

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MCI TELECOMMUNICATIONS)	
CORPORATION AND AT&T)	DOCKET NO. UT-970658
COMMUNICATIONS OF THE)	
PACIFIC NORTHWEST,)	
)	NINTH SUPPLEMENTAL
Complainants,)	ORDER APPROVING GTE
)	NORTHWEST, INC.'S
v.)	COMPLIANCE FILING AND
)	DIRECTING REFUNDS
US WEST COMMUNICATIONS, INC.,)	
GTE NORTHWEST, INC., AND)	
UNITED TELEPHONE COMPANY OF)	
THE NORTHWEST,)	
)	
Respondents.)	
)	
.....)	

BACKGROUND

- 1 On March 23, 1999, the Commission entered its Fifth Supplemental Order in this proceeding resolving issues of compliance by GTE Northwest, Inc. (now "Verizon") and U S WEST Communications, Inc. (now "Qwest") with requirements of the Telecommunications Act of 1996 (the Act) relating to charges for payphone operations. That order requires Verizon to submit a compliance filing to the Commission to remove subsidies from the Company's regulated operations, and to reduce certain rates retroactively to April 15, 1997. The Fifth Supplemental Order was appealed to the Superior Court and, subsequently, to the Court of Appeals, Division I. The effectiveness of the Fifth Supplemental Order was stayed in both the Superior Court and Court of Appeals, until decisions were received from those courts. At each level, the Commission's decision was affirmed. The Court of Appeals issued its mandate returning the case to the Commission on January 4, 2002.

- 2 On February 6, 2002, Verizon filed with the Commission a letter "to explain" Verizon's Compliance with the Fifth Supplemental Order. The letter indicated that the Fifth Supplemental Order required Verizon to file tariffs reflecting a reduction of \$564,076 its terminating intrastate CCL Rate Element. Verizon claimed full

compliance with the order because it had reduced its terminating CCL to zero effective December 21, 1998, by advice No. 862. Verizon also told the Commission that it had refunded \$1,554,396 to 49 purchasers of terminating CCL based on the billed amount as of April 1997 through December 31, 1998. Those refunds were made by November 15, 2001. The letter went on to say that Verizon would make an additional refund of \$1,600,575 to purchasers of originating CCL based on their bill amounts between December 31, 1998 and July 1, 2001, including interest at 12%. The letter asked the Commission to enter a compliance order approving the arrangements described in its letter.

3 On June 28, 2002, the Commission entered its Eighth Supplemental Order Directing Verizon, to Make Refunds. The order stated:

Verizon must make refunds using the methodology set out in Appendix A. Verizon must file with the Commission a compliance filing indicating the total refund to be made by a specified date, including interest to that date, and appropriate work papers, not later than July 15, 2002. The Commission Staff must, and the other parties may, comment on the filing within ten days. The specified date must be 20 days after the date of the compliance filing, in order to allow the Commission to review the comments, and enter an appropriate order.

4 On July 15, 2002, Verizon filed with the Commission a compliance filing pursuant to the Eighth Supplemental Order. On July 19, 2002, Commission Staff filed with the Commission a letter indicating that Commission Staff had reviewed Verizon's July 15, 2002, compliance filing, and that Commission Staff believed that the filing was appropriate and consistent with the Commission's Order and the Stipulation attached to the order.

5 On July 25, 2002, MCI/WorldCom filed with the Commission a letter contending that the refunds proposed by GTE/Verizon were not properly calculated. On August 5, 2002, GTE/Verizon filed with the Commission a letter indicating that MCI/WorldCom's concerns had been resolved, and that MCI/WorldCom and AT&T no longer objected to the compliance filing made by Verizon Northwest. No party had objected to the representations made by GTE/Verizon.

ORDER

THE COMMISSION ORDERS that:

- 6 The Commission accepts and approves the compliance filing made by GTE/Verizon on July 15, 2002.

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

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner