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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

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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

NOTICE OF ERRATA

Qwest Corporation ("Qwest") hereby files this Notice of Errata in the above-referenced dockets. On May 20, 2004, Qwest filed its Direct Testimony for Modification of Price Cap Plan, Request for Deregulation of Services and Request for Arizona Universal Service Funding. As Attachment 1, Qwest hereby files revised pages 7 and 8 to the Direct Testimony of David L. Teitzel. A copy of this attachment is enclosed and will be mailed to each person identified on the service list in these dockets.

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RESPECTFULLY SUBMITTED this 27 day of July, 2004.

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An Original and 15 copies hand-delivered for  
filing this 27 of July, 2004 to:

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COPY of the foregoing delivered  
this 27 day of July, 2004 to:

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4 COPY of the foregoing mailed  
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- 10 Phoenix, AZ 85027
  
- 11 Alliance Group Services, Inc.  
1221 Post Road East
- 12 Westport, CT 06880
  
- 13 Archtel, Inc.  
1800 West Park Drive, Ste. 250
- 14 Westborough, MA 01581
  
- 15 Brooks Fiber Communications of Tucson, Inc.  
201 Spear Street, 9<sup>th</sup> Floor
- 16 San Francisco, CA 94105
  
- 17 Centruytel  
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- 18 Monroe, LA 71211-4065
  
- 19 Citizens Utilities Rural Co. Inc.  
Citizens Communications Co. of Arizona
- 20 4 Triad Center, Suite 200  
Salt Lake City, UT 84180
  
- 21 Citizens Telecommunications Co.  
22 of the White Mountains, Inc.  
4 Triad Center, Ste. 200
- 23 Salt Lake City, UT 84180
  
- 24 Comm South Companies, Inc.  
2909 N. Buckner Blvd., Ste. 200
- 25 Dallas, TX 75228

26

- 1 Copper Valley Telephone, Inc.  
PO Box 970
- 2 Willcox, AZ 85644
- 3 Electric Lightwave, Inc.  
4 Triad Center, Ste. 200
- 4 Salt Lake City, UT 84180
- 5 Eschelon Telecom of Arizona, Inc.  
730 Second Avenue South, Ste.1200
- 6 Minneapolis, MN 55402
- 7 Ernest Communications, Inc.  
5275 Triangle Pkwy, Ste. 150
- 8 Norcross, GA 30092-6511
- 9 Intermedia Communications, Inc.  
3608 Queen Palm Drive
- 10 Tampa, FL 33619-1311
- 11 Level 3 Communications, LLC  
1025 Eldorado Blvd.
- 12 Broomfield, CO 80021
- 13 Max-Tel Communications, Inc.  
105 N. Wickham
- 14 PO Box 280
- 15 Alvord, TX 76225
- 16 MCI WorldCom Communications  
201 Spear Street, 9<sup>th</sup> Floor
- 17 San Francisco, CA 94105
- 18 MCIMetro  
201 Spear Street, 9<sup>th</sup> Floor
- 19 San Francisco, CA 94105
- 20 Metropolitan Fiber Systems of Arizona, Inc.  
201 Spear Street, 9<sup>th</sup> Floor
- 21 San Francisco, CA 94105
- 22 Midvale Telephone Exchange  
PO Box 7
- 23 Midvale, ID 83645
- 24 Navajo Communications Co., Inc.  
4 Triad Center, Suite 200
- 25 Salt Lake City, UT 84180
- 26

- 1 Nextlink Long Distance Svcs.  
3930 E. Watkins, Ste. 200  
2 Phoenix, AZ 85034
- 3 North County Communications Corporation  
3802 Rosencrans, Ste. 485  
4 San Diego, CA 92110
- 5 One Point Communications  
Two Conway Park  
6 150 Field Drive, Ste. 300  
Lake Forest, IL 60045
- 7 Opex Communications, Inc.  
8 500 E. Higgins Rd., Ste. 200  
Elk Grove Village, IL 60007
- 9 Pac-West Telecomm, Inc.  
10 1776 W. March Lane, #250  
Stockton, CA 95207
- 11 The Phone Company/Network Services of New Hope  
12 6805 Route 202  
New Hope, PA 18938
- 13 Rio Virgin Telephone Co.  
14 Rio Virgin Telephone and Cablevision  
PO Box 189  
15 Estacada, OR 97023-000
- 16 South Central Utah Telephone Association, Inc.  
PO Box 226  
17 Escalante, UT 84726-000
- 18 Southwestern Telephone Co., Inc.  
PO Box 5158  
19 Madison, WI 53705-0158
- 20 Special Accounts Billing Group  
1523 Withorn Lane  
21 Inverness, IL 60067
- 22 Sprint Communications Company, L.P.  
6860 W. 115<sup>th</sup>, MS:KSOPKD0105  
23 Overland Park, KS 66211
- 24 Touch America  
130 N. Main Street  
25 Butte, MT 59701
- 26

- 1 Table Top Telephone Co, Inc.  
600 N. Second Avenue  
2 Ajo, AZ 85321-0000
- 3 TCG Phoenix  
1875 Lawrence Street, Room 1575  
4 Denver, CO 80202
- 5 Valley Telephone Cooperative, Inc.  
752 E. Malley Street  
6 PO Box 970  
Willcox, AZ 85644
- 7 Verizon Select Services Inc.  
8 6665 MacArthur Blvd, HQK02D84  
Irving, TX 75039
- 9 VYVX, LLC  
10 One Williams Center, MD 29-1  
Tulsa, OK 74172
- 11 Western CLEC Corporation  
12 3650 131<sup>st</sup> Avenue SE, Ste. 400  
Bellevue, WA 98006
- 13 Williams Local Network, Inc.  
14 One Williams Center, MD 29-1  
Tulsa, OK 74172
- 15 XO Arizona Inc.  
16 3930 Watkins, Ste. 200  
Phoenix, AZ 85034
- 17 Eric S. Heath  
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# **ATTACHMENT 1**

1  
2 Competitors such as Cox, AT&T, and MCI are now providing service to both  
3 residential and business customers in Phoenix and Tucson over their own facilities  
4 or through the purchase of unbundled network elements from Qwest. Competitors  
5 are bundling local and long distance services into single packaged offerings. A  
6 count of white pages listings associated with Cox customers in Arizona shows that,  
7 as of April 27, 2004, Cox customers had XX residential and XX business directory  
8 listings (see Confidential Exhibit DLT-1 for figures) in the Qwest white pages listings  
9 database, primarily in the greater Phoenix and Tucson areas. Since many lines,  
10 particularly business lines associated with multi-line business customers, are not  
11 listed, these directory listings counts likely understate the actual number of Cox  
12 retail lines currently in service and white pages listings counts are a conservative  
13 measure of the actual volume of Cox access lines. Cox is clearly one of Qwest's  
14 most significant competitors in the Arizona local exchange market. According to  
15 Cox, 200,000 Tucson and Green Valley households will be able to obtain Cable,  
16 Internet, Local Phone Service and Long Distance Service combined on one bill.  
17 Initially, AT&T and MCI were only serving business customers, and now both of  
18 these companies are courting residential customers with local, calling features, long  
19 distance, and Internet service bundles. Clearly, Qwest's competitors are enjoying

1 dramatic success in the Arizona market. Competition has advanced significantly in  
2 the past three years.

3  
4 **Q. WHICH OF QWEST'S MARKETS ARE MOST VULNERABLE?**

5  
6 A. Qwest is experiencing the most robust competition in the Phoenix and Tucson  
7 MSAs. It is not surprising that competitors have focused on the Phoenix market, as  
8 over half of the state's population resides in the Phoenix MSA. The number of retail  
9 lines Qwest has tracked as being disconnected for competitive reasons provides  
10 one indicator of the impact competition is having in the Phoenix and Tucson  
11 metropolitan areas. Since August 2002, Qwest has lost over XX residential lines in  
12 Phoenix and almost XX residential lines in Tucson because the customer is shifting  
13 service to a competitive alternative. (See Confidential Exhibit DLT-1 for figures.)  
14

15 **Q. ARE THE LOSSES QWEST IS EXPERIENCING LIMITED TO RESIDENCE**  
16 **CUSTOMERS?**

17  
18 A. No. Qwest is also experiencing losses of business customers. In fact, CLECs  
19 generally first targeted the business market and have now expanded to the  
20 residential market. Qwest's business customer base is a prime competitive target,  
21 as prices for these customers continue to carry relatively high levels of contribution.