

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UT 125

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

A telephone conference was held in this matter on March 13, 2006. The purpose of the conference was to discuss issues and establish procedures relating to 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 representatives of the Northwest Public Communications Council (NPCC), Qwest Corporation (Qwest), and the Public Utility Commission Staff (Staff).

Issues. The conference participants identified two issues that should be addressed by the Commission on remand:

Issue No. 1: The calculation of revised rates for Public Access Line (PAL) service and Fraud Protection Service (formerly known as CustomNet service). The *NPCC v. OPUC* decision requires that the Commission reconsider the calculation of these rates based upon the Federal Communications Commission’s (FCC) New Services Order¹ and other relevant FCC orders. At the conference, Qwest and NPCC indicated that those parties may no longer dispute the appropriate rate calculation of PAL service and Fraud Protection service, and that a stipulation on this issue may be forthcoming.

Issue No. 2: Whether and to what extent other Qwest rates should be adjusted because of the recalculation of the rates for PAL and Fraud Protection service. The conference participants indicated that Issue No. 2 raises the following three subissues:

¹ *In the Matter of Wisconsin Public Service Commission*, 17 F.C.C.R. 2051 (2002) (Order Directing Filings) ("New Services Order").

- (a) Does the Commission have legal authority to adjust other Qwest rates as a result of the recalculation of PAL and Fraud Protection rates?
- (b) Assuming the Commission has legal authority to adjust other Qwest rates, is it appropriate for the Commission to do so?
- (c) Assuming the Commission has legal authority to adjust other Qwest rates, and determines that it is appropriate to do so, what Qwest rates should be adjusted in response to the recalculation of rates for PAL and Fraud Protection service?

Possible Bifurcation of Issues No. 1 and No. 2. The Administrative Law Judge (ALJ) raised the question of whether Issues No. 1 and 2 should be bifurcated for determination, given that there appears to be no dispute regarding Issue No. 1, and the possibility that Issue No. 2 may generate substantial controversy. No agreement was reached on whether the issues should be bifurcated. That determination will be made at a later date.

Involvement of Other Qwest Customers. Because the resolution of Issue No. 2 could result in a change in the rates paid by other Qwest customers, the ALJ and conference participants agreed that other potentially interested persons should receive notice and have an opportunity to participate in this proceeding. Accordingly, this conference report and other Commission notices will be mailed to all of the parties in UT 125 as well as the Commission's telecommunications service list.

Procedural Schedule. The conference participants agreed to the following procedural schedule:

Qwest files proposed PAL and Fraud Protection rates and proposed revisions to other Qwest retail rates.	March 31, 2006
Deadline for Petitions to Intervene	April 21, 2006
Settlement Conference	May 1, 2006
Parties File Final Issues List	May 5, 2006
ALJ convenes Telephone Conference	May 10, 2006
Qwest Files Opening Testimony	May 26, 2006
Other Parties and Staff File Responsive Testimony	July 7, 2006
Qwest Files Rebuttal Testimony	August 11, 2006
Hearing	To be set at later date

The parties are advised that this is a preliminary hearing schedule and is subject to revision based upon other developments, including the possibility that the ALJ or Commission may decide to bifurcate the issues or require the filing of briefs on matters relating to legal or policy issues.

Any questions regarding the conference or the procedures in this matter should be directed to the Administrative Hearings Division at 503-378-6607.

Dated at Salem, Oregon, this 21st day of March, 2006.

Samuel J. Petrillo
Administrative Law Judge

UT 125 Conference Rpt 3-15-06