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WASHINGTON UTILITIES AND)	DOCKET NO. UT-061420
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	NARRATIVE SUPPORTING
v.)	SETTLEMENT AGREEMENT
)	
MCIMETRO ACCESS TRANSMISSION)	
SERVICES, LLC)	
)	
Respondent.)	
_____)	

I. INTRODUCTION

1 This Narrative Supporting Settlement Agreement (Narrative) is filed pursuant to WAC 480-07-740(2)(a) on behalf of both MCI metro Access Transmission Services, LLC, (MCI metro) and the Staff of the Washington Utilities and Transportation Commission (Staff) (collectively, “the Parties”). Both parties have signed the Settlement Agreement (Agreement), which is attached to this Narrative. This Narrative summarizes the Agreement. It is not intended to modify any terms of the Agreement.

II. PROPOSALS FOR REVIEW PROCEDURE

2 The Parties submit that this matter is considerably less complex than a general rate proceeding and request that review proceed on a timetable for less complex matters, as provided in WAC 480-07-740(1)(b). To the knowledge of either party, there are no opponents of the settlement. Because of the less complex nature of the matter and the

uncontested status of the settlement, the Parties suggest that a formal settlement hearing, along with the opportunity for public comment, are unnecessary in this case.

3 The Parties do not intend to file documentation supporting the Agreement, with the exception of the Agreement itself and this Narrative. If the commission requires supporting documents beyond the Agreement, Narrative, and the other documents on file in this docket, the Parties will provide documentation as needed.

4 In keeping with WAC 480-07-740(2)(b), the Parties are prepared to present one or more witnesses each to testify in support of the proposal and answer questions concerning the details of the Settlement Agreement, and its costs and benefits, should such testimony be required. In addition, counsel for both Parties are available to respond to any questions that the commission may have regarding the proposed settlement.

5 The Parties request a streamlined review of the proposed settlement. To that end, the Parties waive entry of an initial order so that the record can be submitted directly to the commissioners. Finally, the Parties would prefer an informal, in-camera review, on a paper record. In accordance with WAC 480-07-730, the Parties propose the foregoing procedural alternatives for review of the proposed Settlement Agreement.

III. SCOPE OF THE UNDERLYING DISPUTE

6 The underlying dispute concerned penalties assessed by the commission against MCImetro. In November 2005, Staff began a compliance audit of the business practices of MCImetro. In June 2006, Staff completed an audit report that contained its findings and its opinion that there were violations of rules enforced by the commission, and provided the

texts of the applicable statutes or rules. The report was delivered to MCImetro, and Staff and MCImetro engaged in discussions as a result of the audit.

7 Based on the recommendations in the report, the commission assessed penalties against MCImetro on October 6, 2006, for the types of violations that Staff believed had been previously addressed with technical assistance, including: violations for failure to provide a due date when service will be provided or delayed, the reason for delay; failure to have adequate personnel available during regular business days to address customer complaints, to investigate complaints promptly, and to take corrective action as soon as possible; failure to respond to commission-referred complains within specific time frames; failure to stop billing monthly charges upon the customer's request to discontinue service; failure to restore service within one business day when the cause for discontinuation has been corrected, and a premises visit for reconnection is not required; and failure to repair all out-of-service interruptions within 48 hours.

8 In response to the penalty assessment, MCImetro filed a request for hearing in order to allow MCImetro an opportunity to pursue settlement negotiations with Staff. Following a prehearing conference on January 11, 2007, the Parties continued discussions and subsequently agreed to a resolution of all issues in this docket.

IV. SUMMARY OF PROPOSED SETTLEMENT

9 The settlement resolves all issues in dispute. MCImetro acknowledges that violations occurred. The Parties agree that MCImetro will comply with all applicable commission rules and statutes. The Agreement does not preclude the commission from pursuing penalties for violations of commission rules and statutes unrelated to the subject

matter of the Agreement or for subsequent violations of the rules and statutes addressed in the penalty assessment. The settlement reduces the penalty amount from \$85,000 to \$42,500.

V. STATEMENT OF PARTIES' INTERESTS AND THE PUBLIC INTEREST

10 As stated in the Settlement 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 necessitated by ongoing litigation. It is in the public interest that this dispute concludes without the further expenditure of public resources on protracted litigation. Likewise, it is in the public interest that the Agreement includes MCImetro's acknowledgment of violations, the payment of a significant penalty amount, and the commitment of MCImetro to comply with all applicable commission rules and statutes.

VI. LEGAL POINTS THAT BEAR ON PROPOSED SETTLEMENT

11 In WAC 480-07-700, the commission expresses 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

12 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 approve the attached Settlement Agreement.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

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Dated: _____, 2007

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