



# Oregon

Theodore R. Kulongoski, Governor

## Public Utility Commission

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October 15, 2007

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

RE: **Docket No. UT125 PHASE II** - In the Matter of the application of QWEST CORPORATION – Public Access Lines Rates.

Enclosed for electronic filing in the above-captioned docket is the Stipulation between Qwest Corporation, Northwest Public Communications Council 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](mailto:kay.barnes@state.or.us)

c: UT 125 Service List - parties

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**PUBLIC UTILITY COMMISSION  
OF OREGON**

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**UT 125**

**STIPULATION**

**Entered into between  
Qwest Corporation, Northwest Public  
Communications Council and Staff**

**QWEST CORPORATION  
UT 125 Phase II—Public Access Line Rates**

**OCTOBER 15, 2007**

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 UT 125

4 In the Matter of  
5 the Application of QWEST CORPORATION | STIPULATION  
6 for an Increase in Revenues.

7 This Stipulation is entered into for the purpose of resolving the Oregon Court of Appeals  
8 remand of Commission Order Nos. 01-810 and 02-009. Specifically, this Stipulation concludes  
9 that the rates proposed by Qwest on March 31, 2006, in response to the Court of Appeals  
10 remand, comply with federal requirements.

11 **PARTIES**

12 1. The parties to this Stipulation are the Public Utility Commission of Oregon Staff  
13 (Staff), Qwest Corporation (Qwest), and the Northwest Public Communications Council (NPCC)  
14 (collectively, the "Parties").

15 **BACKGROUND**

16 2. On April 14, 2000, the Public Utility Commission of Oregon (Commission) entered  
17 Order No. 00-190, adopting a Stipulation between U S WEST Communications, Inc. (now  
18 Qwest Corporation), and Staff in the revenue requirement phase (Phase I) of this docket.

19 3. On September 14, 2001, the Commission entered Order No. 01-810 establishing a rate  
20 design for the stipulated revenue requirement approved in Order No. 00-190. As part of Order  
21 No. 01-810, the Commission approved revised rates for public assess lines (PAL) and  
22 CustomNet service, adopting the rate recommendations proposed by Qwest and agreed to by  
23 Staff. The Northwest Payphone Association (now, NPCC) opposed the PAL and CustomNet  
24 rates adopted by the Commission, arguing that the rates were not developed in compliance with  
25 Section 276 of the Telecommunications Act of 1996.

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1           4. On November 13, 2001, NPCC filed an application for reconsideration of Order No.  
2 01-810. On January 8, 2002, the Commission entered Order No. 02-009 denying NPCC's  
3 application for reconsideration.

4           NPCC appealed Order Nos. 01-810 and 02-009 ("the rate design orders") to Marion  
5 County Circuit Court. On October 1, 2002, the Court entered a judgment affirming the  
6 Commission's orders. NPCC thereafter filed an appeal with the Oregon Court of Appeals.

7           5. On November 10, 2004, the Court of Appeals entered a decision reversing and  
8 remanding Order Nos. 01-810 and 02-009. The Court determined that the rate design orders  
9 were unlawful in that: (1) the Commission's rates for PAL did not comply with certain federal  
10 requirements, and (2) the Commission did not adequately consider whether Qwest's proposed  
11 rates for CustomNet were subject to the same federal requirements.

12           6. On March 13, 2006, the presiding Administrative Law Judge (ALJ) convened a  
13 telephone conference to establish procedures necessary to comply with the Court's remand.  
14 During the conference, Qwest indicated that it would file proposed PAL and Fraud Protection  
15 (formerly CustomNet) rates to comply with the Court's decision. Qwest also indicated that it  
16 would seek to adjust other Qwest rates because of the recalculation of payphone service rates.

17           7. On March 31, 2006, Qwest filed its proposed PAL and Fraud Protection rates<sup>1</sup>. On  
18 April 25, 2006, Qwest filed a letter on behalf of the parties requesting that the Commission  
19 decide, as a threshold matter, whether Qwest may raise any customer rates to offset reduced  
20 revenues resulting from a Commission decision approving lower PAL and Fraud Protection  
21 rates. On September 11, 2006, the Commission entered Order No. 06-515 denying Qwest's  
22 proposal to raise residential Caller ID rates to offset a decrease in PAL and Fraud Protection  
23 rates resulting from the Court-ordered remand in Docket No. UT 125.

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26 <sup>1</sup> These were the same rates that Qwest submitted in Advice 1935 and that the Commission  
approved on March 17, 2003.



1 hearing and recommend that the Commission issue an order adopting settlements contained  
2 herein.

3 15. The Parties have negotiated this Stipulation as an integrated document. If the  
4 Commission rejects all or any material portion of this Stipulation, or imposes additional material  
5 conditions in approving this Stipulation, any party disadvantaged by such action shall have the  
6 rights provided in OAR 860-14-0085 and shall be entitled to seek reconsideration or appeal of  
7 the Commission's Order.

8 16. By entering into this Stipulation, no party shall be deemed to have approved,  
9 admitted, or consented to the facts, principles, methods, or theories employed by any other party  
10 in arriving at the terms of this Stipulation including those set forth in the written testimony of  
11 Staff submitted in support of this Stipulation, other than those specifically identified in the body  
12 of this Stipulation. No party shall be deemed to have agreed that any provision of this  
13 Stipulation is appropriate for resolving issues in any other proceeding.

14 17. The Stipulation may be executed in counterparts and each signed counterpart shall  
15 constitute an original document.

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1 This Stipulation is entered into by each party on the date entered below such party's  
2 signature.

3 QWEST CORPORATION

NORTHWEST PUBLIC COMMUNICATIONS  
4 COUNCIL (NPCC)

5 Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

6 By: \_\_\_\_\_  
7 Print name

By: \_\_\_\_\_  
Print name

8 Signed: \_\_\_\_\_

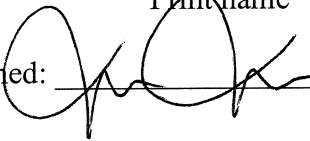
Signed: \_\_\_\_\_

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10 PUBLIC UTILITY COMMISSION STAFF

11 Dated: 10/10/07

12 By: Jason Jones  
13 Print name

14 Signed: 

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2 signature.

3 QWEST CORPORATION

NORTHWEST PUBLIC COMMUNICATIONS  
COUNCIL (NPCC)

4  
5 Dated: 10/10/07

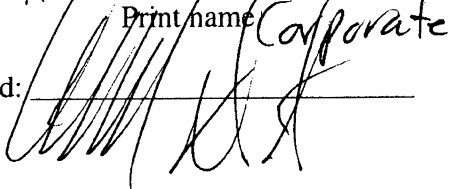
Dated: \_\_\_\_\_

6 By: Alex M. Duarte

By: \_\_\_\_\_

7 Print name Corporate Counsel

Print name

8 Signed: 

Signed: \_\_\_\_\_

9  
10 PUBLIC UTILITY COMMISSION STAFF

11 Dated: \_\_\_\_\_

12 By: \_\_\_\_\_

13 Print name

14 Signed: \_\_\_\_\_



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2 signature.

3 QWEST CORPORATION

NORTHWEST PUBLIC COMMUNICATIONS  
4 COUNCIL (NPCC)

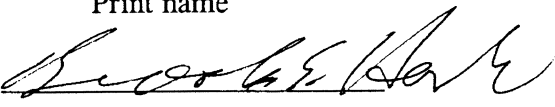
5 Dated: \_\_\_\_\_

Dated: 10/10/07

6 By: \_\_\_\_\_  
7 Print name

By: BROOK E. HARLOW  
Print name

8 Signed: \_\_\_\_\_

Signed: 

10 PUBLIC UTILITY COMMISSION STAFF

11 Dated: \_\_\_\_\_

12 By: \_\_\_\_\_  
13 Print name

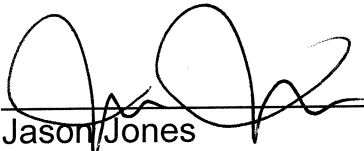
14 Signed: \_\_\_\_\_

# CERTIFICATE OF SERVICE

UT 125

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 the following parties or attorneys of parties.

Dated at Salem, Oregon, this 15th day of October, 2007.

A handwritten signature in black ink, appearing to read 'Jason Jones', is written over a horizontal line.

Jason Jones

Assistant Attorney General

Of Attorneys for Public Utility Commission's Staff

1162 Court Street NE

Salem, Oregon 97301-4096

Telephone: (503) 378-6322

**UT 125**  
**Service List (Parties)**

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