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August 17, 2004

Via e mail, telecopier and U. S. Mail

Ms. Carole Washburn
Secretary
Washington Utilities & Transp. Comm.
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250
Attn: Hon. Ann Rendahl, ALJ

Re: *In the Matter of the Second Six-Month Review of Qwest Corporation's Performance Assurance Plan*, Docket No. UT-043007

Dear Ms. Washburn:

I am pleased to report that four of the parties in the above case, namely Qwest Corporation, Eschelon Telecom Corp., MCI and Covad Communications, Inc. have entered into a comprehensive settlement agreement. WUTC Staff did not participate in the settlement discussion only because necessary personnel were unavailable. The settling parties anticipate presenting the proposed settlement to Staff for its review as soon as possible and they hope that this will result in a settlement by all parties. In view of these developments, the settling parties and Staff have authorized me to request a further continuance of the date for responsive testimony that is now set for tomorrow, August 18, 2004 to a tentative date of August 27, 2004. The settling parties and Staff further request that the date now set for a prehearing brief of August 27, 2004 be indefinitely postponed. The parties anticipate further communications early next week to either confirm or propose further changes in the schedule, based on the progress of settlement discussions.

Very truly yours,

Douglas N. Owens

cc: Adam Sherr
Mark Reynolds
Laurel Burke
Parties