

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UT 125

In the Matter of	)	
	)	
QWEST CORPORATION, fka U.S. WEST	)	
COMMUNICATIONS, INC.	)	RULING
	)	
Application for an Increase in Revenues.	)	

**DISPOSITION: PROCEDURAL SCHEDULE SUSPENDED;  
BRIEFING SCHEDULE ESTABLISHED**

On March 13, 2006, a telephone conference was held in this matter to establish procedures necessary to comply with the remand ordered by the Oregon Court of Appeals in *Northwest Public Communications Council v. Public Utility Commission of Oregon*, 196 Or App 94, 100 P3d 776 (2004). The conference was attended by the Northwest Public Communications Council (NPCC), Qwest Corporation (Qwest), and the Staff of the Public Utility Commission (Staff). At the conference, the parties agreed to the procedural schedule set forth in the first conference report issued March 21, 2006.

On March 31, 2006, Qwest filed proposed rates for payphone services as contemplated by the procedural schedule. Qwest's filing also included a proposal to increase the rate for Residential Caller ID service to offset the revenue reduction that Qwest claims will result from a Commission decision to approve lower payphone service rates.

On April 25, 2006, Qwest filed a letter requesting a change in the procedural schedule. Qwest represents that the Staff opposes increasing any rate in this docket. Staff contends that the Commission should decide, as a threshold matter, whether Qwest may raise any rate to offset the revenue reduction that would result from approving lower payphone rates in this proceeding.

Qwest does not oppose Staff's proposal and agrees to present this issue to the Commission for decision based upon briefs. Qwest and Staff propose that the parties be permitted to file simultaneous opening and response briefs on May 19, 2006, and June 16, 2006, respectively. The parties request that the issue be resolved by Commission order so that the non-prevailing party has the option to pursue any possible appeal.

According to Qwest, Staff recommends that the Commission consider new payphone service rates after it resolves the threshold legal question. Accordingly, Qwest and Staff propose suspending the existing procedural schedule except for the briefing process.

Qwest further represents that NPCC does not oppose the process outlined above, provided that (a) the Commission considers the payphone rate issue as soon as it resolves the threshold legal issue, and (b) any appeal of the revenue offset issue does not delay Commission consideration of new payphone rates. No other party has intervened in this proceeding to date.

I agree that the Commission should resolve the threshold legal question of whether Qwest is entitled to increase any rates to offset the reduction in payphone service rates. The briefing schedule proposed by Qwest and Staff is reasonable and is approved.

At the same time, I concur with NPCC that the Commission should take up the payphone rate issue as soon as an order is entered resolving the threshold legal question. A prehearing conference will be scheduled shortly thereafter to establish a schedule for resolving the payphone rate question.

Dated at Salem, Oregon, this 1st day of May, 2006.

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Samuel J. Petrillo  
Administrative Law Judge