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BEFORE THE ARIZONA CORPORATION COMMISSION

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

MARC SPITZER
Chairman

WILLIAM A. MUNDELL
Commissioner

JEFF HATCH-MILLER
Commissioner

MIKE GLEASON
Commissioner

KRISTIN K. 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

NOTICE OF FILING SUPPLEMENTAL TESTIMONY
OF DON PRICE ON BEHALF OF MCI, INC.

Attached is the supplemental direct testimony of Don Price being filed in the
above-referenced matter of behalf of MCI, Inc.

1 RESPECTFULLY SUBMITTED this 6th day of September, 2005.

2 LEWIS AND ROCA

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14 of the foregoing filed this 6th day
15 of September, 2005, with:

16 Arizona Corporation Commission
17 Docket Control – Utilities Division
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19 Phoenix, Arizona 85007

20 COPY of the foregoing hand-delivered
21 this 6th day of September, 2005, to:

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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER,
Chairman
WILLIAM A. MUNDELL,
Commissioner
MARC SPITZER,
Commissioner
MIKE GLEASON,
Commissioner
KRISTIN K. MAYES,
Commissioner

IN THE MATTER OF QWEST)	DOCKET NO. T-01051B-03-0454
CORPORATION'S FILING AMENDED)	
RENEWED PRICE REGULATION)	
PLAN.)	
)	
)	
IN THE MATTER OF THE)	DOCKET NO. T-00000D-00-0672
INVESTIGATION OF THE COST OF)	
TELECOMMUNICATIONS ACCESS)	
)	

SUPPLEMENTAL DIRECT TESTIMONY

OF

DON PRICE

On behalf of

Regulated Subsidiaries of MCI, Inc.

SEPTEMBER 6, 2005

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INTRODUCTION AND BACKGROUND

Q. Please state your name, title, and qualifications.

A. My name is Don Price. I am employed by MCI, Inc., the parent company of MCI's Arizona-regulated subsidiaries ("MCI"), including MCImetro Access Transmission Services, LLC; MCI Communications Services, Inc., formerly known as MCI WorldCom Communications, Inc.; MCI Network Services, Inc., formerly known as MCI WorldCom Network Services, Inc.; Teleconnect Long Distance Services and Systems Company dba Telecom*USA; TTI National, Inc.; and Intermedia Communications, Inc., which is no longer providing regulated services in Arizona and which applied for cancellation of its intrastate certificates of convenience in January 2005 which application is still pending before this Commission.

Q. Are you the same Don Price who filed direct testimony in these proceedings on November 18, 2004 on behalf of MCI?

A. Yes, I am.

THE SETTLEMENT AGREEMENT

Q. Are you familiar with a Settlement Agreement filed in these dockets on or about August 22, 2005?

A. Yes, I am.

Q. Have you reviewed the Settlement Agreement?

- A. Yes, as well as Attachment A, the Price Cap Plan, Attachment C which contains both the current and proposed intrastate switched access rates resulting in an approximate \$12 million permanent reduction in Qwest's intrastate switched access rates, and Basket 4 relating to wholesale services provided by Qwest Corporation ("Qwest") in particular. I am also generally familiar with the remaining attachments and baskets. However, because MCI was not significantly involved in the negotiations of matters addressed in the remaining attachments and baskets, I have not studied them and have no detailed knowledge about them or how they were derived by the other parties to the Settlement Agreement.

MCI SUPPORTS THE SETTLEMENT AGREEMENT

Q. Do the Arizona-regulated subsidiaries of MCI, Inc. support the Settlement Agreement and its attachments?

A. Yes, they do.

Q. Why do the Arizona-regulated subsidiaries of MCI, Inc. support the Settlement Agreement and its attachments?

A. MCI has been an active participant in these proceedings and, primarily through its attorney, has been an active participant in the settlement negotiations that have occurred in these proceedings. The relief MCI sought in my direct testimony filed November 18, 2004 was for significant reductions in Qwest's intrastate switched access rates. The Settlement Agreement provides for an immediate and permanent reduction to Qwest's intrastate switched access rates of \$12 million industry wide. While the amount of the reduction provided by the Settlement

Agreement is less than MCI requested, it is an appropriate compromise that results in meaningful intrastate switched access reductions. It also is a step in the right direction by addressing some of the concerns raised by the Arizona Corporation Commission (“Commission”) in the docket opened by the Commission relating to the Cost to Telecommunications Access, Docket No. T-00000D-00-0672.

In addition, the overall Settlement Agreement and its attachments resolve all matters at issue among the signatories to the Settlement Agreement, thereby striking an appropriate balance among all of the issues raised in these proceedings that are pending before the Commission. MCI considers the Settlement Agreement and its attachments to be a fair and reasonable compromise that is in the public interest from its perspective.

Obviously, the Settlement Agreement is a compromise of various positions taken by parties to these proceedings. Agreeing to such a compromise allows MCI to save the expenses that it would have incurred to fully litigate the matters raised in these proceedings. However, by entering into the Settlement Agreement, MCI is not waiving positions taken in my earlier-filed direct testimony and its agreement here is not precedential.

Q. Do the Arizona-regulated subsidiaries of MCI, Inc. request the Commission approve the Settlement Agreement and its attachments?

A. Yes, they do.

Q. Does this conclude your testimony?

A. Yes, at this time.