State of Utah Department of Commerce Division of Public Utilities

KLARE BACHMAN Executive Director JASON PERRY Deputy Director IRENE REES Director, Division of Public Utilities

OLENE S. WALKER Governor

To:

MEMORANDUM



From: Irene Rees, Director Ingo Henningsen, Manager, Telecommunications Peggy N. Egbert, Technical Consultant

Public Service Commission

Date: August 16, 2004

Subject: Docket 04-087-73 - AT&T Corp and AT&T Communications vs. Qwest Corporation.

The Division Staff has reviewed the complaint filed against Qwest Corporation by AT&T Corporation and AT&T Communications alleging that Qwest had overcharged AT&T Corporation and AT&T Communication's for Conduit leases since July 9, 1998. Likewise, the Division Staff has reviewed Qwest's response refuting most of AT&T's allegations.

AT&T has filed a similar case covering nine states with the FCC. Moreover, separate filings have been made in Utah, Idaho and Washington. Most of the allegations contained in AT&T's complaint are legal arguments encompassing contract wording and obligations, Statute of Limitations and future contract obligations. The Division believes that a formal proceeding is necessary, therefore, requests that the Commission set a Scheduling Conference to discuss legal briefing's and hearing procedures.