

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of

QWEST CORPORATION

Regarding the Sale and Transfer of Qwest
Dex to Dex Holdings, LLC, a non-affiliate

DOCKET NO. UT-021120

CITATION TO SUPPLEMENTAL
AUTHORITY AND REQUEST
FOR JUDICIAL NOTICE OF
COMMISSION ORDER

1 Pursuant to WAC 480-09-750(2), Commission Staff requests that the Commission take judicial notice of its just-issued order in the consolidated PacifiCorp dockets. *In re the Petition of PacifiCorp d/b/a Pacific Power & Light Company for an Accounting Order Authorizing Deferral of Excess Net Power Costs*, Docket No. UE-020417, Sixth Supplemental Order: Denying Petition for Accounting Order; Rejecting Tariff Filing; Authorizing Subsequent Filing; *Washington Utilities and Transportation Commission v. PacifiCorp d/b/a Pacific Power & Light Company*, Docket No. UE-991832, Eighth Supplemental Order; Amending Third Supplemental Order (July 15, 2003) (consolidated order for both dockets).

2 At page 3, (¶¶ 3-4 and n.2) of the order, the Commission notes that on August 9, 2000, it approved and adopted a settlement agreement providing a five-year Rate Plan for

PacifiCorp, under which the company was barred from filing for general rate increases that would be effective prior to January 1, 2006. At page 10-11 (¶ 23) of the order, the

Commission states:

We do, however, conclude that the record, considered as a whole, demonstrates that the Rate Plan has been so overtaken by events that it no longer is in the public interest for the Company's rates to remain unexamined through the Rate Plan Period.

The Commission has, thus, authorized the Company to file a general rate case prior to December 31, 2003. Order, p. 3 (¶ 3).

3 This Commission's PacifiCorp order is directly relevant to the arguments made in this docket. The settling parties here contend that under the proposed Qwest Dex settlement, QC ratepayers are provided with fifteen years of "guaranteed" and "assured" revenue credits—a period of time three times longer than that in the PacifiCorp case. *Qwest's Opening Brief* at 64, ¶ 170; *Brief of AARP, Public Counsel, and WeBTEC* at 37, ¶ 74. However, as the PacifiCorp case demonstrates, events may well overtake the plan proposed by the settling parties.

4 That, in fact, is a real possibility in this case. Indeed, if QCII's financial situation significantly deteriorates anytime within the next fifteen years, while QC is provided with \$103-\$110 million less each year than it actually needs, the unfunded revenue credits in the settlement agreement will be very much at risk. In such a case, Qwest could petition for a

general rate increase, despite the settlement agreement. The PacifiCorp case demonstrates that it is a gross overstatement at this juncture to say that QC ratepayers will be “guaranteed” or “assured” fifteen years of benefits under the proposed settlement.

Respectfully submitted this 22nd day of July, 2003.

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