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October 16, 2007

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES

Thad Levar, Acting Director
Laura Scholl, Manager, Telecommunications
Casey J. Coleman, Technical Consultant

Re: In the Matter of Qwest Corporation's Request for Approval of a Stipulation Regarding Certain Performance Indicator Definitions and Qwest Performance Assurance Plan Docket No. 07-049-31

BACKGROUND:

On June 27, 2007 Qwest filed a Notice of a Stipulation detailing changes to the method for calculating the Tier 1 and Tier 2 payments for certain Qwest Performance Assurance Plan (QPAP) payments. The Division of Public Utilities has been reviewing this proceeding as well as participating in numerous meetings with the Regional Oversight Committee (ROC) to determine the appropriate course of action the Commission should take with this docket. As part of this review Qwest was asked to "provide a step by step calculation of Utah Tier 2 results and payments that would be obtained if the terms of the submitted stipulation had been applied during a recent 12 month period". Enclosed is the response that the Division received from Qwest providing the step-by-step calculation. The Division will continue to work with the ROC to determine if other actions are necessary on a region wide basis that would help the Commission decide if they should either approve or deny the stipulation submitted by Qwest.