



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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June 3, 2013

**NOTICE OF TENTATIVE REJECTION OF SETTLEMENT AGREEMENT
(Written Position Statements due June 13, 2013)**

RE: *In re Petition of Frontier Communications Northwest Inc. to be Regulated as a Competitive Telecommunications Company Pursuant to RCW 80.36.320, Docket UT-121994*

TO ALL PARTIES:

On May 22, 2013, Frontier Communications Northwest Inc. (Frontier), Commission Staff (Staff) and the Public Counsel Section of the Washington Attorney General's Office (Public Counsel) filed a settlement agreement resolving the disputed issues between these parties (Agreement) in the above-referenced proceeding. These parties filed a Joint Narrative and testimony in support of the Agreement on May 23, 2013, and the Washington Utilities and Transportation Commission (Commission) conducted a hearing on May 29, 2013, to consider the Agreement and settlement agreements between Frontier and the other parties.

The Commission has tentatively determined that the Agreement is not consistent with the public interest or the Commission's obligations under applicable law and therefore should not be approved in its current form. The Commissioners' concerns with the Agreement include the imposition of banded rates for the services that remain tariffed, the requirement to file a total service long-run incremental costs (TSLRIC) study in support of rate decreases, and the restriction on Frontier requesting modification of the Agreement before December 31, 2015.

RCW 80.36.310 obligates the Commission to enter a final order on Frontier's petition for competitive classification by July 24, 2013. Accordingly, the Commission requires each party to the Agreement to file a position statement by June 13, 2013, that responds to this Notice with the following information:

1. Whether the responding party waives cross-examination of the witnesses who sponsored the prefiled testimony and exhibits the Commission admitted into the record on May 29, 2013;
2. If all parties are not willing to waive cross-examination and the Commission conducts a hearing, the names of the witnesses the responding party would seek to cross-examine; and
3. Whether the responding party objects to the Commission considering, as part of its final determination, (a) the testimony filed in support of the Agreement or presented orally at the hearing held on May 29, 2013, or (b) the provisions of the Agreement.

If any party seeks an evidentiary hearing, the Commission will conduct that hearing on July 2, 2013. If time permits on that date, counsel for each party will have an opportunity to make closing arguments after cross-examination concludes, but the Commission will not schedule post-hearing briefs.

THE COMMISSION GIVES NOTICE that parties to the Settlement Agreement between Frontier, Staff, and Public Counsel must file a position statement consistent with the requirements of this Notice by June 13, 2013.

GREGORY J. KOPTA
Administrative Law Judge