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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UT 125/PHASE II
RATE DESIGN

In the Matter of)
)
QWEST CORPORATION) ORDER
)
Application for an Increase in)
Revenues.)

DISPOSITION: MEMORANDUM OF UNDERSTANDING ADOPTED

On June 18, 2002, the Commission received a stipulated motion from Staff requesting the Commission to issue an order adopting the Memorandum of Understanding (MOU) attached as Appendix A. Qwest Corporation has signed the MOU and has authorized Staff to represent that Qwest joins Staff in this motion.

In Order No. 02-192 in this docket, the Commission granted Staff's motion and found that Qwest's October 12, 2001 tariff filing did not comply with Commission Order No. 01-810. In addition to finding that Qwest had violated Order No. 01-810, the Commission ordered Qwest to file a report covering various matters set out on pages 12 and 13 of Order No. 02-192. The Commission also noted that it reserved the option to seek fines against Qwest for the violations found in Order No. 02-192.

Qwest subsequently requested a hearing on the matters determined in Order No. 02-192. Staff did not oppose Qwest's request. While the matter was pending, Qwest and Staff met and agreed on the matters set forth in the attached MOU. Staff and Qwest join in asking the Commission to issue an order adopting the MOU, including a specific determination that the Commission will not seek penalties in this matter.

We have reviewed the MOU and find it reasonable. It addresses the concerns we had about Qwest's compliance with our Order No. 01-810. The issues raised in Order No. 01-810 have been resolved to our satisfaction, and we will not seek penalties against Qwest for any matter addressed in Order No. 01-810. We further understand that the parties enter into this MOU as a compromise of various disputed issues and that the MOU does not constitute an admission of guilt or liability by Qwest.

ORDER

IT IS ORDERED that the Memorandum of Understanding between Commission Staff and Qwest Corporation, attached to this Order as Appendix A and incorporated herein, is adopted.

Made, entered, and effective _____.

Roy Hemmingway
Chairman

Lee Beyer
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.