth Supplemental Order and therefore concludes that the tariff revisions should be approved as filed to be effective on May 1, 2002.
- 4 The Fifth Supplemental Order required that the tariff filings be made retroactive to April 15, 1997, the date that the Act required all subsidies for payphone service to be removed from tariffs. The parties agreed to stay the effectiveness of the Commission's Order, in both the superior court and Court of Appeals, until decisions were received from those courts. Therefore, in order to carry out the terms of the Commission's Order, Qwest must provide refunds to carriers who paid the exchange access charges in excess of those included in the April 19, 2002, tariff filing.
- 5 Qwest has proposed a methodology for refunds to be paid to carriers as set out below.
- 6 Refunds will be based on the local switching (LS) minute of use (MOU) billed by Qwest. A specific customer would receive a percentage of the total refund proportional to the percentage of that customer's billed LS MOU to total LS MOU billed to all customers for the period of the refund (April 15, 1997 through April 30, 2002).
- 7 A customer's refund due from April 15, 1997 through May 31, 1999 (Court-ordered stay April 30, 1999) would be refunded at no interest. This equates to approximately 23% of the total principal.
- 8 A customer's refund due from June 1, 1999 through April 30, 2002 (proposed effective date of rate reduction), or approximately 77% of total principal, would be refunded at simple interest (12%) calculated on a monthly basis on the average monthly amount of the refund principal.
- 9 Refunds would be in the form of bill credits for those customers currently in service, or other method as agreed between the parties.
- 10 The 5th Supplemental Order required an annual reduction for Qwest of approximately \$874,000. Therefore, the total refund currently due to the carriers is in the range of approximately \$5.3 million due to the lag created by the court case, the stay, and the resulting interest calculation. Qwest has discussed its proposed methodology for calculating refunds required by the Order with Staff and the complainants, AT&T and MCI. Staff and complainants agree that these refunds are appropriate to effectuate the Commission's Order.

**ORDER**

THE COMMISSION ORDERS That:

- 11 The tariff revisions filed by Qwest on April 19, 2002, in accordance with the Fifth Supplemental Order in this proceeding, shall become effective as filed on May 1, 2002.
- 12 Qwest shall make refunds using the methodology set out in paragraph \_\_\_ of this Order, no later than May 31, 2002 for the named parties and no later than the second full billing cycle after the date of this order for other carriers, by bill credit or as otherwise agreed between Qwest and the carrier.
- 13 THE COMMISSION ORDERS FURTHER That it retains jurisdiction over the subject matter and the Parties to effectuate the provisions of this and prior orders in these proceedings.

DATED at Olympia, Washington, and effective this        day of April, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK OSHIE, Commissioner