Attachment A
Docket Nos. 97A-540T & 90A-665T
Decision No. C04-1423
December 1, 2004
Page 1 Of 14

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

SECOND AMENDMENT TO STIPULATION AND SETTLEMENT AGREEMENT

Qwest Corporation f/k/a/ U S WEST Communications, Inc. ("Qwest" "Company"), the Staff of the Colorado Public Utilities Commission ("Staff"), and the Colorado Office of Consumer Counsel ("OCC"), collectively referred to as the "Parties," hereby incorporate the following modified terms into the Stipulation and Settlement Agreement ("Original Stipulation") filed with the Commission on October 29, 1998, and the Amendment to Stipulation and Settlement Agreement ("Amendment to Stipulation") filed with the Commission on November 23, 1998 in the above captioned dockets. With certain modifications unrelated to the issues addressed in this Second Amendment to Stipulation and Settlement Agreement, the Commission approved the Original Stipulation and the Amendment to Stipulation on March 10, 1999. See Decision No. C99-222. The Parties agree that the incorporation of these modified terms is just, reasonable, and in the public interest.

- As part of the Original Stipulation, the Parties included a Service Quality Plan. 1. See Original Stipulation, pp. 15-20. The Service Quality Plan included "prospective, automatic remedies for non-compliance with the specific measures contained in Attachment A" to the Original Stipulation. Original Stipulation, p. 15.
- The Parties have agreed to change two of the measures and associated penalties 2. contained in Attachment A to the Original Stipulation. Those changes are:

A) Report Rate:

The Benchmark should be changed to five (5) reports per 100 lines for 2004 and four (4) reports per 100 lines for 2005. For any month where the benchmark is exceeded, the penalty is \$20,000 for offices over 20,000 lines and \$10,000 for The three-month rolling average is eliminated. Qwest is permitted one free miss (failure) per wire center per year.

B) Out of Service in 24 Hours:

For each Residence and Business out of service ticket, which is not repaired in 24 hours, that customer would receive a bill credit of either \$14.88 (Residence) or \$34.51 (Business). The bill credit would replace the current automated pro-rata credit mechanism. For tickets repaired within the 24 hours, the current pro-rata credit mechanism would remain in place.

- (a) Monthly adjustments would be permitted for the following categories based on Qwest's audit response to Staff:
 - i) No access provided to Company by the customer; ii)
 - Customer requests a repair date longer than 24 hours; iii)
 - Fire (where service cannot be repaired due to fire damage or no access by fire department);
 - Trouble beyond the network interface device (e.g. repair of iv) a customer's inside wire or equipment), which is a service not regulated by the Commission;
 - Extraordinary acts of nature such as floods and catastrophic V) events such as major cable cuts. Extraordinary acts of nature and catastrophic events are intended to represent acts of nature or catastrophes where it is not physically possible to repair service in 24 hours. If Qwest seeks an adjustment under this section, Qwest will provide notice to Staff and the OCC of the exclusions, and Staff and/or the OCC will have thirty (30) days to notify Qwest that they do not

Attachment A Docket Nos. 97A-540T & 90A-665T Decision No. C04-1423 December 1, 2004 Page 3 Of 14

accept the adjustment. In the event of a dispute under this subparagraph (v), Qwest, Staff and/or the OCC will jointly present the matter to the Commission for resolution.

(b) Repeat trouble tickets will be excluded from the bill credit if there is one or more repeat trouble tickets in the same 30-day reporting cycle. A repeat failure in the next and successive reporting cycles, however, would be subject to additional monthly credits. Only one month's credit to a customer's account would be permitted in each reporting cycle.

Attached to this Second Amendment to Stipulation and Settlement Agreement is a revised Attachment A that reflects these changes. 3.

- This Agreement shall not become effective and shall be of no force and effect until the issuance of a final Commission order approving this Agreement, which Order does not contain any modification of the terms and conditions of this Agreement that are unacceptable to any of the Parties hereto. In the event the Commission modifies this Agreement in a manner unacceptable to any Party hereto, that Party may withdraw from the Agreement and shall so notify the Commission and the other Parties to the Agreement in writing within ten (10) days of the date of the Commission order. In the event a Party exercises its right to withdraw from the Agreement, this Agreement shall be null and void and of no effect and no force in these or any other proceedings.
- The revised measures and penalties contained in this Second Amendment shall be 4. used by Qwest to calculate any bill credits submitted in its report to the Commission on or before April 1, 2005 and thereafter; and to any bill credits that are actually made beginning on June 1, 2005 and thereafter.
- In the event this Agreement becomes null and void or in the event the 5. Commission does not approve this Agreement, this Agreement, as well as the negotiations or

Attachment A Docket Nos. 97A-540T & 90A-665T Decision No. C04-1423 December 1, 2004 Page 4 Of 14

discussions undertaken in conjunction with the Agreement, shall not be admissible into evidence in these or any other proceedings.

Dated this _____ day of September, 2004.

Respectfully submitted,

Qwest Corporation:

By:

Paul R. Mc Oanil Paul R. McDaniel

Assistant VP, Regulatory Affairs 1005 17th Street, Suite 200

Denver, CO 80202

303-896-4552

Approved as to Form:

Corbetta & O'Leary, P.C.

1801 Broadway Street, Suite # 500

Denver, CO 80202

720-264-4797

Attachment A
Docket Nos. 97A-540T & 90A-665T
Decision No. C04-1423
December 1, 2004
Page 5 Of 14

Office of Consumer Counsel:

By:

Kenneth Reif

Director

1580 Logan Street, OL-7

Denver, CO 80203

303-894-2121

Approved as to Form:

By:

Stephen W. Southwick, No. 30389

First Assistant Attorney General Office of the Attorney General 1525 Sherman Street, 5th Floor

Denver, CO 80203

303-866-5225

Attachment A
Docket Nos. 97A-540T & 90A-665T
Decision No. C04-1423
December 1, 2004
Page 6 Of 14

Staff of the Commission:

Lyen W

Geri Santos-Rach Section Chief, Fixed Utilities

1580 Logan Street, OL-1

Denver, CO 80203

303-894-2533

Approved as to Form:

Bv:

Anne K. Botterud, No. 20726

Assistant Attorney General

Office of the Attorney General 1525 Sherman Street, 7th Floor

Denver, CO 80203

303-866-5226

Attachment A
Docket Nos. 97A-540T & 90A-665T
Decision No. C04-1423
December 1, 2004
Page 7 Of 14

REVISED ATTACHMENT A (Redlined Version)

SQP Measure	Description of	Non-Compliant Performance	Maximum at risk-	Source
Held Orders 0 over 150 Working Days	Customer requests for service held over 150 days.	Per occurrence maximum of \$125,000 annual per held order. Amount to be prorated based on the number of months for each held order. ¹	\$6,000,000 per year.	Rule 723-2-24.4.2
Held Orders: Wire center- specific parameters.	Customer requests for service held over 30 days.	>0 wire centers with the lesser of 50 or 5% of the total number of service applications in a wire center in a consecutive 3-month period are held service orders.	\$2,000,000 per year.	Rule 723-2.6.2.3
Access to U S WEST Sales Center	% Time calls to sales office are answered in the first minute.	<85% of Calls Answered in 60 Seconds or Less.	\$250,000 per year.	Rule 723-2-21.2.4
Wire Centers Reports per 100 Lines	A count of wire centers with over & five (5) reports per 100 lines during calendar year 2004 and four (4) reports per 100 lines during calendar year 2005. Qwest is permitted one free miss (failure) per wire center per year. a 3-month consecutive period.	> 0 Wire Centers with over five (5) reports per 100 lines during calendar year 2004 and four (4) reports per 100 lines during calendar year 2005. Owest is permitted one free miss (failure) per wire center per year. 8 reports per 100 lines during a 3 month consecutive period.	For any month where the benchmark is exceeded, the penalty is \$20K for offices over 20,000 lines and \$10,000 for offices under 20,000 lines. Qwest is permitted one free miss (failure) per wire center per year. \$3,500,000 per year.	Rule 723-2-22.1
Service	reports cleared within 24 hours	Company provided by the	For each Residence and Business out of service ticket, which is not repaired in 24 hours, that customer would receive a bill credit of either \$14.88 (Residence) or \$34.51	Rule 723-2-22.2

¹ The calculation of a held order over 150 days shall be made on a case by case basis. Qwest (f/k/a US WEST) may seek waivers on an individual case by case basis.

SOP	Description of	Non-Compliant	Maximum at risk-	1794 66 2027
Measure	Measure	Performance		Source
		ii) Customer requests a	(Business).	132 - 13 - 13 - 13 - 13
4.14	j	date longer than 24 hours;	Maximum at risk:	1
		iii) Fire (where service	\$2,000,000 per	
		,	year; Maximum of	
7.78		cannot be repaired due to		
		fire damage or no access	\$75,000 per wire	
		by fire department);	eenter per year.	
1.0		iv) Trouble beyond the	\$15,000 per wire	
		network interface device	center per month for	
3		(e.g. repair of a customer's	wire centers less	
	ĺ	inside wire), which is a	than 10,000 access	1
		service not regulated by the	lines. \$25,000 per	
		Commission; or	wire center per	
	į	v) Extraordinary acts	month for wire	
图: 1000000000000000000000000000000000000		of nature such as fires	centers greater than	
10000000000000000000000000000000000000	·	(where service cannot be	or equal to 10,000	
		repaired due to fire damage	uccess imes.	, 1
		or no access by fire		
The state of the s	İ	department), or floods and	_	
	ŀ	catastrophic events such as	•	
Maria di Maria		major cable cuts.		
	İ	Extraordinary acts of nature		
		and catastrophic events are		
11 12 1 11		intended to represent acts of		
以		nature or catastrophes where		
		it is not physically possible		
The state of the s		to repair service in 24 hours.		
The Real of		If Owest seeks an		
		adjustment under this		
		section, Owest will provide		
The state of the s		notice to Staff and the OCC		'
		of the exclusions, and Staff		
		and/or the OCC will have		
		thirty (30) days to notify		
		Owest that they do not		
	.	accept the adjustment. In		
2 3		the event of a dispute under		
13.5		this subparagraph (v),	.].	
	* -	Owest, Staff and/or the		
The same of the sa		OCC will jointly present the	1	
		matter to the Commission		
[B. 54] 28]	[1	for resolution.	į	
[100] · · · · · · · · · · · · · · · · · ·				
	I -	(b) Repeat trouble tickets		.
		will be excluded from the		-
1	•	oill credit if there is one or		
		nore repeat trouble tickets		
1,7		n the same 30-day reporting		
		cycle. A repeat failure in		

COD:	\$ 80 × 12 5 91 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
SQP Measure	Description of Measure	Non-Compliant	Maximum at risk-	Source
	A SEE CHICASOLE.	the next and successive		
100		reporting cycles, however,		
		would be subject to		
		additional monthly credits.		
		Only one month's credit to a		
Property of the	·	customer's account would		
Association of the second		be permitted in each		
Access to	% Time calls to repair	reporting cycle.		
USWC	office are answered in the	<85% Calls Answered in 60 Seconds or Less.	\$250,000 per year.	Rule 723-2-21.2.4
Repair	first minute.	Seconds of Less.	·	
Center :				
Ancillary	% of calls to toll and	<85% of calls to toll and	\$100,000 per year.	Rule 723-2-21.2.3
Services.	directory assistance	directory assistance	\$100,000 per year.	Rule 123-2-21.2.3
Completion	answered within 10	answered within 10 seconds.		
Network	seconds.			
Reliability-	Sufficient central office	(a) <98% of call attempts	(a) Maximum	Rule 723-2-21.1.1
Switch Switch	and interoffice channel capacity plus other	receive dial tone within 3	incentive of	(a-c) and Rule
#Trunk +	necessary facilities to meet	seconds during any normal	\$300,000 per year.	723-2-21.1.2
Toll Network	minimum requirements	busy hour. At U S West's option, it may use the call	Maximum incentive	
Call	during any normal busy	blockage measurement.	of \$15,000 per	
Completion 4.	hour.	Call blockage is measured	switch per year. Maximum incentive	
		by switch defects per	of \$5000 per switch	7
		million (DPM) during any	per month.	
		normal busy hour.	1	
	·	4.		
3.0		(b) <98% correct	(b) Maximum	
		termination of properly dialed intraoffice or	incentive of	
		interoffice calls within an	\$200,000 per year.	
10000000000000000000000000000000000000		extended service area during	Maximum incentive	
		any normal busy hour by	of \$3000 per year per trunk group.	
M. A. W. M. M.			Maximum incentive	
			of \$1000 per trunk	
			group per month.	
		(·) -000 (
			(c) Maximum	
		17 1 1 1	incentive of	
		• . • . • . • . • . • . • . • . • . • .	\$200,000 per year.	
			Maximum incentive	
12 1 1 1		materials of the Carrespond	of \$3000 per trunk group per year.	
		I'	Maximum incentive	
			of \$1000 per trunk	
學院 先生引		- ·	group per month.	
Commence of the Contract of th				

Attachment A
Docket Nos. 97A-540T & 90A-665T
Decision No. C04-1423
December 1, 2004
Page 10 Of 14

SQP Measure	Description of	Non-Compliant Parformence	Meximumer dist-	Source
		(d) <98% correct termination of properly dialed jurisdictional toll calls during any normal busy hour by trunk group.	(d) Maximum incentive of \$200,000 per year. Maximum incentive of \$3000 per trunk group per year. Maximum incentive of \$1000 per trunk group per month.	
Total	•	. •	\$13,000,000 per year plus specific individual bill credits pursuant to the Out of Service metric.	

REVISED ATTACHMENT A (Clean Version)

Measure	Dendplonof Measure	Non-Compliant Performance	<u> अधिर्यांनाम</u> हरिनंधीः,	
Held Orderst Oover 150 Worlding Days		Per occurrence maximum of \$125,000 annual per held order. Amount to be prorated based on the number of months for each held order.	\$6,000,000 per year.	Rule 723-2-24.4.2
Held Orders specific carter- c	Customer requests for service held over 30 days.	>0 wire centers with the lesser of 50 or 5% of the total number of service applications in a wire center in a consecutive 3-month period are held service orders.	\$2,000,000 per year.	Rule 723-2.6.2.3
AccessioUS: WEST Sales Center Who Center	% Time calls to sales office are answered in the first minute. A count of wire centers	<85% of Calls Answered in 60 Seconds or Less.	\$250,000 per year.	Rule 723-2-21.2.4
Reports per 1000 Lymes	with over five (5) reports per 100 lines during calendar year 2004 and four (4) reports per 100 lines during calendar year 2005. Qwest is permitted one free miss (failure) per wire center per year.	> 0 Wire Centers with over five (5) reports per 100 lines during calendar year 2004 and four (4) reports per 100 lines during calendar year 2005. Qwest is permitted one free miss (failure) per wire center per year.	For any month where the benchmark is exceeded, the penalty is \$20K for offices over 20,000 lines and \$10,000 for offices under 20,000 lines. Qwest is permitted one free miss (failure) per wire center per year.	Rule 723-2-22.1
% Qui-of- Sarvica Reports Clemed in 24 Hours	% Out-of-Service trouble reports cleared within 24 hours	>0 wire centers with <85% Cleared Within 24 Hours. (a) Monthly adjustments would be permitted for the following categories based on Qwest's audit response to Staff: i) No access to the Company provided by the customer;	For each Residence and Business out of service ticket, which is not repaired in 24 hours, that customer would receive a bill credit of either \$14.88 (Residence) or \$34.51	Rule 723-2-22.2

¹ The calculation of a held order over 150 days shall be made on a case by case basis. Qwest (f/k/a US WEST) may seek waivers on an individual case by case basis.

SQP Description of	Non-Compliant	Maximum át risk-	Source
Measure Measure	Performance		Source.
State of the state	ii) Customer requests a	(Business).	1
	date longer than 24 hours;		
	iii) Fire (where service		
4 3 Th 1 Th	cannot be repaired due to		
The state of the s	fire damage or no access		
	by fire department);		
	iv) Trouble beyond the		
	network interface device		
	(e.g. repair of a customer's		
	inside wire), which is a		
	service not regulated by the		
	Commission; or		
	v) Extraordinary acts		
13.00	of nature such as floods and		
The state of the s	catastrophic events such as		
The state of the s	major cable cuts.		
The first of the second	Extraordinary acts of nature		
	and catastrophic events are		
	intended to represent acts of		
	nature or catastrophes where		
	it is not physically possible		
	to repair service in 24 hours.		,
	If Qwest seeks an		•
	adjustment under this section, Qwest will provide		
The state of the s	notice to Staff and the OCC		
	of the exclusions, and Staff		1
	and/or the OCC will have		
	thirty (30) days to notify		
	Qwest that they do not		
	accept the adjustment. In	•	
	the event of a dispute under		
	this subparagraph (v),	į	
	Qwest, Staff and/or the		
	OCC will jointly present the		
	matter to the Commission		
	for resolution.		
The second secon	43.0		
to the state of the	(b) Repeat trouble tickets		
	will be excluded from the		
	bill credit if there is one or		
	more repeat trouble tickets		
	in the same 30-day reporting		,
Programme I	cycle. A repeat failure in the next and successive		
	reporting cycles, however,		
[1] [1] [1] [1] [1] [1] [1] [1] [1] [1]	would be subject to		
10.10	additional monthly credits.		
	additional monthly credits.		

- SQP	Description of	Non-Compliant	Maximum at risk-	Source .
Measure 7		Performance ,	The same	
- : .	,	Only one month's credit to a		
		customer's account would		
		be permitted in each		
\mathcal{T}	•	reporting cycle.		
Access to	% Time calls to repair	<85% Calls Answered in 60	\$250,000 per year.	Rule 723-2-21.2.4
USWC:	office are answered in the	Seconds or Less.		
Repair	first minute.			
Center		<u> </u>		
Ancillary	% of calls to toll and	<85% of calls to toll and	\$100,000 per year.	Rule 723-2-21.2.3
Services	directory assistance	directory assistance	`.	
Completion	answered within 10	answered within 10 seconds.		
		·		
Network	Sufficient central office	(a) <98% of call attempts	(a) Maximum	Rule 723-2-21.1.1
Reliability-	and interoffice channel	receive dial tone within 3	incentive of	(a-c) and Rule
Switch	capacity plus other	seconds during any normal	\$300,000 per year.	723-2-21.1.2
+Trunk +	necessary facilities to meet	busy hour. At U S West's	Maximum incentive	
Toll Network	minimum requirements	option, it may use the call	of \$15,000 per	
Gall	during any normal busy hour.	blockage measurement.	switch per year. Maximum incentive	
Completion	nour.	Call blockage is measured	of \$5000 per switch	
		by switch defects per million (DPM) during any	per month.	
		normal busy hour.	per month.	
Market State of the		normar busy nour.	nar 🐧 🔭	
		(b) <98% correct	(b) Maximum	
		termination of properly	incentive of	
		dialed intraoffice or	\$200,000 per year.	
Man : Taksid		interoffice calls within an	Maximum incentive	
		extended service area during	of \$3000 per year	
		any normal busy hour by	per trunk group.	
		trunk group.	Maximum incentive	
		•	of \$1000 per trunk	
1 50 10 10 10			group per month.	
4 4 3 Mars A		(c) <98% correct	(c) Maximum	
		termination of properly	incentive of	
		dialed intraLATA or	\$200,000 per year.	
A de la la la la la la la la la la la la la		interLATA when the call is	Maximum incentive	
		routed entirely over the	of \$3000 per trunk	
		network of U S WEST	group per year.	
		during any normal busy	Maximum incentive	
		hour by trunk group.	of \$1000 per trunk	
			group per month.	
		(d) <000/ noment	(d) Maximum	·
		(d) <98% correct	(d) Maximum incentive of	
		termination of properly dialed jurisdictional toll		
			\$200,000 per year.	
		calls during any normal	Maximum incentive	1

Attachment A
Docket Nos. 97A-540T & 90A-665T
Decision No. C04-1423
December 1, 2004
Page 14 Of 14

SOP Measure	Description of . Measure	Non-Compliant Performance	Maximumetelle	Storice)
		busy hour by trunk group.	of \$3000 per trunk group per year. Maximum incentive of \$1000 per trunk group per month.	
Total	·	<u>-</u>	\$13,000,000 per year plus specific individual bill credits pursuant to the Out of Service metric.	