

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Petition of)	<u>DOCKET NO. 03-049-49</u>
QWEST CORPORATION for Pricing)	
Flexibility for Residence Services in the)	<u>ORDER ON</u>
Areas Served by 44 Central Offices)	<u>RECONSIDERATION</u>

ISSUED: March 25, 2004

By The Commission:

On October 31, 2003, the Commission issued its Order in Dockets Nos. 03-049-49 and 03-049-50. On November 10, 2003, the Division of Public Utilities (Division) asked for clarification and the Commission issued its Order on Clarification on November 12, 2003. On December 1, 2003, the Committee of Consumer Services (Committee) filed its Petition for Reconsideration, to which Qwest Corporation (Qwest) filed a Memorandum in Opposition on December 16, 2003. We granted reconsideration by Order issued December 22, 2003.

One issue in the Committee's reconsideration request deals with our grant of pricing flexibility for what we have termed for the purposes of this docket, basic residential telephone service in Comcast service areas. The Committee argues that there is insufficient, clear evidence to support our grant of pricing flexibility pursuant to U.C.A. §54-8b-2.3. In our October 31, 2003, Order, we had concluded that an alternative choice for such basic telephone service existed in the Comcast service areas and pricing flexibility was warranted. We used the Comcast service areas as the defined geographic areas in which Qwest was granted pricing flexibility for basic telephone service pursuant to U.C.A. §54-8b-2.3(2)(b). Our conclusion that there was alternative basic telephone service available in the Comcast service areas was based upon Comcast's price list information filed with the Commission and Comcast's interpretation of this information; which was entered as evidence in our original proceedings in this docket as a Comcast response to a data

request. Subsequent to our granting reconsideration in this docket, Comcast has reaffirmed that this basic residential telephone service is ostensibly offered in its service territory. See, March 2, 2004 letter (Attachment 1 to this Order). The Committee, however, has submitted various affidavits detailing the inability of individuals to obtain the Comcast service upon which our decision was based.

We recognize that Qwest and other interested parties have not had an opportunity to address the affidavits submitted by the Committee. The existence of the same or substitutable public telecommunications services is essential for the grant of an incumbent's pricing flexibility in defined geographic areas initially, see U.C.A. §54-8b-2.3(2), and the retention of pricing flexibility, see U.C. A. §54-8b-2.3(9). Qwest should have an opportunity to respond to the Committee's affidavits on this important issue. The Commission should have a clear and adequate record upon which it may rely when applying the statutory requirements to grant pricing flexibility. We have concluded that it is necessary to reopen the record to address whether the same or substitutable telecommunications service is available from Comcast. The Commission will give notice of a scheduling conference to establish a schedule for these reopened proceedings. These further proceedings will be limited to the single issue of the existence of an alternative service in the Comcast areas. A Final Order on Reconsideration will be issued at the conclusion of these reopened proceedings.

Wherefore, the Commission issues this ORDER by which it reopens these proceedings to address whether there is the same or a substitutable service to Qwest basic residential telephone service, as described in our October 31, 2003 Order and clarified in our November 12, 2003 Order on Clarification.

DATED at Salt Lake City, Utah, this 25th day of March, 2004.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard, Commission Secretary

GW# 37578

Rhonda Weaver

Director – Government Affairs
Mountain Division



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March 2, 2004

Chairman Ric Campbell
Heber M. Wells Building
160 E. 300 South
Box 45585
Salt Lake City, UT 84145

Re: Price list and service offerings

Dear Chairman Campbell,

This letter is in response to your request for clarification of Comcast's price list and service offerings in Docket Number 03-049-49.

1. Can any existing or potential Comcast customer subscribe to stand alone basic residential telecommunications service (defined by Comcast's price list as the "Local Only Offer" in price list section 5.2.2.A) for \$14.90?

Answer:

Any customer in Comcast's Utah service territory can subscribe to stand alone basic residential telecommunications service for \$14.90.

2. If any existing or potential Comcast customer is excluded from the above service offering, please explain which customers are excluded.

Answer:

There are no exceptions to Comcast's "Local Only Offer"; however existing customers with a past due balance or new customers may be required to pay a \$50.00 deposit.

3. For the "Local Only Offer", what additional fees, taxes, surcharges, or other types of charges would a customer be charged?

Answer:

Residential line "Local Only Offer"	\$14.90
Subscriber line Charge	\$ 6.50
Univ. Connectivity Charge	\$.57
Fed. Excise Tax	\$.64
State Sales Tax	\$ 1.02
State USF	\$.13
State TRS	\$.10
Univ. of UT Poison Cont.	\$.07
Total	\$23.93

For local tax example, we assume this customer is a resident of Salt Lake City in Salt Lake County. He would pay these additional local taxes:

County Sales Tax	\$.40
City 911	\$.53
City license Tax	\$ 1.28
Total	\$ 2.21

This customer would pay a total bill of \$26.14.

Should you have further questions regarding Comcast's service offerings, please contact me at (360) 705-2537 X 3404.

Sincerely,

Rhonda Weaver
Director, Government Affairs