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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

in the Matter of the Application of
QWEST CORPORATION

Docket No. UT-021120

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

DEX BILL CREDIT ACCOUNTING
AND RECONCILIATION REPORT

I. INTRODUCTION

On August 1, 2003, the Washington Utilities and Transportation Commission (“Commission”), in its 10th Supplemental Order in this Docket, adopted the Washington Qwest Dex Settlement Agreement (“Agreement”). On page 4, lines 5-9, the Agreement states as follows:

Within a reasonable time subsequent to completion of the application of Bill Credits to customers’ bills, but not longer than sixty (60) days, Qwest will render an accounting and reconciliation report to the Commission and all parties of the number and amount of credits applied during the billing cycle with a reconciliation of total Bill Credits to the \$67,000,000 target. This report will outline the customer accounts, the amount of credits that have been “worked off” customer accounts, as well as any amount provided to customers as a remittance consistent with Commission rules.

This pleading provides the accounting and reconciliation data required by the Agreement.

II. BACKGROUND

In accordance with the Agreement, Qwest was required to provide bill credits totaling \$67,000,000 to active customers of record subscribing to the services identified in Appendix 1 of

1 the Agreement. In addition to identifying services that are to receive the bill credit, Appendix 1 also
2 provides a preliminary estimate of the per line amount that was to be credited. In accordance with
3 the Agreement,¹ on October 3, 2003, Qwest submitted to the Commission, and the Parties to the
4 Agreement, the amount of the actual bill credit that would be provided.² Qwest applied this per line
5 credit to customer accounts of record that had the prerequisite services starting on October 20,
6 2003, and completing on November 3, 2003. The actual bill credits were issued on customer bills
7 during the following complete billing cycle which ended on December 1, 2003.

8 III. RECONCILIATION REPORT

9 Regarding the disposition of the \$67,000,000 bill credit, Qwest's accounting reporting data
10 indicates that \$67,000,000 was accrued in September, \$21,631,893 was credited to customers in
11 October, and \$45,311,863 was credited to customers in November. There is a residuary of
12 \$56,244. Please see Attachment A hereto for the accounting reporting data. By the terms of the
13 Agreement,³ sixty days after this report is filed, the parties to the Agreement should present to the
14 Commission their joint or separate recommendations for the distribution of a Bill Credit residuary
15 from the \$67,000,000.

16 Regarding the amounts of credits that have been "worked off" and/or are provided to
17 customers as a remittance, Qwest does not have the ability to track and report such data. Qwest
18 can attest that the process used to provide the credit to customers is to issue the credit to the
19 account and to apply the credit amount to account balances until the credit has been "worked off"
20 (regardless of the number of bill periods required). Remittance checks will be provided to customers
21 who discontinue service prior to the full credit being applied.

22
23 RESPECTFULLY SUBMITTED this _____ day of January, 2004.

24 ¹ Washington Qwest Dex Settlement Agreement at pp. 3-4.

25 ² The Bill Credit amount of \$31.00 was calculated based on an estimated 2,166,256 lines in service as of September
16, 2003 and the gross credit amount of \$67,000,000.

26 ³ Washington Qwest Dex Settlement Agreement at p. 4, lines 12-14.

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QWEST CORPORATION

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