



Lawrence H. Reichman
PHONE: 503.727.2019
FAX: 503.346.2019
EMAIL: lreichman@perkinscoie.com

1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

April 25, 2006

Hon. Sam Petrillo
Administrative Law Judge
Oregon Public Utility Commission
P.O. Box 2148
Salem, OR 97308-2148

Re: Docket UT 125

Dear Judge Petrillo:

I am writing with respect to a proposed change to the procedure and schedule in this docket. Qwest filed its proposed rates for payphone services on March 31, 2006. That filing included Qwest's proposal to increase the rate for Residential Caller ID service to offset the revenue reduction that would result from approval of lower payphone service rates in this docket.

Qwest has discussed its rate proposal with Staff. Staff opposes Qwest's proposal to increase any rate in this docket. Staff also believes that the Commission should decide as a threshold issue in this proceeding whether Qwest may raise *any* rate to offset the revenue reduction that would result from approval of the new payphone service rates in this docket. Qwest is not opposed to proceeding in this fashion.

Qwest and Staff have agreed, subject to the Commission's approval, to present this issue to the Commission for a decision based upon briefs. Qwest and Staff have agreed to file simultaneous opening and response briefs addressing this issue on May 19, 2006 and June 16, 2006, respectively. We request that this issue be resolved by Commission order, so that the non-prevailing party has the option to pursue an appeal immediately.

[13141-0126/PA061150.015]

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Staff desires that the Commission's consideration of new payphone service rates take place after the Commission has resolved this threshold question. Accordingly, we request that the Commission suspend the existing schedule for this proceeding, with the exception of the procedure discussed above.

I have discussed this proposal with Brooks Harlow, representing NPCC. NPCC does not oppose treating the offset question as a threshold issue provided the Commission will take up consideration of the payphone service rates as soon as it determines the threshold issue and any appeal of the offset issue will not delay consideration of the payphone service rates. No other party appears to have intervened as of this date. Should you wish to discuss this proposal, we are available for a conference at your convenience.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Lawrence Reichman', written in a cursive style.

Lawrence Reichman