

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

I. INTRODUCTION

1 This Narrative Supporting Settlement Agreement (Narrative) is filed to pursuant to the Commission's Notice Establishing Deadline for Filing Narrative in Support of Settlement Agreement and Suspending Procedural Schedule issued July 22, 2010, and in accordance with WAC 480-07-740(2)(a) on behalf of both Qwest Corporation (Qwest), and the Staff of the Washington Utilities and Transportation Commission (Staff). Both parties have signed the settlement agreement (Agreement), which was filed July 21, along with a letter setting forth the parties' suggestions and preferences for review of the settlement. This Narrative supports and explains the Agreement. It is not intended to modify any terms of the Agreement.

II. SCOPE OF THE UNDERLYING DISPUTE

2 The underlying dispute concerns a complaint for penalties issued by the Washington Utilities and Transportation Commission (Commission) against Qwest. In 2009, Staff conducted a follow-up investigation into Qwest's compliance with service quality rules. Staff determined that Qwest had continued to violate seven of the eleven laws and rules identified in an earlier investigation conducted in 2008. The Commission issued a complaint alleging Qwest had committed 69 violations of various service quality rules in chapter 480-120 WAC.

3 After a procedural schedule issued, the parties negotiated and subsequently reached a full settlement of the dispute. The parties filed their Agreement, and the Commission suspended the procedural schedule.

III. DESCRIPTION OF PROPOSED SETTLEMENT

4 The settlement resolves all of the issues in dispute. Qwest admits that on 55 occasions it failed to comply with the Commission's service quality rules and agrees to pay a \$34,500 penalty. In addition, Qwest pledges to provide ongoing internal training to further Qwest's compliance with the Commission's service quality rules. Training addresses not only some of the areas in which the 2009 follow-up Staff investigation identified continued violations but also rules that were not at issue in the 2008 investigation. Specifically, Qwest will offer training on verifying customer identity in compliance with 480-120-061, establishing credit for residential services in compliance with 480-120-122, and arranging customer payments in compliance with 480-120-174. Also, Qwest commits to reinforce recent customer service improvements that are responsive to issues in the informal

complaints Staff examined during the investigation that lead to this complaint proceeding. One of these customer service improvements covers Qwest's responses to Commission-referred complaints. Recently, Qwest hired three additional customer service representative managers who have been specifically trained to research and respond to Washington complaints. Staff commits to ongoing monitoring of Qwest's compliance with service quality laws and rules, and to initiate appropriate enforcement action should a pattern of noncompliance emerge.

IV. STATEMENT OF PARTIES' INTERESTS AND THE PUBLIC INTEREST

5 As stated in the Agreement, the settlement represents a compromise of the positions of the two parties. The parties find it is in their best interests to avoid the expense, inconvenience, uncertainty, and delay inherent in a litigated outcome. Likewise, it is in the public interest that this dispute conclude without the further expenditure of public resources on litigation expenses.

6 The Commission will receive a substantial penalty without expending resources on litigation. In admitting 55 of the alleged 69 violations, Qwest has admitted to most of the violations identified by Staff. Qwest customers are expected to benefit from the additional training that Qwest service representatives will be receiving. Training in such areas as establishing credit, and offering and making payment arrangements focuses on improving service for the economically vulnerable, which is of special concern during this ongoing economic downturn.

7 Qwest has agreed to the terms of this settlement as a compromise from the position it would take in litigation. The settlement benefits Qwest by avoiding the time, cost and

uncertainty associated with litigation, all of which would likely exceed the cost of the settlement.

VI. LEGAL POINTS THAT BEAR ON PROPOSED SETTLEMENT


8 In WAC 480-07-700, the Commission states its support for parties' informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest. The parties have resolved all of the issues in dispute between them, and their resolution complies with Commission rules and, as explained above, is consistent with the public interest.


VII. CONCLUSION

9 Because the parties have negotiated a compromise on all of the issues in this dispute and because the settlement is in the public interest, both parties request that the Commission issue an order approving the Agreement in full.

Respectfully submitted this 8th day of August, 2010.

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