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No Action
Qwest

Spirit of Service

Qwest Corporation
1600 7th Avenue, Room 1506
Seattle, Washington 98191
(206) 345-1568
Facsimile (206) 343-4040

Mark S. Reynolds
Assistant Vice President
Public Policy & Regulatory Affairs

December 21, 2009

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Attn: Betty Erdahl

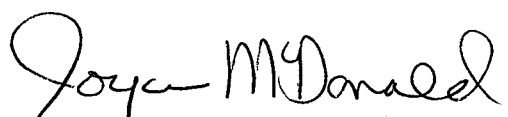
RE: WAC 480-120-375 Affiliated Interest Agreement

Dear Mr. Danner:

In accordance with WAC 480-120-375, Qwest Corporation is filing notification of the enclosed affiliated interest agreement between Qwest Corporation (QC) and Qwest Communications Company, LLC (QCC). This is a new contract called Pricing Flexibility Plan Contract. Also enclosed is a verified statement.

Please call Joyce McDonald on 206-345-1514 if you have any questions or require any additional information.

Very truly yours,



for Mark Reynolds

Enclosures

STATE OF WASH
UTIL AND TRANS
COMMISSION
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MANAGEMENT

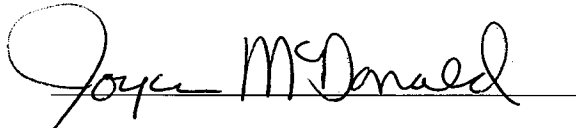
VERIFIED STATEMENT OF AFFILIATED INTEREST TRANSACTION

Qwest Corporation

WAC 480-120-375 states:

Every public service company must file a verified copy, or a verified summary, if unwritten, of contracts or arrangements with affiliated interests before the effective date of the contract or arrangement. Verified copies of modifications or amendments to the contract or arrangements must be filed before the effective date of the modification or amendment. If the contract or arrangement is unwritten, then a public service company must file a verified summary of any amendment or modification. The Commission may institute an investigation and disapprove the contract or arrangement if the commission finds the public service company has failed to prove that it is reasonable and consistent with the public interest.

Joyce L. McDonald, Lead Finance/Business Analyst of Qwest Corporation certifies that the attached Pricing Flexibility Plan Contract describes the affiliate arrangement between Qwest Corporation and Qwest Communications Company, LLC.

A handwritten signature in cursive script that reads "Joyce McDonald". The signature is written in black ink and is positioned above a horizontal line.

Joyce L. McDonald

Dated at Seattle this 21st day of December, 2009.

**QWEST CORPORATION
PRICING FLEXIBILITY PLAN CONTRACT
MONTHLY INCENTIVE**

This Pricing Flexibility Plan Contract ("Contract") is made by and between Qwest Corporation, 1801 California Street, Suite 1000, Denver, Colorado 80202 ("Qwest") (Attn.: Corporate Counsel-QC Wholesale, Facsimile #: 303-295-7049), and Qwest Communications Company, LLC ("Customer") (1801 California Street, 10th Floor, Denver CO 80202 Attn: Corporate Counsel).

1. Background. This Contract provides for a discount associated with Customer's aggregate revenue commitment for Contributory Services. "Contributory Services" means the following Qwest services provided under the Qwest Interstate Access Tariff Federal Communications Commission ("FCC") No. 1 ("FCC1 Tariff"): DS1 and DS3. Qwest will provide and maintain the services described in this Contract at the locations requested by Customer as evidenced by Qwest records. Service is not provided pursuant to this Contract and services may extend beyond the Term of this Contract.

2. Tariff. The FCC1 Tariff is incorporated into this Contract by reference. Qwest may provide competitive pricing for certain interstate services available in the Metropolitan Statistical Areas ("MSAs") and wire centers specified in Section 23 of the FCC1 Tariff. The FCC1 Tariff can be viewed at: <http://tariffs.qwest.com:8000>. Qwest provides the services described in this Contract solely under the regulations, rates, and charges of the FCC1 Tariff, including, but not limited to minimum term for service and termination liability. Qwest must file a summary of this Contract and any subsequent addenda as a contract tariff with the FCC under FCC requirements. Either party may file this Contract with the FCC at the request of the FCC. The party filing this Contract must notify the other party of the filing. If any provision of this Contract or the contract tariff is held finally to be in violation of any regulation, law or FCC order or court decision, this Contract will continue to be in full force and effect with respect to provisions not affected by such regulation, law, FCC order or court decision. If there is a conflict between this Contract, Qwest records and the Tariff, the order of precedence is the discount terms and conditions of this Contract included in the contract tariff; the FCC1 Tariff; the other provisions of this Contract; and Qwest's records.

3. Contract Term. This Contract will commence upon the effective date of the contract tariff filed by Qwest with the FCC ("Effective Date") and will continue until the earlier to occur of (A) 12 months after the Effective Date or (B) the termination of all of Customer's Contributory Services ("Term"). Upon the expiration of the Term, this Contract will terminate.

4. Contributory Charges.

4.1 Contributory Charges Definition. "Contributory Charges" means Customer's monthly recurring charges ("MRCs") for the Contributory Services billed in the Qwest Integrated Access Billing Services ("IABS") System during the Customer's monthly billing cycle ("Month"), after the application of any discounts arising from the Qwest FCC1 Tariff Regional Commitment Program ("RCP"), after the application of any non-RCP discounts and specifically exclusive of any Excluded Charges. "Excluded Charges" means any charges not specified as a Contributory Charge, including, without limitation, the following charges:

- (A) any MRCs not referenced as Contributory Charges such as fractional and partial recurring charges;
- (B) nonrecurring charges;
- (C) customer premise equipment charges;
- (D) charges for services provided by a third party service provider;
- (E) taxes, surcharges, government-related charges, or pass-through charges;
- (F) charges for Qwest intrastate services;
- (G) switched access charges;
- (H) unbundled network element charges;
- (I) Expanded Interconnection Terminations and Interconnection Tie Pairs charges under the FCC1 Tariff;
- (J) shortfall and termination charges;
- (K) issued credits (except those caused by erroneous billing);
- (L) uncollectible charges; and
- (M) charges billed under any other Qwest billing system other than the IABS System.

**QWEST CORPORATION
PRICING FLEXIBILITY PLAN CONTRACT
MONTHLY INCENTIVE**

4.2 Report. Qwest will calculate Customer's actual Contributory Charges monthly. Qwest will create a report ("Report") totaling all of the Contributory Charges included in bills generated during the Month. If Customer ordered Contributory Services prior to the Effective Date, only those Contributory Charges generated after the Effective Date during the Month will be included in Customer's actual Contributory Charge calculation for that Month. The bill date for the bills included in a Report may occur on various dates and will not reflect order activity involving moves, additions, changes or deletions ("MACD") occurring after the bill date but before the end of the Month or delays in posting of order activity in Qwest's systems. The Contributory Charges for the Month will not be recalculated for MACDs occurring after the bill date but before the end of the Month or for delays in the posting of order activity in Qwest's systems. The Report will include the Contributory Charges only under the following Access Customer Name Abbreviations ("ACNAs"): LTL and LGT.

5. Monthly Incentive.

5.1 Formula. Customer is eligible for a Monthly Incentive pursuant to the table below. Minimum Spend is \$16,000,000. Contributory Charges exceeding \$20,836,000. ("Maximum Contribution") are not eligible for the Monthly Incentive. The Monthly Incentive is calculated using the incremental Contributory Charges that exceed the Minimum Spend. The formula for the dollar discount available under this Contract is: "Monthly Incentive" = (either the actual Contributory Charge achieved or Maximum Contribution, whichever is less, minus the Minimum Spend) x the applicable Monthly Incentive Percentage. The various Monthly Contributory Charge achieved ranges and associated "Monthly Incentive Percentage" are shown in the table below.

Monthly Incentive Table	
Actual Contributory Charges Achieved at End of each Month (Minimum Spend \$16,000,000)	Monthly Incentive Percentage
From \$16,000,000 to \$17,600,000	38%
From \$17,600,001 to \$18,480,000	40%
From \$18,480,001 to \$18,942,000	42%
From \$18,942,001 to \$20,836,200	45%

5.2 Application. The Monthly Incentive is applied only against those Contributory Charges generated during the Month that are eligible for pricing flexibility in Phase I and II MSAs and wire centers ("Recipient Services"). The credits are applied to the Recipient Services only if Customer has no termination charges in arrears. In no event will the credit exceed an amount that would cause Customer to receive the Recipient Services at a price below the TSLRIC of such services. Qwest will apply the Monthly Incentive to Customer's account on the Customer's invoice for the following Month.

5.3 No Other Discounts. The discounts provided under this Contract may not be combined with any other promotion, discount, revenue commitment plan or contract tariff offering. But the discounts Customer may receive under its RCP or its FCC1 Tariff contract tariffs in effect on the Effective Date for generally available promotions and individual case basis Contributory Service systems will continue to apply.

6. **Failure to Meet Minimum Spend**. If Customer fails to meet its Minimum Spend, Qwest will not provide a Monthly Incentive for the Term. Customer's failure to meet the Minimum Spend will have no other impact on Customer.

7. **Notices**. All required notices will be in writing, transmitted to the parties' addresses specified above and will be considered given either: (A) when delivered in person to the recipient named above; (B) when deposited in either registered or certified U.S. Mail, return receipt requested, postage prepaid; or (C) when delivered to an overnight courier service.

8. **Governing Law; Dispute Resolution**. This Contract will be governed by the laws of Colorado, without regard to its choice of law principles; provided however, this Contract may also be subject to the Communications Act of 1934, as amended. Any legal proceeding arising out of, or relating to this Contract, will be brought in a United States District Court,

**QWEST CORPORATION
PRICING FLEXIBILITY PLAN CONTRACT
MONTHLY INCENTIVE**

or absent federal court jurisdiction, in a state court of competent jurisdiction, in the Denver, Colorado metropolitan area. Each party, to the extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury.

9. Legally Mandated Changes. Any change in rates, charges, or regulations mandated by the legally constituted authorities will act as a modification of this Contract to that extent without further notice.

10. Counterparts and Facsimile Signatures. This Contract may be executed by the parties in separate counterparts, each of which, when so executed and delivered, will be an original, but all such counterparts will together constitute one and the same Contract. Facsimile signatures will be deemed to be, and will constitute and be treated as, an original signed document or counterpart, as applicable.

11. General Provisions. This Contract constitutes the entire understanding between Qwest and Customer regarding the subject matter of this Contract and supersedes any prior contracts, agreements, or understandings regarding that subject matter. Neither party will, without the prior written consent of the other party issue any public announcement regarding this Contract or use the name or marks of the other party or its Affiliates. Such consent may only be given on behalf of Qwest by its Legal Department. Customer may not assign this Contract or any of its rights or obligations hereunder without the prior written consent of Qwest, which will not be unreasonably withheld. Without limiting the generality of the foregoing, this Contract will be binding upon and will inure to the benefit of the parties' respective successors and assigns. In the event of a merger, acquisition, reorganization, sale of all or substantially all of Customer's assets, purchase by Customer or its affiliates of all or substantially all of a third party's assets, or change in control of Customer, any increase in the MRCs that results solely from such merger, acquisition, reorganization, sale or purchase of assets, or change of control will be excluded from the Contributory Charges used to calculate the Monthly Incentive.

Customer: Qwest Communications Company, LLC

Qwest Corporation



Authorized Signature



Authorized Signature

Patrick Halbach

Warren Mickens

Name Typed or Printed

Name Typed or Printed

Vice President

Warren Mickens

Title

Title

12/17/09

Date

Vice President, Customer Service Operations

Date 12/16/09

Qwest Corporation

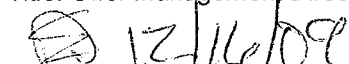


Authorized Signature

Dan Nimtz

Name Typed or Printed

Title: Offer Management Director



Date