

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET NO. UT-030939
)	
Qwest Corporation,)	ORDER NO. 01
)	
Petitioner,)	
)	
Seeking Exemptions from Certain)	
Provisions of WAC 480-120-104)	
Relating to Information to)	ORDER GRANTING
Consumers)	TEMPORARY EXEMPTIONS
.....)	

BACKGROUND

- 1 On June 12, 2003, Qwest Corporation (Qwest) filed a petition requesting exemptions from three provisions of WAC 480-120-104.

- 2 WAC 480-120-104 requires telecommunications companies to provide welcome letters to applicants when customers first obtain services from the companies. In addition, this rule requires the companies to provide confirmation notices to its customers when there are material changes in services, rates, terms, or conditions of their existing service.

- 3 Qwest is requesting a permanent exemption from provisions of WAC 480-120-104 requiring the Company to provide welcome letters and confirmation notices to business customers with more than five lines. Qwest supports its request by saying that it designates account managers to work directly with such business customers. The managers customize new service orders and provision changes as necessary to meet customers' needs. Qwest states that these customers are well aware of the services and charges they have ordered as well as additions and changes to these services.

- 4 This matter was brought before the Commission for consideration at its July 9, 2003, Open Meeting. The Commission received written and oral comments from Citizens' Utility Alliance of Washington, the Washington Chapter of the National Federation of Independent Business, the Independent Business Association, Public Counsel of the Attorney General of Washington, and the Washington Public Interest Research Group (Commenters) in opposition to this request. They stated that small businesses have a difficult time working with the Company to ensure they are receiving the services requested and at the rates promised, and that the small businesses would benefit from obtaining welcome letters and confirmation letters in order to track service orders and changes. Commenters suggested that the appropriate level for a waiver would be customers with more than 50 employees, or more than 25 lines.
- 5 Staff recommended granting the exemptions requested, acknowledging that the Commission has received almost no complaints from Qwest business customers with more than five lines before the new rule was implemented and recognizing the assignment of account managers for this group of customers.
- 6 In addition, Qwest is requesting temporary waiver of WAC 480-120-104 (1)(b) and (2)(b) requiring that the Company include in its welcome letters, a statement of the rates a customer will be charged and that it send a confirmation notice to customers of any rate changes, including the new rate the customer will be charged for service. The Company's billing database contains rates in its system, but it does not currently transfer the rate information onto its welcome letters or confirmation notices. Qwest has taken a number of steps since December 2002, when the Commission adopted the new rules, to change its system to include rates in its welcome letters and confirmation notices. The Company states that it needs additional time to develop system changes allowing real-time feed of product information, including the rates into its welcome letters. Qwest is working through its third-party vendor to implement and test database

programming modifications to capture this information in its source file. Commenters at the open meeting reaffirmed the importance of including rates in the welcome letters and confirmation notices. Customers are confused by the information on their bills and providing this information will assist them in understanding their telephone bills. They argued that the Company has had adequate time to make the adjustments and that the Company did not provide any issues in this petition that were not addressed in the rulemaking proceedings, Docket No. UT-990146. Staff supported Company's request for a nine-month exemption.

7 Finally, Qwest is requesting a permanent exemption from WAC 480-120-104(1)(b) requiring the inclusion of minimum and maximum rates under a banded rate schedule in confirmation notices and welcome letters to customers who take service under such rates. Qwest states the banded minimum and maximum rates are not currently programmed into the Company's billing databases. The Company states that it would cost millions of dollars to incorporate this additional information into its billing database system. Qwest committed to include initial rates in its welcome letters for customers receiving service under a banded rate schedule, and to provide notices of not less than 15 days to those customers of any rate increases. In addition, Qwest has agreed to advise its customers of the minimum and maximum banded rates at the time when customers initiate service orders. Commenters again reiterated the importance of receiving the confirmation of the rate information required in this rule, and noted that the Company argued throughout the rulemaking proceedings that it did not want to include rate information. Staff recommended the Commission grant the Company's request subject to the commitments made by Qwest.

8 The Commission grants Qwest's request for exemption subject to conditions. Lack of evidence of prior problems and availability of account managers, a two-

year exemption from WAC 480-120-104 and WAC 480-120-104(1)(b) appears reasonable, as does the nine-month exemption that is asked to allow system development for compliance.

FINDINGS AND CONCLUSIONS

- 9 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*
- 10 (2) Qwest is engaged in the business of providing telecommunications services within the state of Washington and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.
- 11 (3) Qwest is subject to the provisions of WAC 480-120-140, requiring telecommunications companies to provide welcome letters and confirmation notices to its applicants and customers.
- 12 (4) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 13 (5) In full consideration of the oral and written comments presented in Docket No. UT-030939, the Commission grants the exemptions requested by Qwest as follows:

- (a) The Commission grants an exemption from WAC 480-120-104 for business customers with more than five lines who are served by an account manager for a two-year period, on the condition that Qwest continues to assign direct-dial account managers to work directly with these business customers;
 - (b) The Commission grants a temporary two-year exemption from WAC 480-120-104(1)(b) conditioned on requiring the Company to provide information about the initial rates in its welcome letter, and provided that the Company gives customers 15 days' notice of any rate changes within a banded rate schedule;
 - (c) The Commission grants Qwest an exemption until no later than March 30, 2004, from WAC 480-120-104 (1)(b) and (2)(b) which requires the Company to provide current rates in welcome letters and confirmation notices.
 - (d) The Commission directs Commission Staff to monitor Qwest's business customer complaints pertaining to the exemptions in (a) and (b) above for a period of two years from the date of this Order.
- 14 (5) This matter was brought before the Commission at its regularly scheduled meeting on July 9, 2003.
- 15 (6) After review of the petition filed in Docket No. UT-030939 by Qwest on June 12, 2003, and the written and oral comments received on the subject of the petition, the Commission finds the exemptions are reasonable and should be granted, subject to conditions.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Qwest Corporation is granted a temporary exemption from certain provisions of WAC 480-120-104, subject to the conditions stated in the body of this Order, above.
- 17 The Commission retains jurisdiction over the subject matter of this proceeding and Qwest Corporation to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 10th day of July, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner