

**QWEST-COLORADO PUBLIC UTILITIES COMMISSION (PUC) MOU FOR THE PURPOSE
OF ADVANCING FUNDS TO PAY LTPA FACILITATOR**

This Memorandum of Understanding is between the Colorado PUC and Qwest Corporation for the purpose of providing terms and conditions under which Qwest Corporation will advance funds to be used by in-region states participating in the Long Term PID Administrative ("LTPA") Collaborative for the purpose of hiring a Facilitator. The Facilitator's roles and responsibilities will be outlined in the attached Statement of Work approved by the participating states.

1. Qwest will advance up to \$100,000 during a one year period beginning January 1, 2003 and ending December 31, 2003 to pay the hourly charges and reasonable expenses of a Facilitator selected by the participating states to perform functions as outlined in the attached Statement of Work. In no event shall Qwest advance more than \$50,000 during the first six-months or \$50,000 during the second six-month period. Qwest shall be reimbursed for advanced payments to the Facilitator by reducing on a monthly basis any Tier 2 amounts owed the state as described herein. The amounts advanced pursuant to this Memorandum of Understanding shall be the total amounts advanced to the LTPA states and is not an amount allocated to each state, individually.

2. —All Facilitator bills submitted for payment through advanced funds will be provided to Qwest on a monthly basis and paid by Qwest within 30 days of receipt. Any charges or expenses in excess of \$50,000 for a six month period shall be paid on a pro rata basis by the PUC out of Qwest's Colorado Performance Assurance Plan ("CPAP") Tier 2 payments.

23. Qwest shall be reimbursed for any monthly advances by reducing Tier 2 funds owed to Colorado under the CPAP for the next month. The amount reduced from Tier 2 amounts shall equal 1/[pro rata portion of participating states] of the total amount paid the Facilitator for the previous month. If there are insufficient Tier 2 funds to cover the necessary reimbursement for a given month, Qwest may reduce the next months, or any future months, Tier 2 payments by any amount not previously reimbursed, in addition to reimbursement for that individual month.

34. The reduction shall be identified as a line item on the Tier 2 payment summary that Qwest provides to the Colorado PUC each month.

4. Any charges or expenses in excess of the reimbursable advances of \$50,000 for a six-month period, as specified herein, shall be paid on a pro ratae basis out of the Qwest Colorado Performance Assurance Plan ("CPAP") Tier 2 payments for the state. ~~for other available funds.~~

We, the undersigned, have reviewed this Memorandum of Understanding and agree with the responsibilities outlined.

Qwest Corporation

Date: _____

Paul R. McDaniel, Director –
Colorado Regulatory Affairs

Public Utilities Commission of the
State of Colorado

Attachment
Docket No. 02M-259T
Decision No. C03-0614
May 16, 2003
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Date:

Bruce N. Smith, Director of the Public
Utilities Commission