

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

COMMISSION STAFF'S RESPONSE IN SUPPORT OF QWEST CORPORATION'S PETITION FOR MITIGATION UNDER THE SERVICE QUALITY PERFORMANCE PROGRAM

1 Pursuant to WAC 480-07-370(1)(c), Commission Staff submits this response in support of Qwest Corporation's (Qwest) Petition for Mitigation of Payment under the Service Quality Performance Program (SQPP).

I. INTRODUCTION

2 On February 9, 2006, Qwest filed a petition for mitigation of a payment amount under the SQPP. On February 28, 2006, Qwest amended its petition. In its petition, Qwest requests that the Commission reduce the payment amount for the Out-of-Service—Repair Interval from \$83,333 (full payment) to \$41,667 (half payment). Commission Staff supports the requested mitigation.

II. ARGUMENT

3 In July 2004, the Commission granted Qwest a sliding scale threshold for calculating the payment for out-of-service conditions not restored in 48 hours:

< 99.0 % = full payment

99.0 – 99.5 % = ½ payment

> 99.5 % = no payment

4 In September 2005, Qwest had 11,960 out-of-service tickets; Qwest restored 11,840
in less than 48 hours, leaving only 120 tickets that were not restored within 48 hours. This
calculates to 98.996655518, rounded by Qwest to 99.00% (½ payment).

5 Because the Commission’s order is silent on rounding methodology, Staff and Qwest
discussed whether rounding would be acceptable. The SQPP requires Qwest to demonstrate
that mitigation of the payment is in the public interest. Qwest states that mitigation is in the
public interest for the following reasons:

- 1) Rounding to two decimal places, i.e., 99.00, is consistent with the
 methodology used by Qwest during the life of the SQPP (2000 – 2005);
- 2) Customers will not be harmed because the change to the one-time credit paid
 to *all* current customers is de minimus, only \$0.02; and
- 3) The specific customers who experienced the out-of-service condition were
 compensated under Qwest’s customer service guarantee program.

6 Commission Staff agrees that these reasons support mitigation of the payment amount
owed by Qwest under the SQPP.

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III. CONCLUSION

7 Commission Staff recommends that the Commission grant the petition filed on February 9, 2006, and amended on February 28, 2006.

DATED this 7th day of March, 2006.

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