

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  QWEST CORPORATION	DOCKET NO. RPU-01-10
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**ORDER APPROVING RENEWED PRICE REGULATION PLAN**

(Issued December 13, 2004)

**PROCEDURAL BACKGROUND**

On September 28, 1998, the Utilities Board (Board) approved a price regulation plan for U S WEST Communications, Inc., n/k/a Qwest Corporation (Qwest), effective November 7, 1998. The plan was approved pursuant to Iowa Code § 476.97. The price regulation plan was renewed for a three-year term effective November 7, 2001.

On August 4, 2004, Qwest filed a written notice with the Board stating that it was exercising its option to renew the price plan for an additional period of three years. The renewed plan became effective on November 7, 2004.

On November 5, 2004, Qwest filed a "Renewed Price Regulation Plan" that it negotiated with the Consumer Advocate Division of the Department of Justice (Consumer Advocate). According to the letter filed with the Renewed Price Regulation Plan, the language of the existing plan was revised to conform to changes made in the price regulation statute, § 476.97, as well as other modifications made with the concurrence of Consumer Advocate.

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Iowa Code § 476.97(2) states that the Board may approve, modify, or reject a proposed price regulation plan after notice and an opportunity for hearing and gives the Board 90 days to make a decision whether to accept, modify, or reject a plan.

No objections to the Renewed Price Regulation Plan or requests for an evidentiary hearing have been filed.

The Board has reviewed the Renewed Price Regulation Plan filed by Qwest and notes several changes that were made to the plan. The most substantive change was the removal of all language making reference to the productivity offset.<sup>1</sup> The offset operated to reduce the plan's annual inflation adjustment by 2 percentage points. It was a part of § 476.97, but was recently repealed.

Another change made to the Renewed Price Regulation Plan is the removal of the following language:

IV. C. 3. The Board may give notice to Qwest within ninety (90) days of the filing date, that it finds probable cause that the new or modified prices, terms or conditions of the change of service are unlawful. Qwest may voluntarily adjust the offering to alleviate Board concerns or it shall be given opportunity for a hearing before the Board. Upon finding that the terms or conditions for the change are unlawful, Qwest shall make necessary changes in terms and conditions within ten (10) days of the finding or remove the tariffed offering altogether. In the event that price is found to be unlawful, Qwest shall credit current subscribers the difference between the price as implemented and the lawful price within ninety (90) days of the final Board decision.

The Board interprets the removal of this language as the elimination of the 90-day time constraint for its review of any Nonbasic Communications Services tariffs filed by Qwest.

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<sup>1</sup> Changes were made to sections III. B, C, D, and G to remove all references to the productivity offset.

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Other minor modifications were made in the November 5, 2004, filing, making changes to the effective date as well as other slight changes. These changes were not described in Qwest's initial filing. This forced the Board to expend its resources to determine what all of the changes are and what they might mean. This is not an efficient way to approach these matters; in future filings of this nature, Qwest should describe each of the changes at the time of filing.

The Board has reviewed the Renewed Price Regulation Plan pursuant to the requirements of Iowa Code § 476.97 (2003) and finds it to be in compliance with those requirements.

### **ORDERING CLAUSE**

#### **IT IS THEREFORE ORDERED:**

The "Renewed Price Regulation Plan" filed by Qwest Corporation on November 5, 2004, as discussed in this order, is approved. The anniversary date of the plan will be November 7.

#### **UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 13<sup>th</sup> day of December, 2004.