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BEFORE THE ARIZONA CORPORATION COMMISSION

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MARC SPITZER  
Chairman  
WILLIAM MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN MAYES  
Commissioner

Arizona Corporation Commission

DOCKETED

SEP 22 2004

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AZ CORP COMMISSION  
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IN THE MATTER OF QWEST  
CORPORATION'S FILING AMENDED  
RENEWED PRICE REGULATION PLAN

DOCKET NO. T-01051B-03-0454

DOCKET NO. T-00000D-00-0672

IN THE MATTER OF THE  
INVESTIGATION OF THE COST OF  
TELECOMMUNICATIONS ACCESS

QWEST CORPORATION'S REPLY IN  
SUPPORT OF ITS MOTION TO  
COMPEL DATA REQUEST  
RESPONSES FROM AT&T  
COMMUNICATIONS OF THE  
MOUNTAIN STATES, INC. AND TCG  
PHOENIX

Qwest Corporation ("Qwest") submits this reply to the response filed by AT&T Communications of the Mountain States, Inc ("AT&T") and TCG Phoenix ("TCG") in further support of Qwest's motion to compel AT&T and TCG to respond to certain data requests.

MEMORANDUM OF POINTS AND AUTHORITIES

AT&T's primary response in defense of its outright refusal to provide the information requested is essentially its argument that because "Staff may not take issue at all with the manner in which Qwest depreciates its plant," the data requests at issue are "speculative" and therefore premature at this juncture of the proceeding. AT&T Response at 3. Such a response ignores the reality of the substantial amount of discovery propounded by Staff on Qwest indicating that depreciation will, in fact, be litigated in this

1 docket. Thus far, Staff's testifying expert has issued approximately 29 data requests<sup>1</sup>  
2 designed to contest Qwest's depreciation rates in this docket. For example, in WDA  
3 02-006, Staff's expert requested Qwest's historical or "observed life" points. Because  
4 Qwest filed a technical update with no change to prescribed depreciation lives, neither  
5 Staff nor its expert would need to request "observed life" data unless they were  
6 considering depreciation life changes.

7 Staff has contested Qwest's depreciation rates in prior rate proceedings including  
8 the companion docket that immediately preceded Qwest's 1999 rate case, which  
9 produced the Price Cap Plan. *See, e.g.,* Rebuttal Testimony of William Dunkel, *In the*  
10 *Matter of the Application of U S WEST Communications, Inc. for Changes in its*  
11 *Depreciation Rates*, Docket No. T-1051-97-0689 (February 22, 2000). Given the amount  
12 of discovery Staff's expert has conducted on this issue, there is no reason to believe that  
13 it will not do so here. In fact, prior to filing its motion to compel, counsel for Qwest  
14 verbally confirmed with Staff's counsel that Staff's expert may well take issue with such  
15 rates. However, in an effort to avoid being prejudiced by procedural logistics of AT&T's  
16 refusal to answer prior to the filing of Staff's direct testimony, Qwest has served Staff  
17 and its expert with a request for information to confirm, prior to argument on this motion,  
18 that Staff will be challenging Qwest's depreciation rates in this docket.<sup>2</sup> Qwest's First

19 \_\_\_\_\_  
20 <sup>1</sup> These requests are as follows: (*i.e.*, Dunkel No. 01-001, Dunkel No. 01-001S1, Dunkel No.  
21 01-001S2, Dunkel Nos. 01-003 thru -006, Dunkel Nos. 01-008 thru -010, WDA Nos. 02-001 thru  
22 -006, WDA No. 02-006S1, WDA No. 02-026, WDA No. 04-006 thru -010, WDA No. 04-015,  
23 WDA No. 04-032, WDA No. 10-006, WDA No. 11-003, WDA No. 11-004, and WDA No.  
24 11-006).

25 <sup>2</sup> Contrary to AT&T's suggestion, Qwest will, in fact, be prejudiced in a manner all other parties  
26 do not suffer. AT&T Response at 3. Both Staff and intervenors will file their initial testimony  
either in support of or contesting Qwest's application on October 19, 2004. Qwest's rebuttal  
testimony to all parties is due November 18, 2004. No other party need defend its depreciation  
rates against Staff in this docket; only Qwest's rates are at issue. Moreover, AT&T would have  
Qwest immediately review Staff's testimony relative to the depreciation issue and, if appropriate,  
renew its discovery requests to AT&T, all presumably on October 19<sup>th</sup> or 20<sup>th</sup>; Qwest would then  
wait for AT&T's additional objections and responses, which would leave Qwest with a little over

1 Set of Data Requests to Dunkel and Staff dated September 21, 2004, attached as Exhibit  
2 A.

3 As discussed in Qwest's motion, Qwest asked for identical information from a  
4 number of CLEC intervenors. With one exception (Cox), all of these CLECs responded  
5 and did not quibble with the notion that Staff was investigating Qwest's depreciation  
6 rates. Qwest certainly appreciates AT&T's desire not to expend resources on  
7 unnecessary discovery; that is precisely why Qwest offered AT&T the same compromise  
8 it offered Cox, as a "good faith" means of resolving the parties' discovery dispute under  
9 Rule 37(a), Arizona Rules of Civil Procedure. Specifically, Qwest would allow AT&T to  
10 delay providing the requested information until Staff filed its direct testimony in this  
11 docket; at that time, AT&T would provide its responses to the data requests on an  
12 expedited basis (*i.e.*, within five working days) if Staff's testimony ultimately challenged  
13 Qwest's depreciation rates. Unlike Cox, who resolved the dispute in this manner, AT&T  
14 immediately rejected this proposal without offering any alternative means of resolution.  
15 Under these circumstances, AT&T's complaints of unduly burdensome, broad or  
16 expensive discovery cannot withstand scrutiny, and AT&T makes no mention of Qwest's  
17 proposal in its response because it cannot explain why such a compromise would be  
18 unreasonable or unworkable under the circumstances.

19 AT&T acknowledges that the Commission's adopted methodology for reviewing  
20 Qwest's depreciation rates includes a review of the rates charged by others in Arizona's  
21 telecommunications industry to ensure that Qwest's rates fall within the range of its  
22 competitors. AT&T Response at 4. Incredulously, AT&T argues, however, that it is not

23 two weeks to evaluate the responses and write testimony incorporating whatever information  
24 AT&T chooses to provide. The result is plainly untenable, and Qwest should not be prejudiced  
25 in its efforts to gather the information necessary to rebut Staff's case in this manner. There is no  
26 reason that if AT&T chooses to wait until October 19<sup>th</sup> to respond to Qwest's data requests on  
depreciation, it should not be required to produce such information in an expedited manner so that  
there are no unnecessary delays or extensions in this proceeding.

1 “a relevant competitor” of Qwest, presumably because it “is predominantly a long  
2 distance competitor” that will no longer be providing local and long distance service to  
3 residential customers in Arizona and that its network design differs from Qwest. AT&T  
4 Response at 4-5.<sup>3</sup> AT&T cannot ignore that it has intervened in this matter because  
5 AT&T “will be directly and substantially affected by the decisions made in this case  
6 regarding the methodology adopted by the Commission for Qwest to establish rates for  
7 the services that AT&T purchases from Qwest and the rates Qwest charges its other  
8 customers.” Application of AT&T Communications of the Mountain States, Inc. and TCG  
9 Phoenix for Leave to Intervene, *In the Matter of Qwest Corporation’s Filing of Renewed*  
10 *Price Regulation Plan*, Docket No. T-01051B-03-0454, at ¶ 3 (July 10, 2003). *See also*,  
11 Application of AT&T Communications of the Mountain States, Inc. for Leave to  
12 Intervene, *In the Matter of the Investigation of the Cost of Telecommunications Access*,  
13 Docket No. T-00000D-00-0672, at ¶ 2 (April 17, 2001). In fact, AT&T intervened in  
14 Qwest’s 1999 rate case and in Qwest’s prior depreciation docket, all of which lead to the  
15 adoption of the Price Cap Plan at issue in this docket, stating, in part, that it was “a  
16 purchaser of services from U S WEST and a competitor of U S WEST” and that it  
17 would be directly and substantially affected” by the proceeding. Application of AT&T  
18 Communications of the Mountain States, Inc. for Leave to Intervene, *In the Matter of the*  
19 *Application of U S WEST Communications, Inc. for a Hearing to Determine the*  
20 *Earnings, Etc.*, Docket No. T-01051B-99-0105 at ¶ 3 (March 31, 1999) (emphasis  
21 added). *See also*, Application of AT&T Communications of the Mountain States, Inc. for  
22 Leave to Intervene, *In the Matter of the Application of U S WEST Communications, Inc.*  
23 *for Changes in its Depreciation Rates*, Docket No. T-1051-97-0689, at ¶ 3 (December 19,

24 \_\_\_\_\_  
25 <sup>3</sup> Although AT&T issued a press release on July 22, 2004, indicating its desire to reduce service  
26 to residential local and standalone long distance customers, AT&T has since made at least two  
tariff filings in Arizona offering additional service promotions to such customers. *See Exhibits B*  
*and C.*

1 1997). The Commission is well aware of the numerous Qwest dockets in which AT&T  
2 has intervened as a “competitor” of Qwest, and AT&T cannot now claim otherwise.

3 It is not for AT&T to dispute the Commission’s methodology for determining  
4 Qwest’s depreciation rates by withholding the information at issue from Qwest. As  
5 discussed in Qwest’s motion, the standard applied to discovery disputes is not whether  
6 the information sought is relevant, but whether the information is “reasonably calculated  
7 to lead to the discovery of admissible evidence.” Ariz. R. Civ. P. 26(b)(1). Qwest must  
8 be fairly apprised of such information so that it may adequately prepare its case, and full  
9 disclosure by AT&T is required as the information sought is in no way patently  
10 objectionable or inadmissible. See authority cited in Qwest’s Motion at 2-3.<sup>4</sup> Arguments  
11 concerning the relevance of such information go to the weight it should be given by the  
12 Commission, and are appropriately the subject for later motions *in limine*,  
13 cross-examination or objection at hearing. AT&T must respond and cooperate in  
14 exchanging information that may reasonably lead to what the Commission and no doubt  
15 its Staff considers admissible evidence on the relevant issues in this docket.

16 Finally, AT&T argues that the data requests at issue are overly broad because they  
17 seek information not limited to AT&T’s plant in Arizona. Qwest is willing to narrow the  
18 scope of its data requests to require AT&T to provide information relative to the plant  
19 used for the provision service in Arizona (not just Arizona plant).

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20 <sup>4</sup> AT&T’s reliance on *State Farm Mut. Auto Ins. Co. v. Superior Court In and For the County of*  
21 *Maricopa*, 167 Ariz. 135, 804 P.2d 1323 (App. 1991) is misplaced. *State Farm* concerned an  
22 insured’s bad faith claim against her insurer. *Id.* at 136, 804 P.2d at 1324. Plaintiff’s discovery  
23 sought information regarding strict liability when Arizona had not adopted strict liability for bad  
24 faith cases. *Id.* at 139, 804 P.2d 1327. Moreover, the court found that the plaintiff had not  
25 established sufficient similarity between the obligations imposed by Arizona law and the law of  
26 other jurisdictions to warrant national discovery of all lawsuits in which State Farm was accused  
of improper claims handling. *Id.* This is in no way comparable to an Arizona Corporation  
Commission review of the Price Cap Plan and Qwest’s rates and charges thereunder, particularly  
when the Commission has established an Arizona standard that includes reviewing the rates of  
other carriers.

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RESPECTFULLY SUBMITTED this 22<sup>nd</sup> day of September, 2004.

FENNEMORE CRAIG

By: 

Timothy Berg  
Theresa Dwyer  
3003 North Central Ave., Suite 2600  
Phoenix, Arizona 85012-2913  
(602) 916-5421

-and-  
Norm Curtright  
QWEST CORPORATION  
4041 North Central Avenue  
11<sup>th</sup> Floor  
Phoenix, AZ 85012

*Attorneys for Qwest Corporation*

ORIGINAL and 15 copies hand-delivered for  
filing this 22<sup>nd</sup> day of September, 2004 to:

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

COPY of the foregoing delivered  
this 22<sup>nd</sup> day of September, 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

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

4 COPY of the foregoing mailed  
this 22<sup>nd</sup> day of September, 2004 to:

5 Joan S. Burke  
6 Osborne Maledon  
2929 N. Central Ave., 21<sup>st</sup> Fl.  
7 Phoenix, AZ 85067

8 Scott S. Wakefield, Chief Counsel  
Daniel W. Pozefsky, Esq.  
9 RUCO  
1110 West Washington, Suite 220  
10 Phoenix, AZ 85007

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

14 Mark A. DiNunzio  
Cox Arizona Telcom, LLC  
15 20401 North 29<sup>th</sup> Avenue  
Phoenix, Arizona 85027

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

19 Thomas F. Dixon  
20 WorldCom, Inc.  
707 17<sup>th</sup> Street, 39<sup>th</sup> Floor  
21 Denver, Colorado 80202

22 Richard S. Wolters  
Mary Tribby  
23 AT&T  
1875 Lawrence Street, Room 1575  
24 Denver, CO 80202-1847

25

26

- 1 Peter Q. Nyce, Jr.  
Regulatory Law Office
- 2 U.S. Army Litigation Center  
901 N. Stuart Street, Suite 713
- 3 Arlington, VA 22203-1837
  
- 4 Richard Lee  
Snively King Majoros O'Connor & Lee
- 5 1220 L. Street N.W., Suite 410
- 6 Washington, DC 20005
  
- 7 Patrick A. Clisham  
AT&T Arizona State Director
- 8 320 E. Broadmoor Court
- 9 Phoenix, AZ 85022
  
- 10 Eric S. Heath  
Sprint Legal Division
- 11 100 Spear Street, Suite 930
- 12 San Francisco, CA 94105
  
- 13 Walter W. Meek President  
Arizona Utility Investors Association
- 14 2100 N. Central Avenue, Suite 210
- 15 Phoenix, AZ 85004
  
- 16 Accipiter Communications, Inc.  
2238 W. Lone Cactus Dr., Ste.100
- 17 Phoenix, AZ 85027
  
- 18 Alliance Group Services, Inc.  
1221 Post Road East
- 19 Westport, CT 06880
  
- 20 Archtel, Inc.  
1800 West Park Drive, Ste. 250
- 21 Westborough, MA 01581
  
- 22 Brooks Fiber Communications of Tucson, Inc.  
201 Spear Street, 9<sup>th</sup> Floor
- 23 San Francisco, CA 94105
  
- 24 Centruytel  
PO Box 4065
- 25 Monroe, LA 71211-4065
  
- 26 Citizens Utilities Rural Co. Inc.  
Citizens Communications Co. of Arizona
- 4 Trial Center, Suite 200
- Salt Lake City, UT 84180

- 1 Citizens Telecommunications Co. of the White Mountains, Inc.  
4 Triad Center, Ste. 200
- 2 Salt Lake City, UT 84180
- 3 Comm South Companies, Inc.  
2909 N. Buckner Blvd., Ste. 200
- 4 Dallas, TX 75228
- 5 Copper Valley Telephone, Inc.  
PO Box 970
- 6 Willcox, AZ 85644
- 7 Electric Lightwave, Inc.  
4 Triad Center, Ste. 200
- 8 Salt Lake City, UT 84180
- 9 Eschelon Telecom of Arizona, Inc.  
730 Second Avenue South, Ste.1200
- 10 Minneapolis, MN 55402
- 11 Ernest Communications, Inc.  
5275 Triangle Pkwy, Ste. 150
- 12 Norcross, GA 30092-6511
- 13 Intermedia Communications, Inc.  
3608 Queen Palm Drive
- 14 Tampa, FL 33619-1311
- 15 Level 3 Communications, LLC  
1025 Eldorado Blvd.
- 16 Broomfield, CO 80021
- 17 Max-Tel Communications, Inc.  
105 N. Wickham
- 18 PO Box 280
- 19 Alvord, TX 76225
- 20 MCI WorldCom Communications  
201 Spear Street, 9<sup>th</sup> Floor
- 21 San Francisco, CA 94105
- 22 MCIMetro  
201 Spear Street, 9<sup>th</sup> Floor
- 23 San Francisco, CA 94105
- 24 Metropolitan Fiber Systems of Arizona, Inc.  
201 Spear Street, 9<sup>th</sup> Floor
- 25 San Francisco, CA 94105
- 26

- 1 Midvale Telephone Exchange  
PO Box 7
- 2 Midvale, ID 83645
- 3 Navajo Communications Co., Inc.  
4 Triad Center, Suite 200
- 4 Salt Lake City, UT 84180
- 5 Nextlink Long Distance Svcs.  
3930 E. Watkins, Ste. 200
- 6 Phoenix, AZ 85034
- 7 North County Communications Corporation  
3802 Rosencrans, Ste. 485
- 8 San Diego, CA 92110
- 9 One Point Communications  
Two Conway Park
- 10 150 Field Drive, Ste. 300  
Lake Forest, IL 60045
- 11 Opex Communications, Inc.  
500 E. Higgins Rd., Ste. 200
- 12 Elk Grove Village, IL 60007
- 13 Pac-West Telecomm, Inc.  
1776 W. March Lane, #250
- 14 Stockton, CA 95207
- 15 The Phone Company/Network Services of New Hope  
6805 Route 202
- 16 New Hope, PA 18938
- 17 Rio Virgin Telephone Co.  
18 Rio Virgin Telephone and Cablevision  
PO Box 189
- 19 Estacada, OR 97023-000
- 20 South Central Utah Telephone Association, Inc.  
PO Box 226
- 21 Escalante, UT 84726-000
- 22 Southwestern Telephone Co., Inc.  
PO Box 5158
- 23 Madison, WI 53705-0158
- 24 Special Accounts Billing Group  
1523 Withorn Lane
- 25 Inverness, IL 60067
- 26

1 Sprint Communications Company, L.P.  
6860 W. 115<sup>th</sup>, MS:KSOPKD0105  
2 Overland Park, KS 66211

3 Touch America  
130 N. Main Street  
4 Butte, MT 59701

5 Table Top Telephone Co, Inc.  
600 N. Second Avenue  
6 Ajo, AZ 85321-0000

7 TCG Phoenix  
1875 Lawrence Street, Room 1575  
8 Denver, CO 80202

9 Valley Telephone Cooperative, Inc.  
752 E. Malley Street  
10 PO Box 970  
Willcox, AZ 85644

11 Verizon Select Services Inc.  
12 6665 MacArthur Blvd, HQK02D84  
Irving, TX 75039

13 VYVX, LLC  
14 One Williams Center, MD 29-1  
Tulsa, OK 74172

15 Western CLEC Corporation  
16 3650 131<sup>st</sup> Avenue SE, Ste. 400  
Bellevue, WA 98006

17 Williams Local Network, Inc.  
18 One Williams Center, MD 29-1  
Tulsa, OK 74172

19 XO Arizona Inc.  
20 3930 Watkins, Ste. 200  
Phoenix, AZ 85034

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# EXHIBIT

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

MARC SPITZER  
Chairman  
WILLIAM MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN MAYES  
Commissioner

IN THE MATTER OF QWEST  
CORPORATION'S FILING AMENDED  
RENEWED PRICE REGULATION PLAN.

DOCKET NO. T-01051B-03-0454

IN THE MATTER OF THE  
INVESTIGATION OF THE COST OF  
TELECOMMUNICATIONS ACCESS.

DOCKET NO. T-00000D-00-0672

**QWEST'S FIRST SET OF DATA  
REQUESTS TO ARIZONA  
CORPORATION COMMISSION  
STAFF AND WILLIAM DUNKEL AND  
ASSOCIATES**

Qwest Corporation ("Qwest") hereby submits its first set of data requests to the Staff of the Arizona Corporation Commission and William Dunkel and Associates. ("WDA") in the above-captioned docket and requests that full and complete responses be made by October 1, 2004.

**DEFINITIONS**

As used herein, the following terms have the meaning as set forth below:

1. The term "you," and "your" shall mean Staff and/or WDA in the above captioned proceedings, as well as its parent, subsidiaries, and affiliates, its former and present officers, attorneys, employees, servants, agents and representatives, and any person acting on its behalf for any purpose.

2. "List," "describe," "detail," "explain," "specify" or "state" shall mean to set

1 forth fully, in detail, and unambiguously each and every fact of which you, your company  
2 or your agents or representatives have knowledge which is relevant to the answer called for  
3 by the data request.

4         3.     The terms "document," "documents," or "documentation" as used herein  
5 shall include, without limitation, any writings and documentary material of any kind  
6 whatsoever, both originals and copies (regardless of origin and whether or not including  
7 additional writing thereon or attached thereto), and any and all drafts, preliminary versions,  
8 alterations, modifications, revisions, changes and written comments of and concerning such  
9 material, including, but not limited to: correspondence, letters, memoranda, internal  
10 communications, notes, reports, directions, studies, investigations, questionnaires and  
11 surveys, inspections, permits, citizen complaints, studies, papers, files, books, manuals,  
12 instructions, records, pamphlets, forms, contracts, contract amendments or supplements,  
13 contract offers, tenders, acceptances, counteroffers or negotiating agreements, notices,  
14 confirmations, telegrams, communications sent or received, print-outs, diary entries,  
15 calendars, tables, compilations, tabulations, charts, graphs, maps, recommendations,  
16 ledgers, accounts, worksheets, photographs, tape recordings, movie pictures, videotapes,  
17 transcripts, logs, work papers, minutes, summaries, notations and records of any sort  
18 (printed, recorded or otherwise) of any oral communications whether sent or received or  
19 neither, and other written records or recordings, in whatever form, stored or contained in or  
20 on whatever medium including computerized or digital memory or magnetic media that:  
21 (a) are now or were formerly in your possession, custody or control; or (b) are known or  
22 believed to be responsive to these interrogatories, regardless of who has or formerly had  
23 custody, possession or control.

24         4.     The terms "identify" and "identity" when used with reference to a natural  
25 person means to state his or her full name, present or last known address, present or last  
26 known telephone number, present or last known place of employment, position or business

1 affiliation, his or her position or business affiliation at the time in question, and a general  
2 description of the business in which he or she is engaged.

3 5. The terms "identify" and "identity" when used with respect to any other  
4 entity means to state its full name, the address of its principal place of business and the  
5 name of its chief executive officers.

6 6. The terms "identify" and "identity" with respect to a document mean to state  
7 the name or title of the document, the type of document (e.g., letter, memorandum,  
8 telegram, computer input or output, chart, etc.), its date, the person(s) who authored it, the  
9 person(s) who signed it, the person(s) to whom it was addressed, the person(s) to whom it  
10 was sent, its general subject matter, its present location, and its present custodian. If any  
11 such document was but is no longer in your possession or subject to your control, state  
12 what disposition was made of it and explain the circumstances surrounding, and the  
13 authorization for, such disposition, and state the date or approximate date of such  
14 disposition.

15 7. The terms "identify" and "identity" with respect to any non-written  
16 communication means to state the identity of the natural person(s) making and receiving  
17 the communication, their respective principals or employers at the time of the  
18 communication, the date, manner and place of the communication, and the topic or subject  
19 matter of the communication.

20 8. The term to "state the basis" for an allegation, contention, conclusion,  
21 position or answer means: (a) to identify and specify the sources therefore; (b) to identify  
22 and specify all facts on which you rely or intend to rely in support of the allegation,  
23 contention, conclusion, position or answer; and (c) to set forth and explain the nature and  
24 application to the relevant facts of all pertinent legal theories upon which you rely for your  
25 knowledge, information and/or belief that there are good grounds to support such  
26 allegation, contention, conclusion, position or answer.



1 C. In answering these data requests, furnish all information that is available to  
2 you or may be reasonably ascertained by you, including information in the possession of  
3 any of your agents or attorneys, or otherwise subject to your knowledge, possession,  
4 custody or control.

5 D. If in answering these data requests you encounter any ambiguity in  
6 construing the request or a definition or instruction relevant to the inquiry contained within  
7 the request, set forth the matter deemed "ambiguous" and set forth the construction chosen  
8 or used in responding to the request.

9 E. If you object to any part of a request, answer all parts of such requests to  
10 which you do not object, and as to each part to which you do object, separately set forth the  
11 specific basis for the objection.

12 F. In the event you assert that the data requested is privileged, you should  
13 identify any such data and any supporting documents in your written response, by date, and  
14 provide a general description of its content. You should also identify all persons who  
15 participated in the preparation of the document and all persons, inside or outside WDA,  
16 who received a copy, read or examined any such document. In addition, you should  
17 describe, with particularity, the grounds upon which privilege is claimed.

18 G. In the event that you assert that the requested data are not relevant or material  
19 to any issue in the above-captioned matter, you should indicate in your written response to  
20 the specific basis for such assertion.

21 H. In the event you assert that the requested data are public information  
22 otherwise available to Qwest, you should identify the following in your written response:

- 23 1. The title or description of the data claimed to be public information;
- 24 2. The specific page and line number on which the requested material can  
25 be found;

26

1                   3.     The address of the office(s) and/or location(s) nearest downtown  
2                             Denver where the document or file containing the requested material is  
                                  maintained for public inspection.

3                   I.     In the event that you assert that the requested data are not available in the  
4 form requested, you should disclose the following in your written response thereto:

- 5                             1.     The form in which the requested data currently exists (identifying  
6                                     documents by title or description);
- 7                             2.     The earliest dates, time period, and location that representatives of  
8                                     Qwest may inspect WDA files, records or documents in which the  
                                  requested data currently exist.

9                   J.     If any request calls for a document that has been destroyed, placed beyond  
10 your control, or otherwise disposed of, identify with specificity each such document and  
11 describe in detail any such destruction, placement or disposition.

12                                                             DATA REQUEST

13                   The following request relates specifically to the information sought by you in your  
14 data requests served on Qwest in this docket, specifically Dunkel 01-001, Dunkel 01-  
15 001S1, Dunkel 01-001S2, Dunkel 01-003, Dunkel 01-004 thru -006, Dunkel 01-008 thru  
16 -010, WDA 02-001, WDA 02-002 thru -006, WDA 02-006S1, WDA 02-026, WDA 04-  
17 006 thru -010, WDA 04-015, WDA 04-032, WDA 10-006, WDA 11-003, WDA 11-004,  
18 WDA 11-006, all of which are attached hereto as Exhibit A.

19                   No. 1-1.     In light of Qwest's responses to the above-referenced data requests  
20 and your own independent analysis, admit that you intend to file direct testimony on  
21 October 19, 2004, which will, in part, recommend changes to Qwest's depreciation lives  
22 as part of Staff's direct case in this docket.

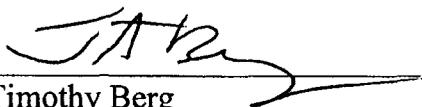
23                             \_\_\_\_\_ Admit                             \_\_\_\_\_ Deny

24                   If your answer to this request was anything other than an unqualified admission,  
25 state in detail and with particularity all of the reasons and factual bases for your denial or  
26 failure to admit.

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RESPECTFULLY SUBMITTED this 21<sup>st</sup> day of September, 2004.

FENNEMORE CRAIG

By: 

Timothy Berg  
Theresa Dwyer  
3003 North Central Ave., Suite 2600  
Phoenix, Arizona 85012-2913  
(602) 916-5421  
-and-  
Norman G. Curtright  
QWEST CORPORATION  
4041 N. Central Avenue, Suite 1100  
Phoenix, AZ 85012  
(602) 630-1182

*Attorneys for Qwest Corporation*

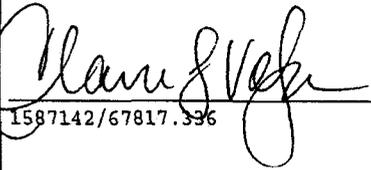
ORIGINAL +1 COPY mailed and e-mailed  
this 21<sup>st</sup> day of September, 2004 to:

William Dunkel and Associates ([bdunkel@aol.com](mailto:bdunkel@aol.com))  
8625 Farmington Cemetery Road  
Pleasant Plains, IL 62677

Maureen A. Scott ([mScott@cc.state.az.us](mailto:mScott@cc.state.az.us))  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington St.  
Phoenix, AZ 85007

COPY of the foregoing mailed  
this 21<sup>st</sup> day of September, 2004 to:

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

  
1587142/67817.336

Arizona  
T-01051B-03-0454  
Dunkel 01-001

INTERVENOR: Dunkel and Associates

REQUEST NO: 001

Please provide each of the following on a state basis for each depreciable account:

a. Separately for each depreciable account please provide the complete Generations Arrangements, using data through December 31, 2003. In addition to the paper copy, please also provide this requested information in electronic format (in the same electronic format as depreciation information is provided to the FCC) on an IBM compatible 3.5" disk or CD. (Note, page 2 of Qwest Exhibit NHH-2 indicates the Generation Arrangements with cost data as of December 31, 2003 exist.) In the electronic copy, the information for earlier years should not all be combined, if the separate vintage information is available (for example-not "1971 and prior years").

b. The Generation Arrangements provided should include all information normally included, similar to (but with data through 12-31-2003) the Generation Arrangements included in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689). The data should include, but is not necessarily limited to, the "Amount Surviving", the "Proportion Surviving", and the "Realized Life" for each vintage.

c. The dividing point between the vintages treated as ELG (Equal Life Group) and those treated as VG (Vintage Group) should be the same dividing point as it is for that account in the Generation Arrangement used in the Commission approved calculations of depreciation in the prior Depreciation Case (Docket No T-1051B-97-0689). (For example in the Buried Cable Metallic account, VG for the year 1981 and prior, but ELG for the year 1982 and after.)

Arizona  
T-01051B-03-0454  
Dunkel 01-001S1

INTERVENOR: Dunkel and Associates

REQUEST NO: 001S1

Please provide each of the following on a state basis for each depreciable account:

a. Separately for each depreciable account please provide the complete Generations Arrangements, using data through December 31, 2003. In addition to the paper copy, please also provide this requested information in electronic format (in the same electronic format as depreciation information is provided to the FCC) on an IBM compatible 3.5" disk or CD. (Note, page 2 of Qwest Exhibit NHH-2 indicates the Generation Arrangements with cost data as of December 31, 2003 exist.) In the electronic copy, the information for earlier years should not all be combined, if the separate vintage information is available (for example-not "1971 and prior years").

b. The Generation Arrangements provided should include all information normally included, similar to (but with data through 12-31-2003) the Generation Arrangements included in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689). The data should include, but is not necessarily limited to, the "Amount Surviving", the "Proportion Surviving", and the "Realized Life" for each vintage.

c. The dividing point between the vintages treated as ELG (Equal Life Group) and those treated as VG (Vintage Group) should be the same dividing point as it is for that account in the Generation Arrangement used in the Commission approved calculations of depreciation in the prior Depreciation Case (Docket No T-1051B-97-0689). (For example in the Buried Cable Metallic account, VG for the year 1981 and prior, but ELG for the year 1982 and after.)

Arizona  
T-01051B-03-0454  
Dunkel 01-001S2

INTERVENOR: Dunkel and Associates

REQUEST NO: 001S2

Please provide each of the following on a state basis for each depreciable account:

a. Separately for each depreciable account please provide the complete Generations Arrangements, using data through December 31, 2003. In addition to the paper copy, please also provide this requested information in electronic format (in the same electronic format as depreciation information is provided to the FCC) on an IBM compatible 3.5" disk or CD. (Note, page 2 of Qwest Exhibit NHH-2 indicates the Generation Arrangements with cost data as of December 31, 2003 exist.) In the electronic copy, the information for earlier years should not all be combined, if the separate vintage information is available (for example-not "1971 and prior years").

b. The Generation Arrangements provided should include all information normally included, similar to (but with data through 12-31-2003) the Generation Arrangements included in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689). The data should include, but is not necessarily limited to, the "Amount Surviving", the "Proportion Surviving", and the "Realized Life" for each vintage.

c. The dividing point between the vintages treated as ELG (Equal Life Group) and those treated as VG (Vintage Group) should be the same dividing point as it is for that account in the Generation Arrangement used in the Commission approved calculations of depreciation in the prior Depreciation Case (Docket No T-1051B-97-0689). (For example in the Buried Cable Metallic account, VG for the year 1981 and prior, but ELG for the year 1982 and after.)

Arizona  
T-01051B-03-0454  
Dunkel 01-003

INTERVENOR: Dunkel and Associates

REQUEST NO: 003

If the "physical description" is different for any depreciable account than it was in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689), provide a copy of the revised "physical description" for each such account.

Arizona  
T-01051B-03-0454  
Dunkel 01-004

INTERVENOR: Dunkel and Associates

REQUEST NO: 004

a. If full mortality data was used for an account in the prior depreciation proceeding (Docket No T-1051B-97-0689), then full mortality data should be provided for that account in response to this request. For each such depreciable account, provide the Mortality data in electronic format (in the same electronic format as this information is provided to the FCC) on an IBM compatible 3.5" disk or CD. The data should be for activities through 12-31-2003. A paper copy of this response does not need to be provided.

b. For each account for which full mortality data was requested in part (a), please state if the data provided in response to part (a) for each vintage year shows the total original investment for that vintage (before any retirements). If yes, identify any codes that indicate these figures. If not, please provide these figures for each vintage year for each such account. Provide the data in electronic format (in the same electronic format as this information is provided to the FCC) on an IBM compatible 3.5" disk or CD. A paper copy is not required. The data should be for activities through 12-31-2003.

c. For each account for which full mortality data was requested in part (a), please state if the data provided in response to part (a) shows separately the amounts retired each year for each vintage (for example, \$1,050 of 1985 vintage retired in 2001). If yes, identify any codes that indicate these figures. If not, please provide these figures for each vintage year and retirement year for each such account. Provide the data in electronic format (in the same electronic format as this information is provided to the FCC) on an IBM compatible 3.5" disk or CD. A paper copy is not required. The data should be for activities through 12-31-2003.

d. For each account for which full mortality data was requested in part (a), please state if the data provided in response to part (a) shows separately the amounts of transactions not included in parts (b) and (c), such as adjustments or transfers. If yes, identify any codes that indicate these figures. If not, please provide these figures for each vintage year and retirement year for each such account, indicating what each transaction was and what the amount in each vintage was. Provide the data in electronic format (in the same electronic format as this information is provided to the FCC) on an IBM compatible 3.5" disk or CD. A paper copy is not required. The data should be for activities through 12-31-2003.

e. If computed mortality data was used for an account in the prior depreciation proceeding (Docket No T-1051B-97-0689), then computed mortality data should be provided for that account in response to this request. For each such depreciable account, provide the computed mortality data, similar to the computed mortality data normally provided to the FCC in electronic format (in the same electronic format as this information is provided to the FCC) on an IBM compatible 3.5" disk or CD. The data should be for activities through 12-31-2003. A paper copy of this data does not need to be provided.

Arizona  
T-01051B-03-0454  
Dunkel 01-005

INTERVENOR: Dunkel and Associates

REQUEST NO: 005

For each depreciable account, provide the Gross Salvage and Cost of Removal data for the years 1983 through 2003. This should be information similar to that provided on "Table A, Annual Retirements, Gross Salvage and Cost of Removal" included in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689), excepted using the more current data (20 years through 2003). For each year the information should at include, but not necessarily limited to, the plant in service, the plant retired, the gross salvage, and the cost of removal. Provide in electronic format (in the same electronic format as this information is provided to the FCC) on an IBM compatible 3.5" disk or CD and in paper format.

Arizona  
T-01051B-03-0454  
Dunkel 01-006

INTERVENOR: Dunkel and Associates

REQUEST NO: 006

a. For each depreciable account, provide the information as shown on the "Account Investment Summary" " included in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689), except provide the information for the 20 year period ending (and including) the year 2003.

b. For each depreciable account, provide the information as shown on the "Account Reserve Summary" " included in the Qwest Supplement to Application filed November 12, 1997 in the prior Depreciation Case (Docket No T-1051B-97-0689), except provide the information for the 10 year period ending (and including) the year 2003.

Arizona  
T-01051B-03-0454  
Dunkel 01-008

INTERVENOR: Dunkel and Associates

REQUEST NO: 008

Have the Qwest personnel or Qwest consultants fit curves to the observed life data (either full mortality data or computed mortality data) for any account, using observed life data through 12-31-2003? If yes, provide the results of that analysis for each such account, including the "best fit" ("best fit" as described in the FCC Depreciation Study Guide).

Arizona  
T-01051B-03-0454  
Dunkel 01-009

INTERVENOR: Dunkel and Associates

REQUEST NO: 009

Have the Qwest personnel or Qwest consultants fit curves to the observed life data (either full mortality data or computed mortality data) for any account, using observed life data through 12-31-2002 or 12-31-2001? If yes, provide the results of that analysis for each such account, including the "best fit" ("best fit" as described in the FCC Depreciation Study Guide).

Arizona  
T-01051B-03-0454  
Dunkel 01-010

INTERVENOR: Dunkel and Associates

REQUEST NO: 010

a. Have the Qwest personnel or Qwest consultants prepared a Depreciation Study or Technical Update, (using either interstate or state depreciation rates) pertaining to or including the Qwest Arizona investments, using data which included data as of 12-31-2001, or later?

b. If the answer to part (a) is yes, list each such Depreciation Study or Technical Update, including the date of the most recent data used in the study.

c. For each Depreciation Study or Technical Update listed in response to part (b), state whether the data shown in that Study or Update included any fitting of curves (either Iowa curves or Gompertz- Makeham ) to mortality data (either full or computed).

Arizona  
T-01051B-03-0454  
WDA 02-001

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 001

Request Dunkel 01-002 had asked for certain information the same as Qwest Exhibit KDW-1, Statement C, except using 1-1-2004 data instead of the 1-1-2003 data used on Statement C. The response provided has differences with the original Statement C, differences that are greater than can be explained by just the one-year difference in data. For example, the original Schedule C shows the investment in account 2423-Buried Cable Metallic, is \$1,145,826,327 as of 1-1-2003. The response to Request Dunkel 01-002 shows a \$1,644,110,671 investment in this account as of 1-1-2004, a difference of about \$500 million in one year. However the response to Request Dunkel 01-001 shows that Qwest did not add \$500 million in this account in 2003, but instead added about \$64 million. Similar problems exist in the other accounts.

(a) Please explain the reason that the differences between these two documents is greater than can be explained by the one year difference.

(b) Is the response to Dunkel 01-002 the data using the intrastate depreciation rates, but before the separations factors are applied? If not, what is this data?

(c) As originally requested, please provide a document similar to as Qwest Exhibit KDW-1, Statement C, except using data as of 12-31-2003 (also called 1-1-2004).

Arizona  
T-01051B-03-0454  
WDA 02-002

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 002

RE: State Depreciation Rates

(a) The tab entitled "Composite Rates" in the Qwest depreciation workpaper entitled "2003 State depreciation Rates" which Qwest previously provided shows the intrastate depreciation rates and investments for each Qwest state. Please provide the total percent book reserve for Qwest in each Qwest state as of 12-31-2003 (also called 1-1-2004). Use the state depreciation rates (not the FCC depreciation rates). (The "total percent book reserve" is similar to the figure in the "total" row of the "Book Reserve- Percent" column of Exhibit KDW-1, Schedule C.)

(b) Provide the report that shows the current State Commission approved parameters for each depreciable account (for the intrastate depreciation rates) for Qwest in each Qwest state. The parameters provided must include the projection life (or year of final retirement if that was used), future net salvage, and curve shape parameters.

Arizona  
T-01051B-03-0454  
WDA 02-003

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 003

On what date did Qwest commence booking the revised state depreciation rates which resulted from the Prior Deprecation Case (Docket No. T-1051B-97-0689). If the commencement data was not the same for all accounts, provide the commencement date for each account.

Arizona  
T-01051B-03-0454  
WDA 02-004

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 004

Exhibit KDW-2 in its title states "Includes Staff Adjustments-SXS, X-Bar, and Analog". In Request Dunkel 1-007 we asked which accounts were affected by the Staff Adjustment, and the response did not list SXS, X-Bar, and Analog as affected accounts.

- (a) Why are the SXS, X-Bar, and Analog accounts mention in this heading?
- (b) What special adjustments were made to the SXS, X-Bar, and Analog accounts?
- (c) Explain the apparent discrepancy between these two documents.

Arizona  
T-01051B-03-0454  
WDA 02-005

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 005

The Qwest response to Dunkel 01-010 provided a "technical update" as of 12/31/03. That response indicates that the vintage "retirement adjustments" referred to in Dunkel Request No. 1.7 were not included.

(a) Please provide a copy of this "technical update" as of 12/31/03, with the vintage "retirement adjustments" included.

(b) Is it correct that only changes need to adjust this "technical update" as of 12/31/03, to include the vintage "retirement adjustments" would be to (1) reduce the UG Cable Metallic Investment and Depreciation reserve amounts by \$9,923,(000) (2) reduce the Buried Cable Metallic Investment and Depreciation reserve amounts by \$15,939,(000), (3) reduce the Intra-building Metallic Investment and Depreciation reserve amounts by \$3,128,(000), and carry the impact of these above changes through the calculations. (These figure are for the 1925 vintages as of 12/31/2003, according to data provided by Qwest in response to Dunkel Request 01-001.)

(c) If you do not agree with the statement in part (b), then provide each of the adjustments, and the amount to be used in each of those adjustments, to adjust this "technical update" as of 12/31/03, to include the vintage "retirement adjustments".

Arizona  
T-01051B-03-0454  
WDA 02-006

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 006

For each depreciable account Qwest should provide the "observed life" points for the most recent "band" of years (The most recent "band" is the years 2001-2003 inclusive. (The "observed life" points are the percentages of investment surviving at each age. These are standard depreciation terms). This is the same Observed Life information as Qwest provided in the Depreciation Rate Study Qwest filed in Arizona the last time Qwest requested a change in depreciation rates (Docket Number T-01051B-97-0689), except data through 12-31-2003 is requested.

This request does not ask that Qwest fit curves to the "observed life" data.

Arizona  
T-01051B-03-0454  
WDA 02-006S1

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 006S1

For each depreciable account Qwest should provide the "observed life" points for the most recent "band" of years (The most recent "band" is the years 2001-2003 inclusive. (The "observed life" points are the percentages of investment surviving at each age. These are standard depreciation terms). This is the same Observed Life information as Qwest provided in the Depreciation Rate Study Qwest filed in Arizona the last time Qwest requested a change in depreciation rates (Docket Number T-01051B-97-0689), except data through 12-31-2003 is requested.

This request does not ask that Qwest fit curves to the "observed life" data.

Arizona  
T-01051B-03-0454  
WDA 02-026

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 026

Page II of the Direct Testimony of Wu discusses the depreciation reserve ratio over time. Provide the depreciation reserve ratio January 1 each year from 1997 to 2004.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-006

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 006

In response to WDA 02-002, Qwest states that it does not recognize the "2003 State Depreciation Rates" workpaper referenced. Attached is a copy of the file. The first tab of this document is the entitled "Booked Results". The first line of this document is "COMPOSITE DEPRECIATION RATES (%) STATE (INTRASTATE) Booked Results". The footer on this document indicates "Jim Jones".

- a. Is there a Jim Jones who works with depreciation for Qwest or on behalf of Qwest?
- b. Does Qwest acknowledge that someone working for Qwest or on behalf of Qwest prepared the Excel spreadsheet attached?
- c. Does Qwest acknowledge that Qwest provided that Excel spreadsheet to Staff and/or Staff consultants in response to a data request as a non-confidential document?
- d. If Qwest denies any of the prior parts of this request, please provide a full explanation of why Qwest disagrees with that statement, and provide the corrected statement.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-007

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 007

On the "1993" line of Page 32 of Qwest Exhibit NHH-2, (Revised June 22, 2004) the "Age as of 12/31/2003" is shown as 10.5 years. (Account 2232 Digital Circuit) The "Life Expectance" is shown as 6.20 years. The percent condition is shown as 62.00%. Page 7 of the testimony of Ms. Hughes states she based these calculations on depreciation information.

a. Is it correct that the 6.20 year "Life Expectance" means that the investment on that line (that "vintage") is expected to live an average of 6.20 years in the future (after 12/31/2003), (assuming that the projection life and curve used in this calculation are correct)?

b. If the answer to part (a) is not "yes", then please explain what the 6.20 year figure means. Please make the explanation in terms that are understandable by persons other than depreciation /RCNLD experts.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-008

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 008

On the "1993" line of Page 32 of Qwest Exhibit NHH-2, (Revised June 22, 2004) the "Age as of 12/31/2003" is shown as 10.5 years. (Account 2232 Digital Circuit). The "Life Expectance" is shown as 6.20 years. The percent condition is shown as 62.00%. Page 7 of the testimony of Ms. Hughes states she based these calculations on depreciation information.

a. If the \$41,708,477 investment surviving as of 12-31-2003 in that 1993 "vintage" is already 10.5 years old (as of 12-31-2003), plus it is expected to live an average of another 6.20 years (after 12-31-2003), does that indicate that \$41,708,477 investment has a total expected average service life of 16.70 years (10.5 years old already plus 6.20 years remaining)?

Please limit the response to addressing the \$41,708,477 investment surviving as of 12-31-2003 in that 1993 "vintage".

b. If the response to part (a) is not "yes", then please explain in detail why an investment that is already 10.5 years old (as of 12-31-2003) and is expected to live an average of 6.20 years after 12-31-2003, does not have an expected total average service life of 16.70 years?

c. If the response to part (a) is not "yes", then please state what number of years Qwest contends the expected total average service life is of an investment that is already 10.5 years old (as of 12-31-2003) and is expected to live an average of 6.20 years after 12-31-2003. Provide a number, not just a discussion.

d. Provide the workpapers supporting the figure provided in response to part (c) of this request.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-009

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 009

On the "1993" line of Page 32 of Qwest Exhibit NHH-2, (Revised June 22, 2004) the "Age as of 12/31/2003" is shown as 10.5 years. (Account 2232 Digital Circuit) The "Life Expectance" (remaining life) as of 12-31-2003 is shown as 6.20 years. The investment surviving (as of 12-31-2003, also called 1-1-2004) in that vintage is shown as \$41,708,477.

However, on the Qwest schedules used to calculate depreciation rates, this same \$41,708,477, 1993 vintage investment is shown with an average Remaining Life of 4.89 years as of 12-31-2003 (also called 1-1-2004) (Account 2232 Digital Circuit Generation Arrangement in Attachment A of Qwest's response to Dunkel Set 1, No 1 (a), (b), (c))

The same Projection Life (10 years) and curve shape (O2) are used in both of these Qwest calculations (both Exhibit NHH-2 and Qwest response to Dunkel Set 1, No 1)

a. Please explain how this \$41,708,477, 1993 vintage investment can have an average Remaining Life/ Life Expectance of 4.89 years as of 12-31-2003 (1-1-2004) in the Qwest depreciation rate calculations, but a Remaining Life/ Life Expectance of 6.20 years as of 12-31-2003 (1-1-2004) in the Qwest RCNLD calculations?

b. Please explain which of these two Qwest Remaining Life figures is correct for the \$41,708,477, 1993 vintage investment as of 12-31-2003 (1-1-2004).

(Assuming the 10-year Projection Life and O2 curve shape are correct.)

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-010

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 010

On Page 32 and 33 of Qwest Exhibit NHH-2, (Revised June 22, 2004) (Account 2232 Digital Circuit) column (H) shows the "Life Expectance" for each age of plant.

In addition, the Qwest schedules used to calculate depreciation rates, (Account 2232 Digital Circuit "Projection Life Table" in Attachment A of Qwest's response to Dunkel Set 1, No 1 (a), (b), (c)) show the Remaining Life for ELG (Equal Life Group) (Column H) and separately the Remaining Life for VG (Vintage Group) (Column I).

a. Is it correct that in the RCNLD calculation, (Page 32 and 33 of Qwest Exhibit NHH-2, (Revised June 22, 2004) (Account 2232 Digital Circuit) column (H)) the "Life Expectance" for each age of plant is close to (within 0.12 years) the Remaining Life VG (Vintage Group) for all ages shown on these schedules?

b. If Qwest does not agree with the statement in part (a), please provide the corrected statement, and the calculations which support the corrected statement.

c. Is it correct that in the RCNLD calculation, (Page 32 and 33 of Qwest Exhibit NHH-2, (Revised June 22, 2004) (Account 2232 Digital Circuit) column (H)) the "Life Expectance" for is more than 2.00 years different than the ELG Remaining Life for some ages of plant?

d. If Qwest does not agree with the statement in part (c), please provide the corrected statement, and the calculations which support the corrected statement.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-015

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 015

RE: Interstate Depreciation Rates

Please provide the Depreciation Statements A, B, C and the Parameter Report which show the current Qwest Arizona FCC interstate depreciation information. These documents should be similar to the Statements A, B, C and the Parameter Report contained in Qwest Exhibit KDW-1, except should contain the information for the current FCC/interstate depreciation rates of Qwest in Arizona.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 04-032

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 032

RE: DSL

Please provide the following:

- a. A complete description of the Company's DSL service, including the type of DSL service, the tariff under which the service is offered, and a diagram of the network configuration of the Company's DSL offering.
- b. The amount of DSL investment by account/subaccount(s) where such investment is recorded.
- c. Description of the equipment contained in the investment included in response to part (b).
- d. The amount of DSL related reserves and expenses by account/subaccount(s) where such expenses and reserves are recorded.
- e. Separately show the amounts of DSL costs provided in response to parts (b) and (d) above which are included in the Company's test year regulated operations.
- f. The separations category in which the DSL investment is included in the Company's Part 36 Cost Study, and the percentage of this DSL investment which is allocated to the intrastate jurisdiction in the Company's Part 36 Cost Study.
- g. Is it the Company's understanding the DSL service is used primarily for Internet access? If not, please explain.
- h. As of 12-31-03 please provide the number of lines in which the Company provided DSL service over the same loop that local service is provided, that is the number of loops in which DSL shares the line with local service.
- i. As of 12-31-03 please provide the number of lines in which the Company provided DSL service over a separate loop, which is the number of lines in which DSL does not share the loop with any other service.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 10-016

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 016

RE: Qwest Response to WDA 04-026 and UTI 1-23

Attachment A provided in response to WDA 04-026 shows the pricing for services Qwest provides to BSI (pricing list) and Attachment A provided in response to UTI 01-23 shows the 2003 Affiliate Receivables from BSI (receivables).

a. Please provide a description of the services provided by Qwest that result in the received amounts shown in the BroadBand Services, Inc., Leased Assets, Account 5240 row (row 31 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet).

b. Which of the services shown in Attachment A of WDA 04-026 are included in the BroadBand Services, Inc., Leased Assets, Account 5240 row (row 31 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet)?

c. The amount shown in December 2003 for the BroadBand Services, Inc., Leased Assets, Account 5240 row (row 31 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet) is different than the amounts shown for the other months of 2003. Please provide an explanation as to what occurred in December that caused this difference in the recorded amount.

d. Provide workpapers which show how the amounts each month on the BroadBand Services, Inc., Leased Assets, Account 5240 row (row 31 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet) were determined. If these amounts are not the sum of the amounts provided in response to the immediately prior request in this set for the items on this "row", provide a reconciliation of these amounts, showing the reason and calculations for any differences.

e. Please provide a description of the services provided by Qwest that result in the received amounts shown in the BroadBand Services, Inc., Leased Network Facilities, Account 5240 row (row 32 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet).

f. Which of the services shown in Attachment A of WDA 04-026 are included in the BroadBand Services, Inc., Leased Network Facilities, Account 5240 row (row 32 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet)?

g. The amount shown in June 2003 for the BroadBand Services, Inc., Leased Network Facilities, Account 5240 row (row 32 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet) is different than the amounts shown for the other months of 2003. Please provide an explanation as to what occurred in June that caused this difference in the recorded amount.

h. Provide workpapers which show how the amounts each month on the BroadBand Services, Inc., Leased Network Facilities, Account 5240 row (row 32 of the "Receivables" tab of the "UTI-1-23 Attmt A 2003 Affiliate Transactions" Excel spreadsheet) were determined. If these amounts are not



Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 11-003

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 003

On 9-02-2004 Mike Brosch (of UTI /consultant to Staff) met with Maggie Barrington (on behalf of Qwest). William Dunkel (of WDA/ consultant to Staff) participated by telephone in the discussions pertaining to BSI.

Separately state whether each or the statements below is a reasonable representation of statements made by Maggie Barrington during the BSI portion of that meeting. For each statement that is not correct, provide the corrected statement.

a. In calculating the \$\$2,164,116 intrastate adjustment for depreciation expense to be charge to BSI (discussed in the Qwest response to UTI 03-033 (e)), the calculation of that amount used depreciation expense and other figures from the "MR" reports.

b. The MR reports are on a FCC (interstate) basis.

c. This intrastate \$2,164,116 amount (discussed in part (a)) was therefore effectively based on the interstate depreciation rates or interstate deprecation expense, instead of on the intrastate depreciation rates.

d. The amounts shown on the "AZ IAS REG 2003" tab of the Confidential Attachment A to the Qwest response to UTI 3-033 are the intrastate amounts (the amounts after separations).

e. There are no allocations of investments between BSI and QC. A piece of equipment is either 100% owned by BSI, or 100% owned by QC. If a piece of equipment is used by both QC and BSI, then QC owns that equipment.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 11-004

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 004

RE: Depreciation Expense Adjustment

- a. Provide the investment by depreciable account (for cable accounts the "metallic" investments should be shown separately from the "non-metallic" investments) used in calculating the \$2,164,116 intrastate adjustment for depreciation expense to be charge to BSI (the \$2,164,116 is discussed in the Qwest response to UTI 03-033 (e)).
- b. Please provide the dollar amount of the adjustment discussed in part (a), if it is calculated using the **intrastate** depreciation rates in effect in 2003, instead of using the **interstate** depreciation.

Arizona  
T-01051B-03-0454 and T-00000D-00-0672  
WDA 11-006

INTERVENOR: William W. Dunkel and Associates

REQUEST NO: 006

In an 8-2-04 e-mail from Norm Curtright, Staff was provided a file entitled "VDSL Architecture One Sheet CONFIDENTIAL.ppt". That file is a diagram of the VDSL architecture, with the ownership of various items color-coded. In the past Qwest had requested a transfer of assets from QC to BSI (see Qwest response to UTI 03-033).

- a. Is it a correct the requested transfer if assets from QC to BSI has not occurred?
- b. Since the transfer of assets has not occurred, does the ownership as shown on this diagram apply in all locations of Qwest in Arizona?
- c. If the answer to part (b) is no, provide the diagram or correction to this diagram showing the ownership as it exists in Arizona.
- d. Is there some date after which BSI has ownership of the VDSL equipment installed after that date, but VDSL equipment installed before that is owned by QC? If yes, what is that date?
- e. Does QC own the "headend", or any equipment in the "headend"? If not, what Commission order approved transferred the headend investment to BSI.
- f. What is the amount of the payments from BSI to QC in 2003 for the equipment which was proposed to be transferred?
- g. Which line(s) of the "AZ IAS REG 2003" tab of Confidential Attachment A to the Qwest response to UTI 3-033 contain the amount discussed in part (f).

# **EXHIBIT**

**B**

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RECEIVED



Patrick A. Clisham  
Arizona State Director

2004 JUL 28 A 11:15

326 E Broadmoor Court  
Phoenix, AZ 85022  
602 315-5312  
FAX 303 294-7337  
clisham@att.com

AZ CORP COMMISSION  
DOCUMENT CONTROL

Advice No. 494

July 28, 2004

Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Attn: Docket Control

Re: AT&T Communications of the Mountain States, Inc.  
Docket No. T-02428A-96-0119, Decision No. 60042

Attached are seventeen pages for filing in AT&T Communications of the Mountain States, Inc.'s Local Exchange Services Tariff. This filing removes expired local promotions and offers new local promotions.

The affected pages are:

Price List-Section 4

4 <sup>th</sup> Revised Page 4	1 <sup>st</sup> Revised Page 15
2 <sup>nd</sup> Revised Page 6	1 <sup>st</sup> Revised Page 16
2 <sup>nd</sup> Revised Page 7	1 <sup>st</sup> Revised Page 17
2 <sup>nd</sup> Revised Page 8	1 <sup>st</sup> Revised Page 18
2 <sup>nd</sup> Revised Page 9	1 <sup>st</sup> Revised Page 19
2 <sup>nd</sup> Revised Page 10	1 <sup>st</sup> Revised Page 20
2 <sup>nd</sup> Revised Page 11	1 <sup>st</sup> Revised Page 21
2 <sup>nd</sup> Revised Page 12	1 <sup>st</sup> Revised Page 23
1 <sup>st</sup> Revised Page 14	

The requested effective date for this filing is August 3, 2004. Please call if you have any questions.

Yours truly,

*Patrick A. Clisham by DCF*

Patrick A. Clisham

Enclosures

Arizona Corporation Commission

DOCKETED

JUL 28 2004

DOCKETED BY	<i>CFR</i>
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AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.

ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: JULY 28, 2004

PRICE LIST-SECTION 4

EFFECTIVE: AUGUST 3, 2004

4th REVISED PAGE 4

BY: Patrick Clisham-State Regulatory Manager

CANCELS 3rd REVISED PAGE 4

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.3 AT&T Thank You Promotion

(N)

Beginning August 3, 2004, and ending February 3, 2005 Customers who subscribe to AT&T Residential Local Service in response an AT&T initiated marketing contact during an active marketing campaign may be eligible to receive certificates or various items of merchandise free of charge and/or Phone Cards.

This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

4.1.4 AT&T New Move Service Charge Waiver Promotion

Beginning, August 3, 2004 and ending February 3, 2005, AT&T will offer the following promotion to new Customers who subscribe to AT&T Residential Local Exchange Service at their new residence when placing their new installation order.

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

For non-AT&T local Customers that are moving and choose AT&T for Local Service at their new residence with a new telephone number, AT&T will waive the service order charge normally incurred for new installations.

The waiver of the service order charge will be applied on an account level, and will include the service order charge for the primary line and any additional lines ordered in conjunction with the primary line or another additional line.

This promotion is available where billing capabilities exist and may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Service.

(N)

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: JULY 28, 2004

EFFECTIVE: AUGUST 3, 2004

BY: Patrick Clisham-State Regulatory Manager

PRICE LIST-SECTION 4

2nd REVISED PAGE 8

CANCELS 1st REVISED PAGE 8

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.8 AT&T \$25 for 2 Months Promotion  
(USOC: TBNJC)

(T)  
(N)

Beginning August 3, 2004, and ending February 3, 2005, AT&T will offer the following promotion to Customers who newly subscribe to AT&T Residential Local Service or upgrade their current subscription under AT&T Residential Local Service and select AT&T as their Primary Interexchange Carrier.

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

Eligible Customers will receive a \$25.00 bill credit for two billing periods. The first bill credit will be applied to charges on the first billing cycle after enrollment is processed by the billing system. If the Customer's total bill is less than the \$25 bill credit, the remaining credit amount will appear as a credit balance on the Customer's future bills.

This promotion may also be used in marketing and retention of AT&T Residential Local Customers. Specifically, residential Customers who express dissatisfaction with AT&T Residential Local Service may receive this promotion.

If at any time during this promotion, the Customer selects a carrier other than AT&T for their Primary Interexchange Carrier and/or their Local Exchange Carrier, the Customer will: 1) forfeit any monthly bill credit not yet received, and 2) terminate their participation in this promotion.

This offer is available where billing capabilities exist. This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

(N)

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.

ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: JULY 28, 2004

PRICE LIST-SECTION 4

EFFECTIVE: AUGUST 3, 2004

2nd REVISED PAGE 9

BY: Patrick Clisham-State Regulatory Manager

CANCELS 1st REVISED PAGE 9

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.9 AT&T \$25 for 1 Month Promotion  
(USOC: TENSG)

(N)

Beginning August 3, 2004, and ending February 3, 2005, AT&T will offer the following promotion to Customers who newly subscribe to AT&T Residential Local Service or upgrade their current subscription under AT&T Residential Local Service and select AT&T as their Primary Interexchange Carrier.

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

Eligible Customers will receive a \$25.00 bill credit for one billing period. The bill credit will be applied to charges on the first billing cycle after enrollment is processed by the billing system. If the Customer's total bill is less than the \$25 bill credit, the remaining credit amount will appear as a credit balance on the Customer's future bills.

This promotion may also be used in marketing and retention of AT&T Residential Local Customers. Specifically, residential Customers who express dissatisfaction with AT&T Residential Local Service may receive this promotion.

If at any time during this promotion, the Customer selects a carrier other than AT&T for their Primary Interexchange Carrier and/or their Local Exchange Carrier, the Customer will: 1) forfeit any monthly bill credit not yet received, and 2) terminate their participation in this promotion.

This offer is available where billing capabilities exist. This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

(N)

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: JULY 28, 2004

PRICE LIST-SECTION 4

EFFECTIVE: AUGUST 3, 2004

2nd REVISED PAGE 10

BY: Patrick Clisham-State Regulatory Manager CANCELS 1st REVISED PAGE 10

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.10 AT&T 6 Months of 60 Minutes Promotion  
(USOC: RWIKA)

(N)

Beginning August 3, 2004, and ending February 3, 2005, AT&T will offer the following promotion to AT&T Residential Local Service Customers who respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

Eligible Customers will receive six consecutive monthly bill credits, each equal to the lesser of: 1) the first 60 minutes of domestic Dial Station calling per month or 2) the total minutes of domestic Dial Station calling per month. The bill credit will be awarded on complete billing cycles after enrollment, but will begin no later than the second complete bill cycle after the Customer enrolls. Customers will receive the above bill credits on the monthly bill statement during the monthly bill period the credit was earned.

Eligible domestic Dial Station usage is a Customer's billed usage for a monthly billing period for domestic Dial Station Calls. Eligible domestic Dial Station usage includes intrastate calling unless an identical Free Minutes Promotion is effective under an applicable AT&T Service Guide.

AT&T will calculate a Customer's qualifying usage for the free minutes bill credit by using the first 60 minutes of domestic Dial Station qualifying usage during the Customer's monthly bill cycle. Customer's free minutes credit will be calculated after all other discounts and credits are applied. In the event a Customer has less than 60 qualifying free minutes of usage in a given monthly bill cycle period, a credit for only the qualifying minutes used will be issued to the Customer and counted as the 60 free minutes credit. In the event a Customer has no qualifying free minutes usage in a given monthly bill cycle period, a credit of \$0 will be issued to the Customer. This promotion is available where billing capabilities exist.

If at any time during this promotion, the Customer selects a carrier other than AT&T as their Primary Interexchange Carrier and/or Local Exchange Carrier, the Customer will: 1) forfeit any monthly bill credits not yet received, and 2) terminate their participation in this promotion.

This offer is available where billing capabilities exist. This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

(N)

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: JULY 28, 2004

EFFECTIVE: AUGUST 3, 2004

BY: Patrick Clisham-State Regulatory Manager

PRICE LIST-SECTION 4

2nd REVISED PAGE 11

CANCELS 1st REVISED PAGE 11

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.11 AT&T \$10 for 6 Months Promotion  
(USOC: TENKC)

(N)

Beginning August 3, 2004, and ending February 3, 2005, AT&T will offer the following promotion to Customers who newly subscribe to AT&T Residential Local Service or upgrade their current subscription under AT&T Residential Local Service and select AT&T as their Primary Interexchange Carrier.

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

Eligible Customers will receive a \$10.00 bill credit for six billing periods. The bill credit will be applied to charges on the first billing cycle after enrollment is processed by the billing system. If the Customer's total bill is less than the \$10 bill credit, the remaining credit amount will appear as a credit balance on the Customer's future bills.

This promotion may also be used in marketing and retention of AT&T Residential Local Customers. Specifically, residential Customers who express dissatisfaction with AT&T Residential Local Service may receive this promotion.

If at any time during this promotion, the Customer selects a carrier other than AT&T for their Primary Interexchange Carrier and/or their Local Exchange Carrier, the Customer will: 1) forfeit any monthly bill credit not yet received, and 2) terminate their participation in this promotion.

This offer is available where billing capabilities exist. This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

(N)

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: JULY 28, 2004

EFFECTIVE: AUGUST 3, 2004

BY: Patrick Clisham-State Regulatory Manager

PRICE LIST-SECTION 4

2nd REVISED PAGE 12

CANCELS 1st REVISED PAGE 12

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.12 AT&T \$5 for 6 Months Promotion  
(USOC: TENKD)

Beginning August 3, 2004, and ending February 3, 2005, AT&T will offer the following promotion to Customers who newly subscribe to AT&T Residential Local Service, or upgrade their current subscription under AT&T Residential Local Service and select AT&T as their Primary Interexchange Carrier.

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

Eligible Customers will receive a \$5.00 bill credit for six billing periods. The bill credit will be applied to charges on the first billing cycle after enrollment is processed by the billing system. If the Customer's total bill is less than the \$5 bill credit, the remaining credit amount will appear as a credit balance on the Customer's future bills.

This promotion may also be used in marketing and retention of AT&T Residential Local Customers. Specifically, residential Customers who express dissatisfaction with AT&T Residential Local Service may receive this promotion.

If at any time during this promotion, the Customer selects a carrier other than AT&T for their Primary Interexchange Carrier and/or their Local Exchange Carrier, the Customer will: 1) forfeit any monthly bill credit not yet received, and 2) terminate their participation in this promotion.

This offer is available where billing capabilities exist. This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

(N)

(N)

# **EXHIBIT**

**C**

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Patrick A. Clisham  
Arizona State Director

2004 AUG 13 A 10: 58

320 E. Broadmoor Court  
Phoenix, AZ 85022  
602 315-5312  
FAX 303 294-7337  
clisham@att.com

AZ CORP COMMISSION  
DOCUMENT CONTROL

Advice No. 495

August 13, 2004

Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Attn: Docket Control

Re: AT&T Communications of the Mountain States, Inc.  
Docket No. T-02428A-96-0119, Decision No. 60042

Attached are three pages for filing in AT&T Communications of the Mountain States, Inc.'s Local Exchange Services Tariff. This filing ends the New Move Service Order Charge Waiver Promotion, offers the One, Two, or Three Free Promotion, and removes an expired promotion.

The affected pages are:

Price List-Section 4  
4<sup>th</sup> Revised Page 1  
5<sup>th</sup> Revised Page 4  
2<sup>nd</sup> Revised Page 22

The requested effective date for this filing is August 20, 2004. Please call if you have any questions.

Yours truly,

*Patrick A. Clisham by DR#*

Patrick A. Clisham

Enclosures

Arizona Corporation Commission  
**DOCKETED**

AUG 13 2004

DOCKETED BY *DR#*

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: AUGUST 13, 2004

EFFECTIVE: AUGUST 20, 2004

BY: Patrick Clisham-State Regulatory Manager

PRICE LIST-SECTION 4

4th REVISED PAGE 1

CANCELS 3rd REVISED PAGE 1

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions

4.1.1 AT&T One, Two or Three Months Free Promotion

(T)

Beginning August 20, 2004, and ending February 20, 2005, AT&T will offer the following promotion to Customers who newly subscribe to AT&T Residential Local Service or upgrade their current AT&T local service subscription and select AT&T as their Primary Interexchange Carrier.

(N)

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

Eligible Customers may receive a waiver of the monthly recurring charge for their local calling plan and all feature packages for one, two or three months. The waiver will be applied to full month charges on the first billing cycle after enrollment is processed by the billing system.

This promotion may also be used in marketing and retention of AT&T Residential Local Customers. Specifically, residential Customers who express dissatisfaction with AT&T Residential Local Service may receive this promotion.

If at any time during this promotion, the Customer selects a carrier other than AT&T as their Primary Interexchange Carrier and/or Local Exchange Carrier, the Customer will terminate their participation in this promotion.

This offer is available where billing capabilities exist. This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

(N)

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: AUGUST 13, 2004

PRICE LIST-SECTION 4

EFFECTIVE: AUGUST 20, 2004

5th REVISED PAGE 4

BY: Patrick Clisham-State Regulatory Manager

CANCELS 4th REVISED PAGE 4

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.3 AT&T Thank You Promotion

Beginning August 3, 2004, and ending February 3, 2005 Customers who subscribe to AT&T Residential Local Service in response an AT&T initiated marketing contact during an active marketing campaign may be eligible to receive certificates or various items of merchandise free of charge and/or Phone Cards.

This promotion may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Exchange Service.

4.1.4 AT&T New Move Service Charge Waiver Promotion

Beginning, August 3, 2004 and ending August 27, 2004, AT&T will offer the following promotion to new Customers who subscribe to AT&T Residential Local Exchange Service at their new residence when placing their new installation order. (C)

Customers must respond to an AT&T initiated marketing contact or AT&T marketing material related to this promotion, or contact AT&T and request this promotion during an active marketing campaign to be eligible for this promotion.

For non-AT&T local Customers that are moving and choose AT&T for Local Service at their new residence with a new telephone number, AT&T will waive the service order charge normally incurred for new installations.

The waiver of the service order charge will be applied on an account level, and will include the service order charge for the primary line and any additional lines ordered in conjunction with the primary line or another additional line.

This promotion is available where billing capabilities exist and may not be combined with any other promotions providing credits or free usage to Customers subscribing to AT&T Residential Local Service.

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.  
ARIZONA

LOCAL EXCHANGE SERVICES TARIFF

ISSUED: AUGUST 13, 2004

PRICE LIST-SECTION 4

EFFECTIVE: AUGUST 20, 2004

2nd REVISED PAGE 22

BY: Patrick Clisham-State Regulatory Manager CANCELS 1st REVISED PAGE 22

PROMOTIONAL OFFERINGS

4. AT&T Local Exchange Service

4.1 Promotions (Cont'd)

4.1.22 Reserved for Future Use

(T)

(D)

(D)