



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications-Water Manager
Casey J. Coleman, Utility Technical Consultant

Date: July 27, 2011

Re: In the Matter of Qwest's Petition for Review and Termination of Qwest's Performance Assurance Plan Termination pursuant to Section 16.3 Qwest's Motion to Limit the Scope of the Proceeding to the Elimination of Tier 2 Payments Docket No. 09-049-60.

RECOMMENDATION:

The Division recommends at minimum that the Commission limit the scope of this docket to the elimination of Tier 2 payments from the QPAP as outlined in the Qwest / CenturyLink merger agreement. Additionally, because the Division has not seen any opposition to this motion or to the elimination of Tier 2 payments from any parties, the Division recommends that the Commission approve this motion and eliminate the Tier 2 payments from the QPAP.

BACKGROUND:

On December 15, 2009, Qwest Corporation ("Qwest") filed a petition to terminate the Qwest Performance Assurance Plan ("QPAP"). As a result of that petition the Commission opened Docket No. 09-049-60 to evaluate the QPAP and what changes if any were necessary. Over the course of the next few months parties discussed the QPAP and what changes could be made, but no specific resolutions were reached.

With the merger of Qwest and CenturyLink, Docket No 09-049-60 was left unresolved, but the requirements of the QPAP were to continue as a result of settlement commitments made by Qwest in the merger preceding. As agreed upon by parties, Qwest no longer currently seeks to terminate the QPAP in its entirety, but instead now seeks to amend its original request by only seeking the elimination of Tier 2 payments from the QPAP.

The Division agrees with the Petition of Qwest to, at a minimum, limit the scope of Docket No 09-049-60 to the elimination of Tier 2 payments from the Utah QPAP.

The Division would also recommend that the Commission approve the petition of Qwest to eliminate the Tier 2 payments. In the original petition Qwest suggested that if there was no opposition to Qwest's Petition that the Commission could move forward with the elimination. At this time, the Division has not seen any opposition to the petition filed by Qwest, which would imply companies are not opposed to the Commission taking this action.

Additionally, as the table below illustrates, Qwest has only paid Tier 2 payments once in the last eight months. The amount of the payment was only \$150.00. The Division recognizes that the reduced payment is a result of Qwest meeting the requirements as outlined in the QPAP. The Division believes that continuing Tier 2 payments going forward is not necessary and recommends the Commission eliminate the requirement of Tier 2 payments and accept the updated Exhibit K.

Date	Tier 2 Payment
October 2010	\$0.00
November 2010	\$0.00
December 2010	\$150.00
January 2011	\$0.00
February 2011	\$0.00
March 2011	\$0.00
April 2011	\$0.00
May 2011	\$0.00

cc: Dahnelle Burton-Lee, Assistant Attorney General
Patricia Schmid, Assistant Attorney General
James B. Farr, Regulatory Affairs Director, CenturyLink
Torry R. Somers, CenturyLink