

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of
U S WEST, INC., and QWEST
COMMUNICATIONS INTERNATIONAL
INC.

For an Order Disclaiming Jurisdiction, or in
the Alternative, Approving the U S WEST,
INC., - QWEST COMMUNICATIONS
INTERNATIONAL INC. Merger

Docket No. UT-991358

PETITION FOR MITIGATION OF
PAYMENT UNDER THE SERVICE
QUALITY PERFORMANCE PROGRAM

I. INTRODUCTION

I In accordance with the Commission's Ninth Supplemental Order in Docket No. UT-991358, Qwest Corporation ("Qwest") files this Petition to mitigate a payment amount under the Service Quality Performance Program ("SQPP") for the Out-of-Service – Repair Interval metric.¹

¹ The Ninth Supplemental Order ("Order"), dated June 19, 2000, granted the joint application of U S WEST, Inc. and Qwest Communications International Inc. (collectively the "Joint Applicants") to effect the July 18, 1999 Agreement and Plan of Merger of the Joint Applicants.

II. DISCUSSION

2 The SQPP itself terminated by its own terms on December 31, 2005. The only requirement
remaining under the SQPP is for Qwest to disburse customer credits based on 2005
performance. This petition for mitigation requests that the Commission reduce the payment
amount for the Out-of-Service – Repair Interval from \$83,333 (the full payment) to \$41,667
(half payment).

3 In 2004, Qwest petitioned for, and the Commission granted, modification of Qwest’s
obligation to pay customer credits for the Out-of-Service – Repair Interval metric. Prior to the
modification, Qwest was required to pay \$83,333 in credits to customers in each month that it
fails to meet the standard of two business days for all service restoration.

4 Qwest had asked that the measure be changed to restoration within 48 hours and that the
payment of credits be triggered on a sliding scale—half the entire payment for failure to meet
that standard in one-half of one per cent to one per cent of all repair instances, and that the
entire payment would only be required if Qwest failed to meet the standard in more than one
per cent, per month. The Commission approved both modifications requested by Qwest.²

5 In performing the calculations under the SQPP, the relevant thresholds are (a) less than 99%
(full payment); (b) 99.0%-99.5% (half payment); and (c) greater than 99.5% (no payment).
The method of calculation has not previously been the subject of discussion or debate, but
now, at the last possible opportunity for debate, one has arisen.

6 Qwest is not asking the Commission for a ruling as to how the calculation is properly
performed. However, a bit of background is likely necessary for context.

7 Qwest has always calculated the percentages under the SQPP to the nearest two decimal

² See, 16th Supplemental Order in this Docket, ¶ 55.

places, rounding as appropriate. In calculating the September Out-of-Service – Repair Interval metric, Qwest took the number of missed commitments (120) and divided by the total number of commitments (11,960). The result is 98.99665519%. With a two-decimal rounding convention this percentage rounds to 99.00%. Thus, it was Qwest’s contention that it fell within the range of being required to pay only one half the credit. Informally, Public Counsel agreed. Staff did not agree, stating that the actual percentage calculation fell below 99% and that the full amount should therefore be due. However, based on these circumstances, Staff indicated that it might be willing to support mitigation of the amount.

8 Qwest notes that it fell only one service commitment short of reaching the 99% without rounding. In other words, if missed commitments had been 119 instead of 120, the metric would have been met with no debate.

9 The total amount of customer credits for 2005 would be \$916,667 under Qwest’s proposal, reduced from \$963,236. The individual customer credit for 2005 would be reduced from \$0.49/access line to \$0.47/access line.

10 Therefore, based on the circumstances set forth herein, Qwest asks for mitigation of the payment under the SQPP Out-of-Service Interval.

DATED this _____ day of February, 2006.

QWEST

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