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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

2000 NOV 20 P 4:19

AZ CORP COMMISSION
DOCUMENT CONTROL

Docket No. T-01051B-99-0105

IN THE MATTER OF THE APPLICATION
OF U S WEST COMMUNICATIONS, INC.,
A COLORADO CORPORATION, FOR A
HEARING TO DETERMINE THE
EARNINGS OF THE COMPANY, THE
FAIR VALUE OF THE COMPANY FOR
RATEMAKING PURPOSES, TO FIX A
JUST AND REASONABLE RATE OF
RETURN THEREON AND TO APPROVE
RATE SCHEDULES DESIGNED TO
DEVELOP SUCH RETURN.

Arizona Corporation Commission
DOCKETED

NOV 20 2000

DOCKETED BY

RUCO's Response Supporting Joint Motion to Reconsider Procedural Schedule

On November 15, 2000, AT&T Communications of the Mountain States, Inc. ("AT&T") and Cox Arizona Telecom, L.L.C. ("Cox") filed a Joint Motion to Reconsider Procedural Schedule ("Joint Motion"). For the reasons set forth below, the Residential Utility Consumer Office ("RUCO") supports the Joint Motion.

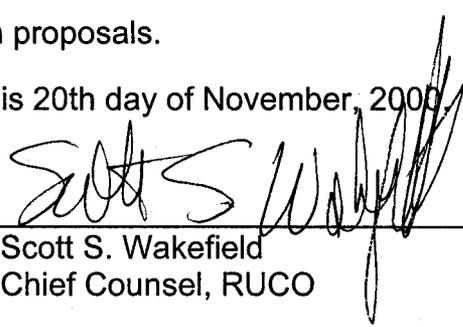
Qwest Corporation ("Qwest") and the Utilities Division of the Arizona Corporation Commission ("Staff") have filed a Settlement Agreement in this docket. Two other parties have indicated that they support the settlement agreement. Four parties (RUCO, Cox, AT&T, and the Arizona Consumers Council) have indicated that they oppose adoption of the Settlement Agreement in its current form.

In considering whether to accept a settlement of fewer than all of the parties to a proceeding, the Commission should determine whether the settlement is a reasonable resolution of the application before it, in light of the entire record. See *Business and*

1 *Professional People for the Public Interest v. Illinois Commerce Commission*, 136 Ill.2d 192,
2 144 Ill.Dec. 334, 555 N.E.2d 693, 704 (1989). The Commission has indicated that the hearing
3 currently scheduled on the Settlement Agreement will be limited to a consideration of the
4 Settlement Agreement. The Commission's October 17, 2000 Procedural Order provides that
5 "cross examination/direct testimony by Intervenors shall be limited to those areas filed as
6 specific disagreements/testimony/comments." In response to RUCO's Motion for Clarification
7 on that provision, the Chief Administrative Law Judge indicated at a November 2, 2000
8 Procedural Conference that he would admit all pre-filed testimony filed in this docket, but that
9 he would only permit cross examination on the testimony filed relating to the Settlement
10 Agreement. The Commission should not make a judgment on the Settlement Agreement until
11 it has fully reviewed the entire record of this proceeding, not just the testimony put forth
12 regarding the Settlement Agreement. RUCO agrees with AT&T and Cox that the
13 Commission's proceeding should allow all interested parties to provide input on the appropriate
14 revenue requirement for Qwest.

15 In addition, RUCO agrees with AT&T and Cox that adoption of the proposed price cap
16 plan would be an enormous change in the way the Commission regulates Qwest. A change of
17 this magnitude should not be made after a review of a record developed over the course of a
18 mere five weeks that focuses only on the Settlement Agreement. Any consideration of an
19 alternative regulation plan should be undertaken in a proceeding that permits all parties to fully
20 explore all possible alternative regulation proposals.

21 RESPECTFULLY SUBMITTED this 20th day of November, 2000

22 
23 Scott S. Wakefield
24 Chief Counsel, RUCO

1 AN ORIGINAL AND TEN COPIES
2 of the foregoing filed this 20th day of
3 November, 2000 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

5 COPIES of the foregoing hand delivered/
6 mailed this 20th day of November, 2000 to:

7 Jerry Rudibaugh, Chief Hearing Officer
8 Hearing Division
9 Arizona Corporation Commission
10 1200 West Washington
11 Phoenix, Arizona 85007

10 Maureen Scott
11 Legal Division
12 Arizona Corporation Commission
13 1200 West Washington
14 Phoenix, Arizona 85007

13 Deborah Scott, Director
14 Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

16 Timothy Berg
17 Theresa Dwyer
18 Fennemore Craig, P.C.
19 3003 North Central Avenue, Suite 2600
20 Phoenix, Arizona 85012
21 Attorneys for Qwest Communications, Inc.

19 Thomas Dethlefs
20 Qwest Corporation, Inc.
21 1801 California Street, Suite 5100
22 Denver, Colorado 80202

22

23

24

- 1 Darren S. Weingard
Natalie D. Wales
- 2 Sprint Communications Company L.P.
1850 Gateway Drive, 7th Floor
- 3 San Mateo, California 94404-2467
- 4 Steven J. Duffy
Ridge & Isaacson, P.C.
- 5 3101 North Central Avenue, Suite 432
Phoenix, Arizona 85012
- 6
- 7 Raymond S. Heyman
Randall H. Warner
Roshka Heyman & DeWulf, P.L.C.
- 8 Two Arizona Center
400 North Fifth Street, Suite 1000
- 9 Phoenix, Arizona 85004
Attorneys for Arizona Payphone Association
- 10
- 11 Peter Q. Nyce, Jr.
General Attorney, Regulatory Law Office
U.S. Army Legal Services Agency
Department of the Army
901 North Stuart Street, Suite 700
Arlington, Virginia 22203-1837
- 12
- 13
- 14 Richard Lee
Snaveley, King & Majoros, O'Connor & Lee
1220 L Street, N.W., Suite 410
Washington, D.C. 20005
- 15
- 16
- 17 Thomas F. Dixon
MCI Worldcom
707 17th Street, Suite 3900
Denver, Colorado 80202
- 18
- 19 Thomas H. Campbell
Lewis & Roca
40 North Central Avenue
Phoenix, Arizona 85004
- 20
- 21 Attorneys for MCI Telecommunications and
MCImetro Access Transmission Services
- 22
- 23
- 24

- 1 Richard S. Wolters
AT&T Communications
2 1875 Lawrence Street, Suite 1575
Denver, Colorado 80202
3
- 4 Patricia vanMidde
AT&T Communications
111 West Monroe, Suite 1201
5 Phoenix, Arizona 85003
- 6 Diane Bacon
Legislative Director
7 Communications Workers of America
Arizona State Council
8 5815 North 7th Street, Suite 206
Phoenix, Arizona 85014-5811
9
- 10 Michael W. Patten
Brown & Bain, P.A.
P.O. Box 400
11 Phoenix, Arizona 85001-0400
Attorneys for Cox Arizona Telecom, Inc. and
12 e-spire Communications
- 13 Michael Grant
Gallagher & Kennedy
14 2600 North Central Avenue
Phoenix, Arizona 85004
15 Attorneys for Citizens Utilities Company
- 16 Jeffrey W. Crockett
Snell & Wilmer
17 One Arizona Center
Phoenix, Arizona 85004-0001
18
- 19 J.E. & B.V. McGillivray
300 South McCormick
Prescott, Arizona 86303
20
- 21 Jon Poston
Arizonans for Competition in Telephone Service
6733 East Dale Lane
22 Cave Creek, Arizona 85331
23
24

- 1 Albert Sterman, Vice President
Arizona Consumers Council
2 2849 E. 8th Street
Tucson, Arizona 85716
3
4 Douglas Hsiao
Rhythms Links, Inc.
6933 Revere Parkway
5 Englewood, Colorado 80112
6
7 Jim Scheltema
Blumenfeld & Cohen
1625 Massachusetts Avenue, N.W., Suite 300
Washington, D.C. 20036
8
9 Martin A. Aronson
William D. Cleaveland
Morrill & Aronson, PLC
10 One East Camelback Road, Suite 340
Phoenix, Arizona 85012
11
12 Chuck Turner, Mayor
Town of Gila Bend
P.O. Box A
13 644 W. Pima Street
Gila Bend, Arizona 85337-0019
14
15 Joan S. Burke
Osborn Maledon, P.A.
2929 North Central Avenue, Suite 2100
16 Phoenix, Arizona 85012
Attorneys for Excell Agent Services, L.L.C.
17
18 Robert Tanner
Davis Wright Tremaine LLP
17203 N. 42nd Street
19 Phoenix, Arizona 85032

20
21 By Cheryl Fraulob
Cheryl Fraulob
22
23
24