



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

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April 14, 2006

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: **Docket No. UX 30** - In the Matter of QWEST CORPORATION Petition to
Exempt from Regulation Billing and Collection Services.

Enclosed for electronic filing in the above-captioned docket is the Stipulation
between Qwest and Staff.

/s/ Kay Barnes

Kay Barnes
Regulatory Operations Division
Filing on Behalf of Public Utility Commission Staff
(503) 378-5763
Email: kay.barnes@state.or.us

c: UX 30 Service List - parties

**PUBLIC UTILITY COMMISSION
OF OREGON**

UX 30

STIPULATION

**Entered into between
Qwest and Staff**

**In the Matter of
QWEST CORPORATION
Petition to Exempt from Regulation Billing and
Collection Services**

April 14, 2006

STIPULATION AND AGREEMENT

THIS STIPULATION AND AGREEMENT (“Stipulation”), dated February 16, 2006, is entered into between QWEST CORPORATION (“Qwest”) and STAFF of the PUBLIC UTILITY COMMISSION OF OREGON (“Staff”) (collectively “Parties”).

RECITALS

WHEREAS, on August 4, 2005, Qwest filed a petition for exemption from regulation (hereafter “Petition”), pursuant to ORS 759.030(2) through (4) and OAR 860-032-0025, of all terms, conditions and rates of all services in Section 8, except subsection 8.15 (Wide Area Calling Service), of its Oregon Access Services Price List, Information and Billing Services, otherwise known as its “Billing and Collection services” or “B&C services,” which petition was docketed UX 30;

WHEREAS, Qwest alleges in the Petition that (1) the public interest does not require continued regulation of Qwest’s B&C services, given that many of the largest B&C customers, including the largest large interexchange carriers (“IXCs”) in the country, have taken a significant portion of their B&C functions in house through *self-provisioning* or *direct billing*, without the need for Qwest’s services, thereby reducing the size of the effective, relevant market for B&C services, (2) the availability of telecommunications services (excluding B&C services) to Qwest’s ratepayer’s and the presubscribed customers of alternative telecommunications service providers who are located in Qwest exchanges would not be affected if Qwest’s B&C services are exempt from regulation, (3) billing vendors or billing aggregators (billing agents) are alternative providers of functionally equivalent and substitutable B&C services, and (4) there are no regulatory barriers to entry for B&C services and there are minimal economic barriers for B&C services,

WHEREAS, since August 17, 2005, Staff has issued 30 data requests to Qwest seeking information regarding the issues in this docket as part of its investigation of the Petition, and Qwest has fully responded to all such data requests;

WHEREAS, on September 19, 2005, after having reviewed the Petition, Staff issued a Staff Report for the September 27, 2005 Public Meeting in which Staff recommended that the Commission suspend and further investigate the Petition based on its conclusion that (1) the Petition does not provide information sufficient to make a finding that price and service competition exist for the Petition services or that regulation is no longer necessary to protect the public interest, and (2) a further investigation could produce more complete information that could be important in making a decision concerning the Petition’s merit;

WHEREAS, on September 27, 2005, the Commission suspended the petition for further investigation, and thereafter, Administrative Law Judge Michael Grant held a prehearing conference on October 13, 2005, and thereafter set a procedural schedule;

WHEREAS, on October 31, 2005, the Citizens’ Utilities Board intervened in the case as a matter of right under ORS 774.180, and no other party has intervened;

WHEREAS, B&C Services are not sold to end use customers;

WHEREAS, Staff and Qwest have received no indication that customers of Qwest's B&C Services object to the granting of the Petition;

WHEREAS, Staff and Qwest negotiated a procedural schedule and held a public workshop/settlement conference on November 17, 2005;

WHEREAS, on November 17, 2005, Staff and Qwest reached a settlement, in principle, of the issues in the docket such that Staff, having reviewed the petition and data request responses, and finding that the public interest no longer requires full regulation of B&C Services, would recommend, through this Stipulation, that the Commission grant the Petition, subject to certain conditions set forth below:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, Qwest and Staff agree as follows:

STIPULATION

1. Staff Recommendation to the Commission that it Grant the Petition

Qwest and Staff agree that the public interest no longer requires full regulation of the petition services. Staff, through the filing of this Stipulation and supporting testimony, will recommend that the Commission grant the petition, pursuant to ORS 759.030(2) and OAR 860-032-0025(2)(c), subject to the condition that there will be no adverse impact or effect on Qwest's residential end-user customers as a result of the deregulation of the Petition services, and further, that Qwest may, but is not required to, file supporting testimony as well.

2. No Admission of Liability or Precedential Effect

Notwithstanding the agreements in this Stipulation, the Parties agree that the agreements reached in this Stipulation are not admissions by either party in any other deregulation proceeding.

3. Stipulation Contingent on Commission Approval

Qwest and Staff agree that they will seek approval from the Commission of this Stipulation, and that if the Commission does not approve the Stipulation, or modifies it in any material way, the Parties reserve their rights to withdraw from the Stipulation and litigate the issues in docket UX 30.

4. Individual Customer Rights Not Affected

The promises or provisions in this Stipulation are not intended to create any specific rights or remedies for any Qwest customer, or to expand or contract any customer's rights in any way, and may not be enforced except by the Commission, its Staff or Qwest.

5. Integrated Document

The Parties recommend that the Commission adopt this Stipulation in its entirety. The Parties have negotiated this Stipulation as an integrated document. Accordingly, if the Commission in any order or decision rejects all or any part of this Stipulation, or materially adds to or changes any of its terms, each party reserves the right to withdraw from the Stipulation upon written notice to the Commission and Qwest within fifteen (15) days of receiving notice of any such action by the Commission. In the event of such withdrawal, neither party will be bound by any provision of the Stipulation, and no such term may be cited or used against any party in connection with any case or proceeding, or otherwise.

6. No Waiver

Qwest and Staff have entered this Stipulation to resolve disputed issues, and neither party admits or denies any fact or legal position at issue.

IT IS SO AGREED.

QWEST CORPORATION

STAFF OF THE PUBLIC UTILITY
COMMISSION

By:  _____

By:  _____

Its: Corporate Counsel - Oregon

Its: Administrator, Telecommunications Division

Date: 2/15/06

Date: 2/16/06

CERTIFICATE OF SERVICE

UX 30

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to all parties or attorneys of parties.

Dated at Salem, Oregon, this 14th day of April, 2006.

David B. Hatton

David B. Hatton
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Of Attorneys for Public Utility Commission's Staff
1162 Court Street NE
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UX 30
Service List (Parties)

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