

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

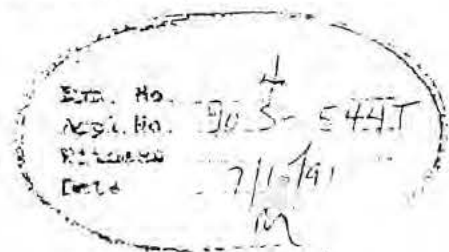
* * *

RE: INVESTIGATION AND SUSPENSION	)	
OF PROPOSED CHANGES IN TARIFFS	)	
-- COLORADO PUC NO. 5 -- TELEPHONE,	)	I & S DOCKET NO.
THE MOUNTAIN STATES TELEPHONE AND	)	90S-544T
TELEGRAPH COMPANY, D/B/A U S WEST	)	
COMMUNICATIONS, INC., DENVER,	)	
COLORADO.	)	
INVESTIGATION AND SUSPENSION OF	)	
PROPOSED CHANGES IN TARIFFS FILED	)	
BY THE MOUNTAIN STATES TELEPHONE AND	)	I & S DOCKET NO.
TELEGRAPH COMPANY, D/B/A U S WEST	)	91M-119T
COMMUNICATIONS, INC., ADVICE LETTER	)	
NO. 2173-AMENDED.	)	
INVESTIGATION OF TARIFFS FILED BY	)	
U S WEST COMMUNICATIONS, INC.,	)	I & S DOCKET NO.
DENVER, COLORADO PURSUANT TO ADVICE	)	89I-597T
LETTER NO. 2119.	)	
RE: TARIFF SHEETS FILED BY U S WEST	)	I & S DOCKET NO.
COMMUNICATIONS, INC., IN ADVICE LETTER	)	91S-366T
NO. 2201.	)	

MOTION TO APPROVE STIPULATION

COMES NOW U S WEST Communications, Inc. ("USWC"), by and through its undersigned counsel, and files this its Motion To Approve Stipulation:

1. On June 27, 1991, USWC, the Office of Consumer Counsel ("OCC"), and the Staff of Colorado Public Utilities Commission ("Staff") entered into a Stipulation resolving numerous issues in Phase II of USWC's pending general rate case. Filed separately and simultaneously herewith is the original, executed Stipulation.



2. USWC hereby requests, pursuant to Rule 83(a) of the Colorado Public Utilities Commission's ("Commission") Rules of Practice and Procedure, that the Commission approve this Stipulation. USWC is authorized to represent that the Staff and the OCC join in this request.

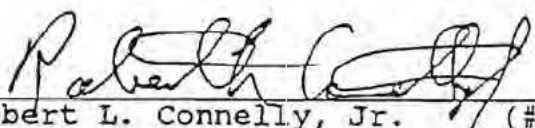
WHEREFORE, USWC prays that the foregoing Motion be inquired into and granted and that the subject Stipulation be approved in all respects.

DATED this 27th day of June, 1991.

Respectfully submitted,

U S WEST COMMUNICATIONS, INC.

By:


Robert L. Connelly, Jr. (#14894)
Laurie J. Bennett (#13145)
1005 17th Street
Room #200
Denver, Colorado 80202
Telephone: (303) 896-4365

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STIPULATION

U S WEST Communications, Inc. ("USWC"), the Colorado Office of Consumer Counsel ("OCC"), the Staff of the Colorado Public Utilities Commission ("Staff"), AT&T Communications of the Mountain States, Inc. ("AT&T") and such other parties to the above-referenced dockets (collectively "Phase II") presently pending before the Colorado Public Utilities Commission ("Commission") who choose to enter into this Stipulation by executing an appropriate signature page thereto (collectively "Parties" or individually "Party"), hereby enter into this Stipulation resolving among the Parties certain issues in Phase

II and request that the Commission enter an order approving it pursuant to Rule 83(a) of the Commission's Rules of Practice and Procedure.

1. The Parties acknowledge and agree that all issues in Phase II, as among the Parties, have been resolved by this Stipulation, with the exception of those listed on Exhibit A, attached hereto and incorporated herein by reference. Accordingly, the Parties acknowledge and agree that there should be hearings before Administrative Law Judge Robert E. Temmer ("ALJ"), the Commission or both of them not only as to the propriety and reasonableness of this Stipulation, but also as to issues which have been properly raised, but not resolved by this Stipulation.

2. Attached hereto as Confidential Exhibit B and incorporated herein by reference is a document setting out the following with respect to each of the rates or charges upon which the Parties have agreed in this Stipulation: (a) the current USWC rate or charge; (b) the stipulated rate or charge; and (c) the revenue impact of each stipulated rate or charge. This exhibit is confidential because it contains proprietary data; however, the Parties acknowledge that many of the rates and charges contained on Confidential Exhibit B may be of interest to persons who have not executed Protective Agreements in this matter. Accordingly, attached hereto as Exhibit B-1 is a non-proprietary exhibit setting forth stipulated rates which may be of public interest. Attached hereto as Exhibit C and incorporated herein by reference is also a separate, non-proprietary listing of the revenue impacts, by category of service, of the stipulated rate

changes. Set forth below are narrative descriptions of the most significant stipulated rates or charges. Due to the number of rates or charges to which the Parties have stipulated, it is not possible to provide a narrative description of each stipulated rate or charge. The absence in this Stipulation of such a narrative description of a stipulated rate or charge set forth on Confidential Exhibit B does not mean or imply that these rates or charges do not form a part of this Stipulation and have not been stipulated by the Parties.

3. There are also certain rates or charges which are the subject of this Stipulation to which USWC is not specifically stipulating, but which USWC has stated it will not oppose being adopted by the Commission. These particular rates or charges (i.e., Public Coin Telephone and Shared Payphone Telephone call rates and directory assistance calls therefrom, non-recurring charges associated with the installation of residential basic service and directory assistance calls on Public Access Lines) require additional explanations in the body of this Stipulation. By their inclusion on Confidential Exhibit B, USWC does not mean or imply that it is affirmatively agreeing to or advocating these rates; their inclusion on Confidential Exhibit B reflects, solely from USWC's perspective, its position of non-opposition to their adoption by the Commission.

4. The Parties acknowledge that none of the rates which are the subject of this Stipulation include the surcharges authorized under the Rural Facilities Improvement Program, the Colorado Low Income Assistance Program and the Colorado High Cost Fund.

5. The Parties agree that the rate for hunting should be priced separately from trunks at \$5.25. The revenue impact of this change is \$4,228,052.

6. The Parties agree that it is appropriate to include the Touchtone rate in the base rates for all services with which it is associated. In connection with this, all customer lines will be equipped to permissively allow the use of Touchtone. The Touchtone section should be removed from USWC's tariff, and the description of various basic services should be changed to include Touchtone. The revenue impact for eliminating separately charged Touchtone services is (\$21,140,879). This revenue impact is offset by revenues generated through rates on all basic exchange access lines. Set forth in subsequent paragraphs of this Stipulation are the specific rates at issue in this matter where Touchtone has been included.

7. The Parties agree that the rate for a flat rated, single party residential line ("1FR") statewide should be set within an estimated range of \$13.40-13.57 per month. The rates within this estimated range include Touchtone service. The prior tariffed rate for this service was \$1.04. The final rate will be established following Commission hearings on and resolution of the matters described on Exhibit A. The Parties acknowledge that the final 1FR rate could be slightly outside the aforementioned estimated range. The revenue impact of these changes, based on a 1FR rate of \$13.57, is \$29,517,387.

8. The Parties agree that the rates for a flat rated, single party business line ("1FB") should be \$34.28 in Rate Group I and

\$36.28 in Rate Group II. Each of these rates includes Touchtone service. The previous tariffed rate for this service was \$2.11. The revenue impact of these changes is \$18,413,181.

9. The Parties agree that the rates for a two-way, flat rated business trunk should be \$40.28 in Rate Group I and \$42.28 in Rate Group II. Each of these rates includes Touchtone service. The prior tariffed rate for this service was \$4.27. The Parties agree that this rate does not include hunting. The revenue impact of these changes is \$2,917,788.

10. The Parties acknowledge that many services are priced as ratios to the 1FR, 1FB and/or trunk rates. Except as otherwise set forth in this Stipulation and/or on Confidential Exhibit B, such present rate ratios should be maintained.

11. The Parties agree that the rates for Measured and Message Residence Access Lines should be increased so that there are single statewide rates for each service. This should be accomplished by increasing these rates in both Rate Groups I and II by the increase in the 1FR rate in Rate Group II and by then adding to the resulting rates in Rate Group I amounts necessary to bring them to the same levels as the resulting rates in Rate Group II. These rates includes Touchtone service. The prior tariffed rate for this service was \$1.04. The revenue impact of this change, based on a 1FR rate of \$13.57, is \$302,328.

12. The Parties agree that the rate for a two-way, flat rated Network Access Register in Rate Group I should be \$32.66 and the rate in Rate Group II should be \$34.66. These rates include Touchtone

service and hunting. The prior tariffed rate for Touchtone service was \$2.11. The revenue impact of these changes is \$1,071,801.

13. The Parties agree that the rates for a Measured Business Access Line, a Message Business Access Line and a Public Access Line should each be \$17.00 statewide. Each of these rates includes Touchtone service. The prior tariffed rate for this service was \$2.11. The revenue impact of the change in the Measured Business Access Line rate is \$118,947, the revenue impact of the change in the Message Business Line rate is \$324,044, and the revenue impact of the change in the Public Access Line is (\$81,465).

14. The Parties agree that the rates for all Measured Usage services (including, but not limited to, such usage on a Public Access Line) should be \$.05 for the first minute and \$.02 for each subsequent minute statewide. The time-of-day discounts applicable to these services should be modified to be 25%/evening and 50%/night. Further, the time-of-day discounts will be applicable to Public Access Lines. The revenue impact of these changes is (\$207,401).

15. The Parties agree that the rate for all Message Usage services (including, but not limited to, such usage on a Public Access Line) should be \$.11 per message statewide. The revenue impact of this change is (\$24,032).

16. The Parties agree that the non-recurring charge associated with the installation of a business access line, including Touchtone, should be \$70.00. The revenue impact of this change is (\$1,501,090).

17. The Staff and the OCC agree that the non-recurring charge for the installation of a residence access line including Touchtone,

should be \$35.00. USWC cannot affirmatively stipulate to this rate, but does not oppose its adoption by the Commission. USWC is unable to stipulate to this rate because USWC's cost studies, the most recent Colorado-specific studies being for the year 1989, indicate that this charge may be below the cost of the service. This fact, in turn, may raise legal concerns. USWC also recognizes that there may be reasons which the Commission could find override these potential legal concerns and that this rate is associated with a Part 2 service over which the Commission exercises jurisdiction which has been affirmatively conferred by statute. See C.R.S., Title 40, Articles 1 through 7 and §§40-15-201, et seq. The revenue impact of this change is (\$7,205,912).

18. The Staff and the OCC agree that the call rate for dial tone first Public Coin Telephones and Shared Payphone Telephones should be \$.25, the rate for Public Coin Telephones without dial tone first should be \$.10, and the rate for each Directory Assistance Call from USWC Public Coin Telephones and Shared Payphone Telephones should be \$.25. USWC cannot affirmatively stipulate to these rates, but does not oppose their adoption by the Commission. USWC is unable to stipulate to these rates because USWC's cost studies indicate that these rates may be below the costs of the particular services. This fact, in turn, may raise legal concerns. USWC also recognizes that there may be reasons which the Commission could find override these potential legal concerns and that these rates are associated with Part 2 services over which the Commission exercises jurisdiction which has been affirmatively conferred by statute. See C.R.S., Title

40, Articles 1 through 7 and §§40-15-201, et seq. The revenue impact of the change in the call rate for dial tone first Public Coin Telephones and Shared Payphone Telephones is \$1,474,723 and the revenue impact of the change in the rate for Directory Assistance calls from Public Coin Telephones and Shared Payphone Telephones is \$371,181.

19. The Parties agree that the rate for Directory Assistance calls, excluding Directory Assistance calls from Public Coin Telephones and Shared Payphone Telephones, should be \$.40 per call, with a one-free call allowance. The revenue impact of these changes is \$4,081,559.

20. The Parties agree that the rate for a Shared Tenant Service Trunk should be \$80.71. This rate includes Touchtone service. The previous tariffed rate for this service was \$4.27. The revenue impact of this change is \$17,374.

21. The Staff and the OCC agree that the charge for each Directory Assistance Call on a Public Access Line should be \$.25. USWC cannot affirmatively stipulate to this rate, but does not oppose its adoption by the Commission. USWC is unable to stipulate to this rate because USWC's cost studies indicate that this rate may be below the cost of the service. This fact, in turn, may raise legal concerns. USWC also recognizes that there may be reasons which the Commission could find override these potential legal concerns and that this rate is associated with a Part 2 service over which the Commission exercises jurisdiction which has been affirmatively

conferred by statute. See C.R.S., Title 40, Articles 1 through 7 and §§40-15-201, et seq. The revenue impact of this change is (\$15,284).

22. The Parties agree that the rates for 800 Service should be as follows:

<u>HOURS OF USE</u>	<u>RATE PER HOUR</u>
0 - 10	\$ 15.10
10.1 - 25	\$ 13.60
25.1 - 40	\$ 12.25
Over 40	\$ 11.00

The revenue impact of this change is (\$2,749,084).

23. The Parties agree that the current USWC Message Toll Service Volume Discount Plan should be supplemented with the addition of two further discounts. The Parties agree that if a customer's monthly usage exceeds \$500.00, the applicable discount should increase to 25%, and if a customer's monthly usage exceeds \$1,000.00, the discount should be 30%. The Parties further agree that the night discount for USWC's Message Toll Services should be reduced from 55% to 50%. The Parties further agree that additional minor changes in Message Toll Service rates, as set forth on Confidential Exhibit B, should be adopted. The revenue impact of these changes is \$1,314,419.

24. The Parties agree that the charge assessed customers who elect to modify their primary listings should be \$12.00 for business customers and \$8.50 for residence customers. The Parties further agree that the monthly rate for Non-published service should be \$2.10 and the monthly rate for Non-listed service should be \$1.25. The Parties further agree that the monthly charge for residence customers for Premium Listings will change from their existing levels to

monthly rates of \$.95 for each such service. The Parties further agree that the monthly charge for business customers for Premium Listings (i.e., Additional, Foreign Directory, Alpha and Client Main Listings, together with, e.g., WATS, Mobile and Telephone Answering Service Bureau Listings) should be \$1.5⁹₀, with the exception of Telephone Answering Service Bureau Listing which should be \$3.25. The Parties further agree that the non-recurring charges associated with Premium Listings should be \$8.50 for residence customers and \$12.00 for business customers. (The Telemarketing Restriction option will continue to be made available at no charge.) The revenue impact of these changes is \$560,368.

25. The Parties agree that the rate for Busy Line Verify should be \$.50 and the rate for Busy Line Interrupt should be \$1.30. The revenue impact of these changes is \$702,062.

26. The Parties agree that the recurring rates for Private Line Services should be as set forth on Confidential Exhibit B. The revenue impact of these changes is \$3,058,246.

27. The Parties agree that the non-recurring charges associated with Private Line Services should be as set forth on Confidential Exhibit B. The revenue impact of these changes is (\$313,008).

28. The Parties agree that the tariff restructure of Private Line Services set forth in the tariff sheets of USWC accompanying Advice Letter No. 2173, as modified by suggestions in the testimony of Warren Wendling, should be approved by the Commission.

29. The Parties agree that USWC's Shared Payphone proposal should be accepted and that the monthly rate should be \$40.00. The revenue impact of this proposal is \$289,107.

30. The Parties agree that the following rates, charges and changes with respect to Switched Access Service should be implemented:

- (a) The transitional discount rates for the Carrier Common Line Charge ("CCLC"), the Local Transport Charge and the Local Switching Charge should be eliminated.
- (b) The present differential in the LS1 and LS2 rates should be eliminated and a single rate of \$.019484, including the Local Intercept and Line Termination, established therefor.
- (c) There should be no change from the present non-transitional transport rates.
- (d) The CCLC should be \$.015 for originating traffic and \$.034567 for terminating traffic.
- (e) Language for inclusion in USWC's Access Tariff should be adopted directing interexchange carriers and resellers who report Percentage Interstate Usage ("PIU") to provide to USWC data supporting their reported PIU. USWC, in turn, will supply this data to Staff. If, after reviewing this data, Staff is of the opinion that an audit is warranted, Staff will direct USWC to retain a qualified third party to conduct the

audit. The reasonable expenses incurred for an outside audit will be paid by the interexchange carrier or reseller.

- (f) Following the conclusion of Phase II, the Parties agree to conduct workshops involving the Staff, the OCC, USWC and cellular carriers to investigate whether the rates for the interconnection of cellular carriers with local exchange carriers' networks should be tariffed and, if so, at what levels the rates should be set. In the event the participants in these workshops are unable to reach agreement on these issues by December 31, 1991, USWC agrees to seek from the Commission a declaratory order addressing these issues.
- (g) In consideration of the foregoing, AT&T agrees to reduce its Colorado intrastate toll rates to reflect Commission-approved decreases in USWC's Switched Access rates. This reduction in AT&T's toll rates will be based on AT&T's percentage of the total USWC Colorado intrastate Switched Access market and will be made as soon as practicable after a final Commission order in Phase II, but in no event shall the effective date be later than January 1, 1991.
- (h) No time-of-day access methodology for Switched Access Service should be adopted at this time, and AT&T agrees, if no such methodology is adopted by the Commission, that for a period of twelve (12) months

beginning on the date of a final Commission order in Phase II it will not increase night/weekend Colorado intrastate toll rates.

- (i) USWC and AT&T agree to amend their current access charge imputation agreement to include the expenses incurred by USWC associated with its payment to the Colorado High Cost Fund.

The revenue impact of these changes is (\$7,127,143).

31. The Parties agree that the rate for Direct Inward Dialing should be \$40.00. The revenue impact for this change is \$490,070.

32. The Parties agree that the following changes should be implemented:

- (a) The current Line Extension Charge authorized by Section A.4.2.1 of USWC's Exchange and Network Services Tariff ("Exchange Tariff") should be eliminated.
- (b) The Parties have not reached final agreement with respect to revision of the current Line Extension Charge policy; however, the Parties are in general agreement. Accordingly, the Parties will file with the Commission details of an implementation plan on July 15, 1991, as part of their joint filing referenced in Paragraphs 32(f) and 33. Prices contained in orders for service actually placed prior to the effective date of tariffs effectuating the changes upon which the Parties agree will be assessed customers and honored by USWC, regardless of when service is actually connected.

- (c) Four- and eight-party service should be included in USWC's Exchange Tariffs as available only at the discretion of USWC when facilities to provide single or two-party service are not available and, where possible, existing multi-party customers must be regraded to two-party service. Customers who cannot be regraded will be treated as held regrades by USWC. The non-recurring charge associated with such regrades of service, which is authorized by Section A.4.7 of the Exchange Tariff, should be eliminated, and the language contained in Section A.5.2.5.C of the Exchange Tariff, which allows USWC to embargo one-party service in certain areas of the state that USWC defines as rural, should be eliminated.
- (d) Multi-party rates as a percentage of the applicable single-party rates should be:

	<u>Residence</u>	<u>Business</u>
Two-Party	82%	NA
Four-Party	70%	80%
Eight-Party	65%	70%

- (e) Four- and eight-party customers should receive a 40% discount on the applicable zone increment charges discussed in Paragraph 33 of this Stipulation.
- (f) The Parties acknowledge that the agreements in this Paragraph do not cover all issues related to the subjects of these agreements, including, but not limited to, the maximization of the fill rates for four

and eight-party service and the spread of revenues to the resulting available lines. In accordance with the commitments contained in Paragraph 33, the Parties will submit to the Commission by July 15, 1991, agreements on these additional matters and areas of disagreement, if any.

33. The Parties agree that the Suburban Rate Area and Locality Rate Area designations and associated rates should be eliminated. The Parties further agree that there should be a four-zone concept for local service with a basic rate applying within the Base Rate Area (Zone 1) and three zones outside the Base Rate Area (Zone 1) in which zone increment charges would be added to the basic rate. The Parties further agree to immediately meet and confer in an effort to reach agreement on the proper configurations of all Base Rate Areas (Zone 1), the proper configurations of the three zones outside each Base Rate Area (Zone 1), the appropriate zone increment charges to be applied in each such zone and the applicability of construction charges inside the Base Rate Areas (Zone 1). USWC has committed to review, comment on and, if appropriate, suggest modifications to the maps filed with the testimony of Bruce Mitchell. On or before July 15, 1991, the Parties will submit a joint filing indicating where they have been able to agree on these issues and areas of disagreement, if any. In the event there are areas of disagreement on these matters, the Parties request that all or part of the weeks of July 15 and 22, 1991, currently reserved for Phase II hearings, be

allocated for hearings on these unresolved issues. The revenue impact of the changes in Paragraphs 32 and 33 is (\$370,820).

34. Due to significant changes in basic rates, including zone charges, for some rural residential customers, there may be large increases in such rates for some of these customers. Accordingly, in the event the increase in the basic service rate (including zone charges) for any residential customer exceeds \$10.00 per month under the terms of this Stipulation, such customer will be eligible for a credit against his/her monthly bill for a period of one year such that the monthly increase shall not exceed \$10.00. USWC will notify residential customers of the availability of this credit through a market message on their bills, and any eligible customer may obtain this credit by affirmatively contacting USWC by calling a toll-free number or such other similar method as may be agreed upon among the Parties.

35. USWC agrees that no later than thirty (30) days following the entry of a final Commission order in Phase II, it will file new tariffs for Centron Station Line rates in a revenue neutral filing.

36. The Parties agree the rate for Operator Surcharges should be \$1.30. The revenue impact of this change is \$25,701.

37. The Parties agree the rate for Market Expansion Line should be \$22.00. The revenue impact of this change is \$195,844.

38. The Parties agree that the rates for Custom Calling features should be as set forth on Confidential Exhibit B. The revenue impact of these changes is \$405,294.

39. The Parties agree that the current rate of \$161.36/1,000 main station lines for E-911 service should be unbundled into charges for transport and charges for features. The unbundled rate for transport should be \$37.00/1,000 main station lines and the unbundled rate for features should be \$101.31/1,000 main station lines. The revenue impact of these changes is (\$119,859). The Parties agree that should USWC, at some later date, determine either of these rates to be below applicable costs, USWC will file appropriate tariffs with the Commission.

40. In the event that a new contract, or a modification or extension of an existing contract, between USWC and a space provider for a USWC Public Coin Telephone materially deviates from USWC's standard commission policy ("Policy") regarding the level of commission payments to such space provider ("Deviating Contract") or in the event USWC materially changes the Policy as it relates to the level of commission payments to space providers ("Deviating Policy"), the Parties agree to the following procedures:

- (a) USWC will supply to the Staff within thirty (30) days of its (their) effective date(s), and maintain in its Colorado Legal office, copies of the Deviating Contract and/or Deviating Policy.
- (b) If, after reviewing any such Deviating Contract or Deviating Policy, Staff believes some type of formal Commission proceeding is warranted, USWC will have the burden of proof, if any there be, in such proceeding to

establish that the commission levels in any Deviating Contract or Deviating Policy are just and reasonable.

- (c) The Parties acknowledge that any such formal Commission proceeding is likely to involve proprietary and highly competitively sensitive data and information of USWC and commit to take all necessary, reasonable and lawful step to guard against the inappropriate disclosure of this data and information.

In connection with the foregoing, USWC acknowledges that Pages 8-11 of Confidential Exhibit No. 2 of Wendell Winger's testimony reflect the Policy. USWC agrees to provide to the Staff pursuant to audit any necessary explanations of the Policy. USWC acknowledges that Deviating Contracts or a Deviating Policy containing provisions found to be other than just and reasonable may be declared void by the Commission.

41. Each of the Parties agrees that it will not cross-examine any of the other Parties' witnesses on the issues which have been resolved by this Stipulation. The Parties further agree that the prefiled testimony of their witnesses on each of the issues resolved in this Stipulation, to the extent inconsistent with the agreements reached herein, shall be deemed, and is hereby, withdrawn. All witnesses of the Parties will support all aspects of the settlement embodied in this Stipulation; provided that any witness cross-examined by a person or entity not a party to this Stipulation is not precluded from referencing positions taken in the withdrawn testimony in direct response to such cross-examination, but in no event shall

such witness contradict or impeach his/her express support of the accommodations reached in this Stipulation. The Parties stipulate to the admissibility in evidence of each Party's prefiled testimony and exhibits which address the issues resolved in this Stipulation and are not inconsistent with the agreements reached herein ("Relevant Evidence"). The Parties waive the personal appearances of each Party's witnesses who have sponsored Relevant Evidence unless any such witness has also sponsored evidence addressing any of the unresolved issues listed on Exhibit A, in which case, the personal appearance of any such witness shall be required for purposes of direct and cross examination on any such unresolved issue.

42. The Parties agree that this Stipulation represents a compromise of disputed claims. As such, evidence of conduct or statements made in negotiations and discussions in connection with this Stipulation shall not be admissible.

43. The Parties agree that nothing contained in this Stipulation shall constitute any precedent, admission, concession, acknowledgement or agreement which may be used by or against any of the Parties in any subsequent proceeding before the Commission or otherwise; provided, however, nothing contained herein shall preclude any of the Parties from making reference to this Stipulation in any subsequent proceeding for the purpose of illustrating how certain adjustments were resolved in this Docket.

44. The Stipulation is an integrated whole, and any of the Parties may withdraw if, but no Party shall be deemed automatically to have withdrawn simply because, the Commission materially changes

any of its terms and conditions; provided, however, in light of the potential legal concerns expressed by USWC in paragraphs 17, 18 and 21 of this Stipulation, the Parties agree that should the Commission change any of the rates discussed in those paragraphs by increasing them to completely or more completely cover the costs USWC has estimated may not be covered in the stipulated rates, such changes will not be deemed a basis for withdrawal from this Stipulation by USWC.

45. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

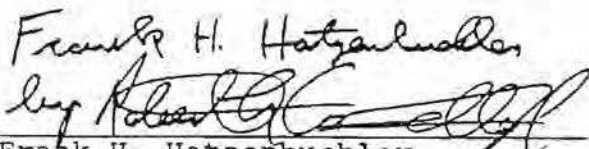
Dated this 27th day of June, 1991.

Respectfully submitted,

APPROVED AS TO FORM:

AGREED:

U S WEST COMMUNICATIONS, INC.


Frank H. Hatzenbuehler

By: 
Robert L. Connelly, Jr. (#14894)
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AGREED:

COLORADO OFFICE OF CONSUMER COUNSEL

Ronald J. Binz

By:

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Telephone: (303) 894-2121

AGREED:

APPROVED AS TO FORM:

STAFF OF THE COLORADO PUBLIC

UTILITIES COMMISSION

Warren Wendling
Warren Wendling

By:

Mana L. Jennings-Fader
Mana L. Jennings-Fader (#15773)
Michael S. Williams (#19416)
110 16th Street
10th Floor
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AGREED AS TO THE TERMS OF
PARAGRAPH 30 OF THIS
STIPULATION ONLY AND WITHOUT
OPPOSITION TO THE REMAINDER
OF THIS STIPULATION:

AT&T COMMUNICATIONS OF THE MOUNTAIN
STATES, INC.

Lola L. Staggs

By:

T. Larry Barnes (#13630)
1875 Lawrence Street
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Telephone: (303) 298-6162

AGREED:

COLORADO OFFICE OF CONSUMER COUNSEL



Ronald J. Birz

By: 

Deborah S. Waldbaum (#10942)
1580 Logan Street
Suite #700
Denver, Colorado 80203
Telephone: (303) 894-2121

AGREED:

STAFF OF THE COLORADO PUBLIC
UTILITIES COMMISSION

Warren Wendling

By: _____
Mana L. Jennings-Fader (#15773)
Michael S. Williams (#19416)
110 16th Street
10th Floor
Denver, Colorado 80202
Telephone: (303) 620-4161

AGREED AS TO THE TERMS OF
PARAGRAPH 30 OF THIS
STIPULATION ONLY AND WITHOUT
OPPOSITION TO THE REMAINDER
OF THIS STIPULATION:

AT&T COMMUNICATIONS OF THE MOUNTAIN
STATES, INC.

Lola L. Staggs

By: _____
T. Larry Barnes (#13630)
1875 Lawrence Street
Suite #1575
Denver, Colorado 80202
Telephone: (303) 298-6162

EXHIBIT "A"

1. The issues raised in Docket No. 89I-597T.
2. The recommendation regarding Single Party Message Service contained in the Direct Testimony of Robert Hix at Page 6, Lines 20-6.
3. The recommendation regarding Second Line revenues contained in the Direct Testimony of Warren Wendling at Page 8, Lines 23-4 and Page 9, Lines 1-8.
4. The recommendation regarding METROPAC contained in the Supplemental Testimony of Bruce Armstrong accompanying Motion of Staff for Leave to File Supplemental Testimony of Staff Witness Bruce H. Armstrong and Motion of Staff for an Order Shortening Response Time. By agreeing to the inclusion of this issue on this Exhibit, USWC does not waive its objections to Staff's request to include METROPAC issues in this proceeding.
5. Any areas of disagreement contained in the July 15, 1991, filing with the Commission referred to in Paragraphs 32 and 33 of the Stipulation.

EXHIBIT B-1
Rate Summary

	<u>Current Rate</u>		<u>New Rates</u>	
	<u>RGII</u>	<u>RGI</u>	<u>RGII</u>	<u>RGI</u>
Res Single Party Flat Rate (1)	\$11.40	\$10.90	\$13.40-13.57(2)	\$13.40-13.57(2)
Bus Single Party Flat Rate (1)	\$32.39	\$28.61	\$36.28 (2)	\$34.28 (2)
Bus PBX Flat Trunk (1)	\$36.28	\$32.84	\$42.28 (2)(3)	\$40.28 (2)(3)
Network Access Register (1)	\$23.01	\$19.49	\$34.66 (2)(3)	\$32.66 (2)(3)

	<u>Current Rate</u>	<u>New Rate</u>
Directory Assistance	\$.32	\$.40
	Two free calls	One free call
Public Coin Telephone	\$.20	\$.25
	Free Directory Asst.	\$.25 per D.A. call
Business Installation	\$76.50	\$70.00 (2)
Residence Installation	\$53.00	\$35.00 (2)
Message Telecommunications Service	55% Night/Weekend Discount	50% Night/Weekend Discount
Companion Line Service (Hunting)	\$4.95	\$5.25
Non-Published Number	\$1.90	\$2.10
Non-Listed Number	\$.99	\$1.25

- 1) Does not include Rural Facilities Improvement Program Rider or Colorado High Cost Fund Rider
- 2) Includes TouchTone
- 3) Does not include Hunting

EXHIBIT C
Summary of Revenue Effects
1 of 2

<u>Tariff Section</u>	<u>Present Revenue</u>	<u>Proposed Revenue</u>	<u>Total Revenue Effect</u>
A2 - General Regulations - Conditions of Offering	\$ 2,891,309.50	\$ 1,901,392.50	(\$989,917.00)
A3 - Service Charges	\$ 817,052.07	\$ 731,915.07	(\$85,137.00)
A4 - Construction Charges and Other Special Charges	\$ 2,891,176.00	\$ 2,801,176.00	\$0.00
A5 - Exchange Services	\$473,065,373.31	\$506,891,901.73	\$33,826,528.42
A105- Obsolete Exchange Service	\$ 475,432.74	\$ 515,164.13	\$ 39,731.39
A6 - Message Telecommunications Service	\$114,766,288.34	\$ 120,888,781.30	\$ 6,122,492.96
A7 - Wide Area Telecommunications Service	\$ 11,796,696.75	\$ 9,058,990.50	(\$2,737,706.25)
A9 - Central Office Services	\$ 4,977,435.74	\$ 5,774,702.12	\$ 797,266.38
A109- Obsolete Central Office Services	\$934.62	\$934.62	\$ 0.00
A110 - Miscellaneous Service Offerings	\$918,953.18	\$918,953.18	\$ 0.00
A113- Obsolete Intrapremises Wiring	\$679,361.04	\$679,361.04	\$ 0.00
A120 - Facilities for Radio Common Carriers	\$425,394.22	\$425,394.22	\$ 0.00
A120- Obsolete Facilities For Radio Common Carriers	\$0.00	\$0.00	\$ 0.00
D5 - Ordering Options For Access Service	\$4,587.00	\$3,073.00	(\$1,514.00)
D7 - Private Line Access Service	\$26,571,024.72	\$29,106,133.34	\$2,535,108.62

EXHIBIT C
Summary of Revenue Effects
2 of 2

<u>Tariff Section</u>	<u>Present Revenue</u>	<u>Proposed Revenue</u>	<u>Total Revenue Effect</u>
D12 - Additional Engineering, Additional Labor and Miscellaneous Service	\$ 9,927.26	\$ 10,479.60	\$ 552.34
D13 - Switched Private Line Access Service	\$ 6,106,736.40	\$6,234,627.03	\$ 127,890.63
D14 - Switched Private Line Access Telephone Answering Service	\$ 325,944.69	\$ 407,631.11	\$ 81,686.42
Access	<u>\$44,158,318.00</u>	<u>\$37,052,805.00</u>	<u>(\$7,105,513.00)</u>
Total	\$690,881,945.58	\$723,493,415.49	\$32,611,469.91

RECEIVED
STATE OF COLORADO
PUBLIC UTILITIES COMMISSION

APPENDIX
Docket Nos. 90S-544T, 91M-119T,
89I-597T, and 91S-366T
Decision No. C91-1128
August 19, 1991
Page 29 of 54

1991 JUL -3 PM 4:49 BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

RE: INVESTIGATION AND SUSPENSION	)	
OF PROPOSED CHANGES IN TARIFFS	)	
-- COLORADO PUC NO. 5 -- TELEPHONE,	)	I & S DOCKET NO.
THE MOUNTAIN STATES TELEPHONE AND	)	90S-544T
TELEGRAPH COMPANY, D/B/A U S WEST	)	
COMMUNICATIONS, INC., DENVER,	)	
COLORADO.	)	

INVESTIGATION AND SUSPENSION OF	)	
PROPOSED CHANGES IN TARIFFS FILED	)	
BY THE MOUNTAIN STATES TELEPHONE AND	)	I & S DOCKET NO.
TELEGRAPH COMPANY, D/B/A U S WEST	)	91M-119T
COMMUNICATIONS, INC., ADVICE LETTER	)	
NO. 2173-AMENDED.	)	

INVESTIGATION OF TARIFFS FILED BY	)	
U S WEST COMMUNICATIONS, INC.,	)	
DENVER, COLORADO PURSUANT TO ADVICE	)	I & S DOCKET NO.
LETTER NO. 2119.	)	89I-597T

RE: TARIFF SHEETS FILED BY U S WEST	)	I & S DOCKET NO.
COMMUNICATIONS, INC., IN ADVICE LETTER	)	91S-366T
NO. 2201.	)	

SUBMISSION OF ADDITIONAL SIGNATURE
PAGE TO STIPULATION

COMES NOW U S WEST Communications, Inc. ("USWC"), by and through its undersigned counsel, and files this Submission Of Additional Signature Page To Stipulation:

1. On June 27, 1991, USWC, the Colorado Office of Consumer Counsel ("OCC") and the Staff of the Colorado Public Utilities Commission ("Staff") entered into a Stipulation ("Stipulation") resolving some of the issues in the above dockets. The Stipulation, together with a Motion To Approve Stipulation, were filed on June 27, 1991.

2. AT&T Communications of the Mountain States, Inc. ("AT&T") has agreed to the terms of Paragraph 30 of the Stipulation only and does not oppose the remainder of the Stipulation. Attached hereto is the original signature page indicating this position of AT&T with respect to the Stipulation.

3. By this pleading, USWC submits the attached signature page and requests that it be considered part of the Stipulation for purposes of Commission action on the Motion To Approve Stipulation, or otherwise.

Submitted this 2nd day of July, 1991.

Respectfully submitted,

U S WEST COMMUNICATIONS, INC.

By: 
Robert L. Connelly, Jr. (#14894)
Laurie J. Bennett (#13145)
1005 17th Street
Room #200
Denver, Colorado 80202
Telephone: (303) 896-4365

AGREED:

COLORADO OFFICE OF CONSUMER COUNSEL

Ronald J. Binz

By:

Deborah S. Waldbaum (#10942)
1580 Logan Street
Suite #700
Denver, Colorado 80203
Telephone: (303) 894-2121

AGREED:

STAFF OF THE COLORADO PUBLIC
UTILITIES COMMISSION

Warren Wendling

By:

Mana L. Jennings-Fader (#15773)
Michael S. Williams (#19416)
110 16th Street
10th Floor
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Telephone: (303) 620-4161

AGREED AS TO THE TERMS OF
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AT&T COMMUNICATIONS OF THE MOUNTAIN
STATES, INC.

Lola L. Staggs

By:

T. Larry Barnes (#13630)
1875 Lawrence Street
Suite #1575
Denver, Colorado 80202
Telephone: (303) 298-6162

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

RE: INVESTIGATION AND SUSPENSION	)	
OF PROPOSED CHANGES IN TARIFFS	)	
-- COLORADO PUC NO. 5 -- TELEPHONE,	)	I & S DOCKET NO.
THE MOUNTAIN STATES TELEPHONE AND	)	90S-544T
TELEGRAPH COMPANY, D/B/A U S WEST	)	
COMMUNICATIONS, INC., DENVER,	)	
COLORADO.	)	
INVESTIGATION AND SUSPENSION OF	)	
PROPOSED CHANGES IN TARIFFS FILED	)	
BY THE MOUNTAIN STATES TELEPHONE AND	)	I & S DOCKET NO.
TELEGRAPH COMPANY, D/B/A U S WEST	)	91M-119T
COMMUNICATIONS, INC., ADVICE LETTER	)	
NO. 2173-AMENDED.	)	
INVESTIGATION OF TARIFFS FILED BY	)	
U S WEST COMMUNICATIONS, INC.,	)	I & S DOCKET NO.
DENVER, COLORADO PURSUANT TO ADVICE	)	89I-597T
LETTER NO. 2119.	)	
RE: TARIFF SHEETS FILED BY U S WEST	)	I & S DOCKET NO.
COMMUNICATIONS, INC., IN ADVICE LETTER	)	91S-366T
NO. 2201.	)	

AMENDMENT TO STIPULATION

COMES NOW U S WEST Communications, Inc. ("USWC"), the Colorado Office of Consumer Counsel ("OCC"), the Staff of the Colorado Public Utilities Commission ("Staff"), and AT&T Communications of the Mountain States, Inc. ("AT&T") (collectively "Parties" or individually "Party"), hereby enter into this Amended Stipulation modifying the Stipulation, dated June 27, 1991, between and among the Parties ("Stipulation") in the following respects:

Exh. No. 5
Appl. No. _____
Witness _____
Date 1-18-91
KT

1. In the Stipulation, certain inadvertent errors were made. Principal among these was the fact the Parties failed to include in the baseline rates for those services to which the Rural Facilities Improvement Program ("RFIP") applies the full \$.38 which the Stipulation resolving Phase I of this matter provided should become part of the baseline rates for these services. Through inadvertence, only \$.32 of this \$.38 total for each such service's rate was included in the agreed upon rates set forth in the text of the Stipulation, in Confidential Exhibit B and in non-proprietary Exhibit B-1. Accordingly, the Parties agree that the text of the Stipulation, Confidential Exhibit B and non-proprietary Exhibit B-1 should be amended to correct this inadvertent error.

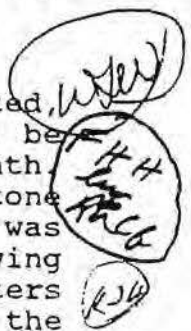
2. In addition to the issue discussed in the preceding paragraph, there is an inadvertent inconsistency between the text of Paragraph 12 of the Stipulation regarding Network Access Registers ("NARs") and Exhibit B-1. In Paragraph 12, it is stated that the stipulated rates for NARs include hunting. On Exhibit B-1 it is indicated that the rates for NARS do not include hunting. Exhibit B-1 is in error, as the stipulated rates do include hunting. Accordingly, Exhibit B-1 is also being modified to correct this error.

3. In order to avoid any ambiguity, this Amended Stipulation will restate in full the paragraphs of the Stipulation which require modification in light of the matters discussed in Paragraph 1. In addition, attached hereto and incorporated herein by reference are revised pages to Confidential Exhibit B, changes in which are

necessitated by the matters discussed in Paragraph 1. Finally, attached hereto and incorporated herein by reference is a revised Exhibit B-1 to reflect the changes necessitated by the matters discussed in Paragraphs 1 and 2.

4. The Parties agree that Paragraph 7 of the Stipulation should be deleted and the following substituted in lieu thereof:

"7. The Parties agree that the rate for a flat rated, single party residential line ("1FR") statewide should be set within an estimated range of \$13.47--\$13.67 per month. The rates within this estimated range include Touchtone service. The prior tariffed rate for this service was \$1.04. The final rate will be established following Commission hearings on and resolution of the matters described on Exhibit A. The Parties acknowledge that the final 1FR rate could be slightly outside the aforementioned range. The revenue impact of these changes, based on a 1FR rate of \$13.63, is \$29,517,387."



5. The Parties agree that Paragraph 8 of the Stipulation should be deleted and the following substituted in lieu thereof:

"8. The Parties agree that the rates for a flat rated, single party business line ("1FB") should be \$34.34 in Rate Group I and \$36.34 in Rate Group II. Each of these rates includes Touchtone service. The previous tariffed rate for this service was \$2.11. The revenue impact of these changes is \$18,413,181."

6. The Parties agree that Paragraph 9 of the Stipulation should be deleted and the following substituted in lieu thereof:

"9. The Parties agree that the rates for a two-way, flat, rated business trunk should be \$40.34 in Rate Group I and \$42.34 in Rate Group II. Each of these rates includes Touchtone service. The prior tariffed rate for this service was \$4.27. The Parties agree that this rate does not include hunting. The revenue impact of these changes is \$2,917,788."

7. The Parties agree that Paragraph 11 of the Stipulation should be deleted and the following substituted in lieu thereof:

"11. The Parties agree that the rates for Measured and Message Residence Access Lines should be increased so that there are single statewide rates for each service. This should be accomplished by increasing these rates in both Rate Groups I and II by the increase in the 1FR rate in Rate Group II and by then adding to the resulting rates in Rate Group I amounts necessary to bring them to the same levels as the resulting rates in Rate Group II. These rates include Touchtone service. The prior tariffed rate for this service was \$1.04. The revenue impact of this change, based on a 1FR rate of \$13.63, is \$302,328.

8. The Parties agree that Paragraph 12 of the Stipulation should be deleted and the following substituted in lieu thereof:

"12. The Parties agree that the rate for a two-way, flat rated Network Access Register in Rate Group I should be \$32.72 and the rate in Rate Group II should be \$34.72. These rates include Touchtone service and hunting. The prior tariffed rate for Touchtone service was \$2.11. The revenue impact of these changes is \$1,071,801."

9. The Parties agree that Paragraph 13 of the Stipulation should be deleted and the following substituted in lieu thereof:

"13. The Parties agree that the rates for a Measured Business Access Line, a Message Business Access Line and a Public Access Line should be \$17.06 statewide. Each of these rates includes Touchtone service. The prior tariffed rate for this service was \$2.11. The revenue impact of the changes in the Measured Business Access Line rate is \$118,947, the revenue impact of the change in the Message Business Line rate is \$324,044, and the revenue impact of the change in the Public Access Line is (\$81,465)."

10. The Parties agree that Paragraph 20 of the Stipulation should be deleted and the following substituted in lieu thereof:

"20. The Parties agree that the rate for a Shared Tenant Service Trunk should be \$80.77. This rate includes Touchtone service. The prior tariffed rate for this service was \$4.27. The revenue impact of this change is \$17,374."

11. The Parties agree that Paragraph 29 of the Stipulation should be deleted and the following substituted in lieu thereof:

"29. The Parties agree that USWC's Shared Payphone proposal should be accepted and that the monthly rate should be \$40.06. The revenue impact of this proposal is \$289,107."

12. The Parties agree that, except as expressly provided herein, all terms, conditions and provisions of the Stipulation and all Exhibits thereto shall remain in full force and effect and shall continue to bind the Parties.

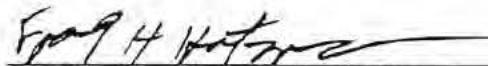
Dated this 15th day of July, 1991.

Respectfully submitted,

APPROVED AS TO FORM:

AGREED:

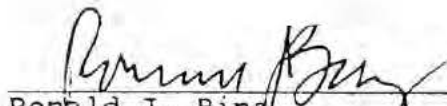
U S WEST COMMUNICATIONS, INC.

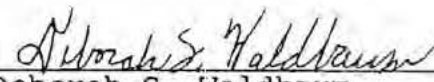

Frank H. Hatzenbuehler

By: 
Robert L. Connelly, Jr. (#14894)
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COLORADO OFFICE OF CONSUMER COUNSEL

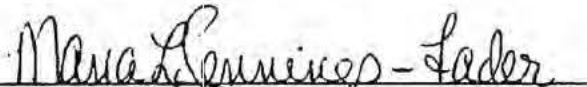

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AGREED;

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AGREED AS TO THE TERMS OF
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27, 1991, ONLY AND WITHOUT
OPPOSITION TO THE REMAINDER
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EXHIBIT B-1
Rate Summary
(Revised)

	<u>Current Rate</u>		<u>New Rates</u>	
	<u>RGII</u>	<u>RGI</u>	<u>RGII</u>	<u>RGI</u>
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Bus PBX Flat Trunk (1)	\$36.34	\$32.90	\$42.34 (2)(3)	\$40.34 (2)(3)
Network Access Register (1)	\$23.07	\$19.55	\$34.72 (2)	\$32.72 (2)

	<u>Current Rate</u>	<u>New Rate</u>
Directory Assistance	\$.32	\$.40
	Two free calls	One free call
Public Coin Telephone	\$.20	\$.25
	Free Directory Asst.	\$.25 per D.A. call
Business Installation	\$76.50	\$70.00 (2)
Residence Installation	\$53.00	\$35.00 (2)
Message Telecommunications Service	55% Night/Weekend Discount	50% Night/Weekend Discount
Companion Line Service (hunting)	\$4.95	\$5.25
Non-Published Number	\$1.90	\$2.10
Non-Listed Number	\$.99	\$1.25

(1) Does not include the surcharges authorized under the Rural Facilities Improvement Program, Colorado Low Income Assistance Program or Colorado High Cost Fund

(2) Includes TouchTone

(3) Does not include Hunting

EXHIBIT C
Summary of Revenue Effects
1 of 2
(Revised)

<u>Tariff Section</u>	<u>Present Revenue</u>	<u>Proposed Revenue</u>	<u>Total Revenue Effect</u>
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A9 - Central Office Services	\$ 4,984,987.00	\$ 5,782,253.37	\$ 797,266.37
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EXHIBIT C
Summary of Revenue Effects
2 of 2
(Revised)

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Access	<u>\$44,158,318.00</u>	<u>\$37,052,805.00</u>	<u>(\$7,105,513.00)</u>
Total	\$692,110,547.25	\$724,722,137.70	\$32,611,590.45

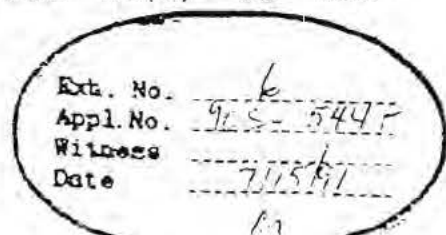
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INVESTIGATION AND SUSPENSION OF	)	
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RE: TARIFF SHEETS FILED BY U S WEST	)	I & S DOCKET NO.
COMMUNICATIONS, INC., IN ADVICE LETTER	)	91S-366T
NO. 2201.	)	

SUPPLEMENTAL STIPULATION

COME NOW U S WEST Communications, Inc. ("USWC"), the Colorado Office Of Consumer Counsel ("OCC") and the Staff of the Colorado Public Utilities Commission ("Staff") (collectively "Parties" or individually "Party"), and enter into this Supplemental Stipulation resolving among the Parties certain issues in the above-referenced dockets (collectively "Phase II") and request that the Colorado Public Utilities Commission ("Commission") enter an order approving the Supplemental Stipulation pursuant to Rule 83(a) of the Commission's Rules Of Practice And Procedure.



1. On June 27, 1991, the Parties, together with AT&T Communications of the Mountain States, Inc. ("AT&T"), entered into a Stipulation ("Stipulation") resolving among the Parties and AT&T certain issues in Phase II.

2. In Paragraphs 32 and 33 of the Stipulation, the Parties indicated that they were in general agreement with respect to certain issues regarding Base, Suburban and Locality Rate Areas and Line Extension Charges ("LEC"). They further indicated that on or before July 15, 1991, they would make a filing with the Commission setting forth specific agreements relating to these matters and areas of disagreement, if any. This Supplemental Stipulation is being filed pursuant to the commitments made in the Stipulation.

3. The Parties agreed in Paragraph 30 of the Stipulation that the Suburban Rate Area and Locality Rate Area designations and associated rates should be eliminated. The Parties further agree that there should be a four-zone concept for local service with a basic rate applying within the Base Rate Area ("BRA") and three zones outside the BRA ("Zone 1, "Zone 2" and "Zone 3") in which zone increment charges would be added to the basic rate.

4. The Parties agree, as an initial matter, that the reconfigurations of the BRAs described in the Direct Testimony and Exhibits of Staff witness Bruce Mitchell are appropriate. Mr. Mitchell referred to a BRA as Zone 1; however, for purposes of continuity and ease of reference, the BRA designation will be retained. The Parties agree that the BRAs included in the Exhibits to Mr. Mitchell's testimony will be adjusted, where possible, to

include customers presently inside the Base Rate Area in the new BRAS while still maintaining the integrity of the zone concept.

5. The Parties agree that in exchanges with more than 2,500 access lines, the following general configurations are appropriate:

(a) BRAs should include all of the area within a 3.5 mile radius of the central office;

(b) Zone 1 should include all of the area between a radius of 3.5 miles and a radius of 6 miles from the central office;

(c) Zone 2 should include all of the area between a radius of 6 miles and a radius of 12 miles from the central office; and

(d) Zone 3 should include all of the area beyond a 12 mile radius from the central office.

The Parties agree that there are some exchanges with more than 2,500 access lines where it is appropriate to include in a BRA all of the area within a 2.5 mile radius of the central office rather than a 3.5 mile radius. Attached hereto as Exhibit A is a list of these exchanges. As the Parties implement the BRA and zone designs discussed herein, they will consider whether the boundaries in the exchanges listed on Exhibit A should be modified from a 2.5 mile radius.

6. The Parties agree that in exchanges with fewer than 2,500 access lines, the following general configurations are appropriate:

(a) BRAs should include all of the area within a 1.5 mile radius of the central office;

(b) Zone 1 should include all of the area between a radius of 1.5 miles and a radius of 5 miles from the central office;

(c) Zone 2 should include all of the area between a radius of 5 miles and a radius of 9 miles from the central office; and

(d) Zone 3 should include all of the area within an exchange beyond a 9 mile radius from the central office.

7. The Parties acknowledge that the foregoing reconfigurations will involve an examination of all customers currently located outside existing BRAs to determine where they will be located under the new configurations. Once such determinations have been made with respect to customers, a service order will be required for each customer whose status changes. Because of this, the Parties agree that an implementation period of twenty-four (24) months is appropriate to complete this process. Nevertheless, USWC will implement new BRA and zone designs as each design is completed in an exchange so that there will be exchanges converted each month.

8. As the implementation of new BRA and zone designs in an exchange is completed, USWC will file with the Commission new exchange maps, indicating changes, if any, to the boundaries proposed by Mr. Mitchell. These filings will include itemization of actual revenue impacts of the implementation. In this connection, the Parties agree that USWC shall have the right to recommend such modifications as implementation of the new boundaries proceeds. USWC anticipates, however, that most of these changes, if any, will be minor -- e.g., the movement of a boundary line by one-quarter section. In the event USWC proposes in a map no changes to the boundaries suggested by Mr. Mitchell, that map and associated boundary changes will become effective immediately pursuant to any

final Commission order approving the Stipulation and this Supplemental Stipulation. In the event USWC proposes changes to the boundaries recommended by Mr. Mitchell and either the Staff or the OCC objects to such changes, the Parties agree not to implement the changes proposed on that map. The Parties recommend the Commission establish a process to dispose of any disagreements between or among USWC, the OCC and the Staff regarding such boundaries employing a process similar to that used in Docket No. 89M-083T. The Parties believe any disagreements should be accumulated and dealt with quarterly,

9. The Parties agree that the zone increment charges in Zone 1 should be \$5.00 for residence customers and \$7.50 for business customers. The Parties agree that the zone increment charges in Zone 2 should be \$12.00 for residence customers and \$17.50 for business customers. The Parties agree that the zone increment charges in Zone 3 should be \$20.00 for residence customers and \$25.00 for business customers.

10. The Parties agree that during the twenty-four (24) month implementation period discussed in Paragraph 6, there is likely to be an overcollection of revenues by USWC. The Parties further acknowledge and agree that the revenue impact ("Revenue Impact") of the changes of BRAs and zones discussed in this Supplemental Stipulation is \$4,728,213.07 million*, but that this is only an estimate. This revenue impact has been offset by a \$.31 * 

*These figures have not been finalized, but will be by July 25, 1991. At that time, the Parties will amend this Supplemental Stipulation by interlineation or otherwise to include these figures.

increase to residential access lines ("Estimated Loss Per Line"). Accordingly, the Parties agree that USWC should calculate a more precise revenue impact of the new BRA and zone designs as USWC proceeds with implementation of these new designs by multiplying the exact number of customers moving from one zone to another or from a zone to a BRA by the difference in annual revenues resulting from the change. At the end of the twenty-four (24) month implementation period, the actual revenue reduction will be computed and converted to an actual revenue loss per residential access line. The actual revenue loss per residential access line will be calculated utilizing average access line quantities of the implementation period of October 1, 1991 to September 30, 1993. The actual revenue loss per residential access line will be compared to the Estimated Loss Per Line. If the actual revenue loss is greater than the Estimated Loss, USWC will be entitled to raise basic exchange rates by that amount on January 1st of the following year. Conversely, if the actual revenue loss is less than the Estimated Loss, USWC will be required to reduce basic exchange rates by that amount on January 1st of the following year. In addition, USWC agrees to maintain a running total of the annual amount of revenue reductions resulting from the new BRA and zone designs which have been implemented for each month during the twenty-four (24) month implementation period. The total of all the monthly variances between the revenue reductions implemented and the Revenue Impact will be totaled. That amount will be refunded by USWC, in the form of bill credits, in a manner to be determined by USWC, the Staff, and the OCC. The amount to be refunded will be

TOGETHER WITH INTEREST
TO BASIC EXCHANGE CUSTOMERS

(FHH)
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adjusted upward by the revenue per residential access line, overcollected as determined earlier in this Paragraph 10, if any, times the average number of residential access lines in service between October 1, 1991 and September 30, 1993. The amount to be refunded will be reduced by the revenue per residential access line undercollected, as determined earlier in this Paragraph 10, if any, times the average number of residential access lines in service between October 1, 1991 and September 30, 1993.

11. In lieu of the LEC, to whose elimination the Parties stipulated in Paragraph 32(a) of the Stipulation, the Parties agree that a construction charge should apply in situations where facilities are not available to meet a customer's request for service. The Parties agree that this construction charge should be equal to one-half of the remainder of the actual cost of construction of such facilities less an initial credit of \$5,000.00 ("Construction Charge"). The Parties agree that any costs necessary to reinforce existing facilities will be borne solely by USWC and should not be included in the Construction Charge. The Parties agree that the Construction Charge should apply both within and outside BRAs. In the event a customer ("Initial Customer") places an order for service which requires construction ("Necessary Construction"), thereby resulting in a Construction Charge, USWC shall conduct a survey of all premises which could be served from the Necessary Construction. In the event additional premises could be served from the Necessary Construction and some or all of them order service prior to completion of Necessary Construction, the Construction Charge after

the application of a \$5,000.00 construction allowance per customer shall be pro rated over each access line provisioned from the Necessary Construction at the completion of the construction.

12. The Parties agree that the refund period for Land Development Agreements provided in Section A.4.4.1.A of USWC's Exchange and Network Services Tariff should be extended from five to six years. The contract shall specify the method of refund.

13. The additional revenues generated through the regrade from four party to two party service of all customers in certified exchanges which are scheduled to have been certified on or before April 1, 1991, as listed in Exhibit B, and those listed in Exhibit C have been accounted for in this agreement. The Parties agree that the additional revenues generated through the regrade from four party to two party service of all customers in non-certified exchanges other than those listed in Exhibits B and C will be accounted for in the RFIP Rider Mechanism.

14. Except as specifically provided for herein, all terms and conditions of the Stipulation, including, but not limited to, Paragraphs 32 and 33 thereof, shall remain binding and in full force and effect. As a result of the execution of the Stipulation and this Supplemental Stipulation, no areas of disagreement, as referenced in Item Number 5 on Exhibit "A" to the Stipulation, remain.

15. The Parties agree that this Stipulation represents a compromise of disputed claims. As such, evidence of conduct or statements made in negotiations and discussions in connection with this Supplemental Stipulation shall not be admissible. This

Supplemental Stipulation is an integrated whole, and any of the Parties may withdraw if, but no Party shall be deemed automatically to have withdrawn simply because, the Commission materially changes any of its terms and conditions.

16. Each of the Parties agrees that it will not cross-examine any of the other Parties' witnesses on the issues which have been resolved by this Stipulation. The Parties further agree that the prefiled testimony of their witnesses on each of the issues resolved in this Stipulation, to the extent inconsistent with the agreements reached herein, shall be deemed, and is hereby, withdrawn. All witnesses of the Parties will support all aspects of the settlement embodied in this Stipulation; provided that any witness cross-examined by a person or entity not a party to this Stipulation is not precluded from referencing positions taken in the withdrawn testimony in direct response to such cross-examination, but in no event shall such witness contradict or impeach his/her express support of the accommodations reached in this Stipulation. The Parties stipulate to the admissibility in evidence of each Party's prefiled testimony and exhibits which address the issues resolved in this Stipulation and are not inconsistent with the agreements reached herein ("Relevant Evidence"). The Parties waive the personal appearances of each Party's witnesses who have sponsored Relevant Evidence unless any such witness has also sponsored evidence addressing any of the unresolved issues listed on Exhibit A, in which case, the personal appearance of any such witness shall be required for purposes of direct and cross examination on any such unresolved issue.

17. The Parties agree that this Supplemental Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

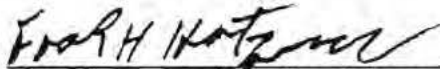
Dated this 15th day of July, 1991.

Respectfully submitted,

APPROVED AS TO FORM:

AGREED:

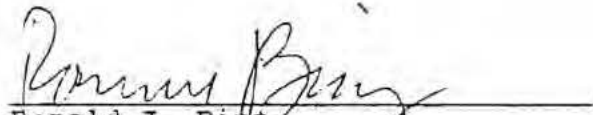
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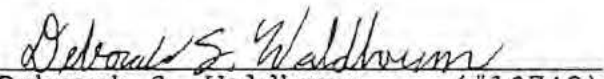

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COLORADO OFFICE OF CONSUMER COUNSEL

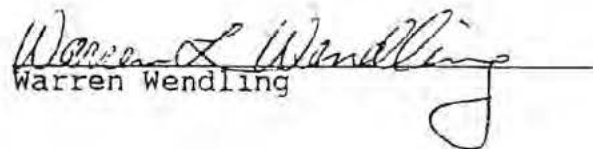

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STAFF OF THE COLORADO PUBLIC
UTILITIES COMMISSION

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Warren Wendling

By: 
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EXHIBIT "A"

WIRE CENTER

1. Alamosa
2. Bailey
3. Berthoud
4. Breckenridge
5. Brush
6. Buena Vista
7. Burlington
8. Carbondale
9. Cortez
Cortez Mesa Verde
10. Craig
11. Delta
12. Estes Park
13. Florence
Flor-Penrose
14. Fort Lupton
15. Fort Morgan
16. Fraser
17. Glenwood Springs
18. Gunnison
19. La Junta
20. Lamar
Lamar Wiley
21. Leadville

WIRE CENTER

22. Monte Vista
23. Montrose
24. Rifle
25. Rocky Ford
26. Salida
27. Steamboat Springs
28. Sterling
29. Telluride
30. Trinidad
31. Eaton
Ault
32. Furita
33. Windsor
34. Lookout Mountain
35. Morrison
36. Parker

EXHIBIT "B"

APPENDIX
Docket Nos. 90S-544T, 91M-119T,
89I-597T, and 91S-366T
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WIRE CENTER:

1. Bayfield
2. Brush
3. Center
4. Coal Creek
5. Cripple Creek
6. Durango
7. Fort Lupton
8. Meeker
9. Monte Vista
10. Woodland Park

EXHIBIT "C"

Wire Center

1. Aberdeen
2. Silverthorn
3. Arvada
4. Aurora
5. Broomfield
6. Denver NE
7. Golden
8. Highland
9. Englewood
10. Denver West
11. Dinosaur
12. Denver North
13. Denver South
14. Minturn
15. Montebello
16. Colorado Springs Main
17. Avon
18. Manitou Springs
19. Littleton
20. Lakewood