

December 18, 2008

Sarah Wallace Administrative Law Judge Public Utility Commission of Oregon 550 Capitol St NE – Suite 215 PO Box 2148 Salem OR 97308-2148

Re: UM 1397 Status Report

Dear Judge Wallace:

Staff submits this status report in accordance with the schedule set forth in your Prehearing Conference Report issued December 4, 2008.

Staff is pleased to report that the active parties (Qwest and staff) have reached a full settlement in principle. Staff and Qwest expect to submit a Stipulation with Supporting Testimony to the Commission no later than January 9, 2009. Qwest and staff ask that if you and the Commission find the Stipulation and Supporting Testimony acceptable, the Commission issue an order rather than have the parties present the matter to the Commission as a public meeting agenda item.

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Sincerely,

Michael T. Weirich
Assistant Attorney General

Regulated Utility & Business Section

MTW:nal/1202475-v1 C: All parties

| 1 | CERTIFICATE OF SERVICE |
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| 2 | I certify that on December 18, 2008, I served the foregoing Letter upon all parties of |
| 3 | record in this proceeding by delivering a copy by electronic mail and by mailing a copy by |
| 4 | postage prepaid first class mail or by hand delivery/shuttle mail to the parties accepting paper |
| 5 | service. |
| 6 | PUBLIC UTILITY COMMISSION JOHN REYNOLDS |
| 7 8 | PO BOX 2148 SALEM OR 97308-2148 john.reynolds@state.or.us QWEST CORPORATION ALEX M DUARTE CORPORATE COUNSEL 421 SW OAK ST STE 810 PORTLAND OR 97204 alex.duarte@qwest.com |
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| 14 | Department of Justice |
| 15 | Regulated Utility & Business Section |
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