

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UT-091870
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	SETTLEMENT AGREEMENT
)	
QWEST CORPORATION,)	
)	
Respondent.)	
)	
_____)	

1 This Settlement Agreement (Agreement) is entered into by the parties to this proceeding for the purpose of resolving all issues raised in the above docket.

I. PARTIES

2 The parties to this Agreement are Qwest Corporation (“Qwest”), and Staff of the Washington Utilities and Transportation Commission (“Staff”) (collectively, “the Parties”).

II. RECITALS

3 Qwest is the largest local exchange carrier operating in Washington state. In August 2008, Staff conducted a compliance review of Qwest based on consumer complaints filed against Qwest from January 1 to June 30, 2008. Staff found violations of 11 consumer protection laws and rules enforced by the Washington Utilities and Transportation

Commission (Commission). Staff sent the report on its investigation to Qwest and met with Qwest to discuss Staff's findings.

4 In 2009, Staff initiated a follow-up compliance investigation, based on consumer complaints filed between March 1 and June 30, 2009. Staff found that Qwest continued to violate seven of the eleven laws and rules identified as problem areas in the 2008 investigation. There was significantly increased compliance in nearly half of the 2008 problem areas but there also were violations of several Commission rules which had not been at issue in 2008. Staff documented its investigation in a report dated March 2010.

5 The Commission issued a complaint on April 30, 2010, in which Staff requested penalties totaling \$69,000 based on 69 alleged violations of the Commission's service quality rules that Staff identified as compliance problem areas for Qwest in 2009.

6 The Parties reached an agreement to settle before any testimony was filed, and they wish to present their agreement for the Commission's consideration and approval.

III. AGREEMENT

7 The Parties adopt the following Agreement, which the Parties enter into voluntarily, to resolve all matters in dispute between them or that could arise between them from the issues presented in this proceeding, and they seek to expedite the orderly disposition of this matter.

A. Admission

8 Qwest admits that on 55 occasions it failed to comply with the Commission's service quality rules.

B. Penalties

9 Qwest agrees to pay to the Commission a \$34,500 penalty within thirty (30) days after the effective date of this Agreement.

C. Service Quality Commitments

10 Qwest commits to providing ongoing training and process improvements internally on compliance with the Commission's service quality rules. This commitment includes reinforcing specific customer service improvements Qwest already has implemented as well as implementing additional customer service improvements. These improvements cover some areas in which Qwest admits violations under this Agreement as well as some of the areas Staff had identified in its 2010 investigation report as potential new problem areas.

1. Customer Service Improvements Qwest Has Implemented

11 Qwest has, since June 2009, provided the following supplemental training/information to its customer service representatives:

- In June 2009, a change to Qwest's Unbilled Toll program ensured future compliance with WAC 480-120-122 by requiring that full toll denial could not be imposed until the customer had an opportunity to reply to a notification call, pay the bill or make payment arrangements. This change occurred after the

Commission-referred complaints referenced in Staff's 2010 investigation report were passed to Qwest.

- WTAP was featured in an April, 2010 directive to frontline employees that highlighted its unique characteristics and special handling requirements. The call center for Qwest's Western region has been made aware of the different processes for addressing the needs of current and future WTAP subscribers.
- Two-way disconnection of service was also implemented earlier this year, putting Qwest in compliance with WAC 480-120-172, assuring that customers experiencing a Qwest-initiated interruption of service receive full credit for every 24 hour period they are without service.

2. Additional Customer Service Improvements

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Qwest will provide additional messaging/training/information on the following subject areas before the end of this calendar year:

- Verifying customer identity in compliance with 480-120-061. To ensure that Qwest employees request appropriate forms of identity documentation from customers, a review of approved forms of I.D. will be held with Western region consultants.
- Establishing credit for residential services in compliance with 480-120-122. An adjunct to the I.D. review referenced above will be a refresher on credit guidelines including but not limited to: the impacts of a customer's previous

credit history on a new or existing service, advance payment or deposit requests and the proper handling of unbilled toll notification.

- Payment arrangements in compliance with 480-120-174. Violations assessed under this rule involved WTAP customers who were denied payment arrangements on past or current obligations. Training will be conducted with Consumer Financial Services staff to assure awareness of and compliance with Washington-specific rules relative to WTAP customers.
- Repair standards for service interruptions in compliance with 480-120-440. Qwest fully understands its obligation to restore service within 48 hours of the reported outage and will continue its efforts to consistently meet Washington service quality laws and rules.

3. Responding to Commission Referred Complaints

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In 2004, the Qwest Customer Advocacy Group (“CAG”) established a process for tracking the receipt, distribution and response to all complaints. The procedure for requesting extensions, when necessary, has been reinforced via one on one training and/or staff meetings with appropriate Qwest staff. Since May of 2010 three additional Advocacy managers have been trained to research and respond to Washington complaints, and there is adequate staff support to maintain rule compliance. Helene Sweet, Qwest’s Portland-based CAG manager and primary back up for Washington, attended the last WUTC/Advocacy customer service meeting in Olympia, in February, 2010.

D. Service Quality Compliance

14 Staff will continue to monitor Qwest's compliance with Washington's service quality laws and rules. If a pattern of increasing violations is found in a particular area, Staff will initiate appropriate enforcement action.

E. General Compliance

15 This Agreement does not preclude the Commission from pursuing penalties for violations of rules and statutes enforced by the Commission that are unrelated to the subject matter of this Agreement.

IV. GENERAL PROVISIONS

16 The Parties agree that this Settlement Agreement is a settlement of all contested issues between them in this proceeding. The Parties understand that this Settlement Agreement is not binding unless and until accepted by the Commission.

17 The effective date of this Agreement is the date of the Commission's order approving it, subject to the process for presenting the Agreement to the Commission as set out in the following paragraph.

18 The Parties agree to cooperate in submitting this Agreement promptly to the Commission for acceptance. The Parties further agree to support adoption of this Agreement in proceedings before the Commission through testimony or briefing, as required by the Commission. No party to this Agreement or their agents, employees, consultants, or attorneys will engage in advocacy contrary to the Commission's adoption of this Agreement.

19 The Parties agree to: (1) provide each other the right to review, two business days in advance of publication, any and all announcements or news releases that the other party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements); and (2) include in any news release or announcement a statement to the effect that Staff's recommendation to approve the Agreement is not binding on the Commission itself.

20 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay of continuing litigation. The Parties recognize that this Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Agreement or any Commission order fully adopting those terms. This Agreement shall not be construed against either party because it was the drafter of this Agreement.

21 The Parties have negotiated this Agreement as an integrated document to be effective upon execution and Commission approval. This Agreement supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the Commission adopt this Agreement in its entirety.

22 The Parties may execute this Agreement in counterparts and, as executed, shall constitute one Agreement. A signed signature page sent by facsimile or email is as effective as an original signature page signed by that party.

23 The Parties shall take all actions necessary, as appropriate, to carry out this Agreement.

24 In the event the Commission rejects or modifies any portion of this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the Commission. Written notice must be served within ten (10) days of the order rejecting or modifying any part of this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and either party shall be entitled to seek reconsideration of the order. Additionally, the Parties will jointly request that a prehearing conference be convened for purposes of establishing a procedural schedule to complete the case.

25 Except to the extent expressly stated in this Agreement, nothing in this Agreement shall be (i) cited or construed as precedent or indicative of the Parties' positions on an issue resolved in this Agreement or (ii) asserted or deemed in any other proceeding, including those before the Commission, the commission of any other state, the state courts of Washington or any other state, the federal courts of the United States of America, or the Federal Communications Commission, to mean that a Party agreed with or adopted another Party's legal or factual assertions.

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WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

QWEST CORPORATION

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Dated: July 21, 2010

Dated: _____, 2010

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Dated: _____, 2010



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