

ORIGINAL
REHEARING JUL 20 2004



RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2004 JUN 30 P 3: 10

1
2 MARC SPITZER
Chairman
3 WILLIAM MUNDELL
Commissioner
4 JEFF HATCH-MILLER
Commissioner
5 MIKE GLEASON
Commissioner
6 KRISTIN K. MAYES
Commissioner

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

JUN 30 2004

DOCKETED BY	CAR
-------------	-----

7 IN THE MATTER OF QWEST
8 CORPORATION'S FILING AMENDED
9 RENEWED PRICE REGULATION PLAN

DOCKET NO. T-01051B-03-0454

QWEST CORPORATION'S
APPLICATION FOR REHEARING OF
DECISION NO. 67047

12 Pursuant to A.R.S. § 40-253 and A.A.C. R14-3-111, Qwest Corporation ("Qwest")
13 applies for rehearing of Decision No. 67047 entered in this docket by the Arizona
14 Corporation Commission ("Commission") on June 18, 2004 (the "Decision"). Qwest
15 files this application for rehearing to preserve its appeal rights under federal and state
16 law, and specifically in light of Qwest's pending appeal of the Commission's prior
17 Decision No. 66772 issued in this docket.

18 The Decision reaffirms that portion of Decision No. 66772 that required Qwest to
19 make additional Basket 1 price reductions. The further reductions in the Basket 1 Price
20 Index required by the Commission under the Decisions are contrary to the Settlement
21 Agreement and the Price Cap Plan, violate Arizona law, and result in confiscation of
22 Qwest's property in violation of the United States and Arizona Constitutions.

23 The Commission issued Decision No. 66772 in the above-captioned docket on
24 February 10, 2004, ordering Qwest to make further cuts in rates for Basket 1 services.
25 On February 25, 2004, Qwest filed a timely Application for Rehearing pursuant to A.R.S.
26 § 40-253 and A.A.C. R14-3-111, in which it requested that the Commission reconsider

1 Decision No. 66772 (the "Application"). The Application was subsequently denied by
2 operation of law on March 16, 2004. As a result, Qwest appealed Decision No. 66772,
3 which appeal is currently pending.

4 Subsequent to the March 16, 2004 deadline, several Commissioners expressed a
5 willingness to consider altering or amending Decision No. 66772 under A.R.S. § 40-252.
6 On June 8, 2004, the Commission adopted the Decision. In so doing, the Commission
7 rejected an amendment that would have reversed its order in Decision No. 66772
8 requiring further productivity/inflation adjustments to Basket One, leaving that
9 requirement (as originally set forth in Decision No. 66772) in place. Because the
10 Decision was entered pursuant to A.R.S. § 40-254, it is arguable that Qwest needs to file
11 a separate application for rehearing of the Decision and separately appeal the Decision.

12 Because the Decision incorporates or affirms Decision No. 66772, in part, this
13 application for rehearing incorporates (as if fully set forth herein) the Application,
14 (specifically the arguments made that the portion of Decision No. 66772 that requires
15 further reductions after March 31, 2004 are unreasonable and unlawful), and advances the
16 same arguments contained therein as applied to the Decision. Further objections and
17 arguments concerning the Basket One reductions advanced by Qwest in its post-Decision
18 No. 66772 filings and the transcripts of the arguments conducted on May 4, 2004 and
19 June 8, 2004 are also incorporated herein.

20 RESPECTFULLY SUBMITTED this ^{30th} day of June, 2004.

21
22 FENNEMORE CRAIG

23 By: 

24 Timothy Berg
Theresa Dwyer

25 3003 North Central Ave., Suite 2600
26 Phoenix, Arizona 85012-2913
(602) 916-5421

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

-and-
Norman Curtright
QWEST LAW DEPARTMENT
4041 N. Central, 11th Floor
Phoenix, AZ 85012
Attorneys for Qwest Corporation

ORIGINAL and 13 copies hand-delivered for
filing this 30th day of June, 2004 to:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

COPY of the foregoing delivered
this 30th day of June, 2004 to:

Jane Rodda
Administrative Law Judge
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

Maureen A. Scott
Legal Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

///

///

1 COPY of the foregoing mailed
2 this 30th day of June, 2004 to:

3 Scott S. Wakefield, Chief Counsel
4 Daniel W. Pozefsky, Esq.
5 RUCO
6 1110 West Washington, Suite 220
7 Phoenix, AZ 85007

8 Michael W. Patten
9 Roshka Heyman & DeWulf, PLC
10 One Arizona Center
11 400 East Van Buren Street, Suite 800
12 Phoenix, Arizona 85004

13 Mark A. DiNunzio
14 Cox Arizona Telcom, LLC
15 20401 North 29th Avenue
16 Phoenix, Arizona 85027

17 Thomas H. Campbell
18 Michael T. Hallam
19 Lewis and Roca
20 40 N. Central Avenue
21 Phoenix, Arizona 85004

22 Thomas F. Dixon
23 WorldCom, Inc.
24 707 17th Street, 39th Floor
25 Denver, Colorado 80202

26 Richard S. Wolters
AT&T
1875 Lawrence Street, Room 1575
Denver, CO 80202-1847

Peter Q. Nyce, Jr.
Regulatory Law Office
U.S. Army Litigation Center
901 N. Stuart Street, Suite 713
Arlington, VA 22203-1837

1 Richard Lee
2 Snavelly King Majoros O'Connor & Lee
3 1220 L. Street N.W., Suite 410
4 Washington, DC 20005

4 Patrick A. Clisham
5 AT&T Arizona State Director
6 320 E. Broadmoor Court
7 Phoenix, AZ 85022

7 
8 _____

9 PHX/1556483.6/67817.336

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26