

Decision No. C04-1423

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 97A-540T

IN THE MATTER OF THE APPLICATION OF U S WEST COMMUNICATIONS, INC. FOR
SPECIFIC FORMS OF PRICE REGULATION.

DOCKET NO. 90A-665T

THE APPLICATION OF THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH
COMPANY DOING BUSINESS AS U S WEST COMMUNICATIONS, INC., FOR
APPROVAL OF A FIVE YEAR PLAN FOR RATE AND SERVICE REGULATION AND
FOR A SHARED EARNINGS PROGRAM.

**ORDER APPROVING SECOND AMENDMENT TO
STIPULATION AND SETTLEMENT AGREEMENT**

Mailed Date: December 7, 2004

Adopted Date: December 1, 2004

I. BY THE COMMISSION

A. Statement, Findings, and Conclusions

1. This matter comes before the Commission for consideration of a Second Amendment to the Stipulation and Settlement Agreement reached in these dockets. On September 14, 2004, Qwest Corporation, formerly known as U S WEST Communications, Inc. (Qwest), the Colorado Office of Consumer Counsel, and Staff of the Colorado Public Utilities Commission filed a second amendment to the original stipulation reached in this docket. The original stipulation and the first amendment were approved by the Commission on March 10, 1999 in Decision No. C99-0222.

2. The second amendment makes two changes to the Service Quality Plan under which Qwest operates. The first change relates to the Report Rate. Under the amendment, the benchmark will be decreased to 5 reports per 100 lines for 2004 and 4 reports per 100 lines in 2005. The current report rate level is 8 reports per 100 lines. This is shown on the first page of Attachment A. The amendment also establishes penalty amounts of \$20,000 if the wire center exceeds its benchmark for reports per 100 lines and has over 20,000 lines and \$10,000 if the wire center exceeds its benchmark for reports per 100 lines but has fewer than 20,000 lines. The maximum penalty for this service quality element is \$3.5 million.

3. The second change relates to Out of Service in 24 Hours. Under the amendment, for each out of service ticket not repaired within 24 hours, the customer would receive a bill credit of \$14.88 for residential service or \$34.51 for business service, instead of a *pro-rata* credit. For tickets repaired within 24 hours, the current *pro-rata* credit would continue. The amendment also allows for adjustments in the calculation of customer credit for things like repeat trouble tickets.

4. The amendment, if approved, would not take effect until Qwest files its Service Quality Report on April 1, 2005 and bill credits pursuant to the amendment would be made beginning on June 1, 2005 and thereafter.

5. The Commission finds that the second amendment to the stipulation reached in this docket is in the public interest and should be granted. The second amendment is Attachment A to this Order

II. ORDER

A. The Commission Orders That:

1. The Second Amendment to the Stipulation and Settlement Agreement filed by Qwest Corporation, the Colorado Office of Consumer Counsel, and the Staff of the Colorado Public Utilities Commission on September 14, 2004 is granted.

2. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
December 1, 2004.**

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Commissioners

COMMISSIONER POLLY PAGE ABSENT.