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 2003 SEP -4 P 2 32
 ARIZONA CORPORATION COMMISSION

MUNDELL PROPOSED AMENDMENT # 1

TIME/DATE PREPARED September 4, 2003

COMPANY: Qwest Corporation

AGENDA ITEM NO. 1

DOCKET NO T-01051B-02-0666

OPEN MEETING DATE: September 5, 2003

Page 18, line 21 through Page 20, line 1

DELETE

Page 18, line 21

INSERT

Arizona Corporation Commission
DOCKETED

SEP 04 2003

DOCKETED BY	
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“Qwest’s directories are valuable assets that have traditionally been relied upon to mitigate the upward pressures on local service rates for Arizona consumers. We believe that the holding in US WEST Communications Inc. v. Arizona Corp. Com’n. was case specific, and with an appropriate record, a higher imputation amount could be supported. After consideration of legal precedence and all the evidence presented in this case, we find that the Stipulation as presented does not adequately compensate Arizona ratepayers for the sale of the Dex operations. We believe that the sale of Dex is in the public interest only if ratepayers receive sufficient benefits from the sale. The increased annual imputation provided for in the Stipulation is not sufficient. We find that the Dex sale would be in the public interest if the annual directory revenue imputation is be raised from \$43,000,000 to \$110,000,000 for the four (4) years beginning on the date Qwest submits its first Price Cap Plan review filing pursuant to the settlement agreement in Docket No. T-0105B-99-0105 and paragraph 6(b) of Attachment A of the Price Cap Plan, as approved in Decision No. 63487. The annual directory revenue imputation shall be \$103,400,000 for the following eleven (11) years.”

Page 22, line 11

DELETE current Findings of Fact No. 22

INSERT new Findings of Fact No. 22 as follows

“The terms of the Stipulation as presented do not provide a reasonable compromise of the issues presented in this case.”

Commissioner William Mundell
September 5 2003
Page Two

Page 22, line 15

INSERT new Findings of Fact No. 23 and renumber accordingly

“The sale of Dex is in the public interest if the annual directory revenue imputation is raised from \$43,000,000 to \$110,000,000 for the four (4) years beginning on the date Qwest submits its first Price Cap Plan review filing pursuant to the settlement agreement in Docket No. T-0105B-99-0105 and paragraph 6(b) of Attachment A of the Price Cap Plan, as approved in Decision No. 63487, and the annual directory revenue imputation is \$103,400,000 for the following eleven (11) years.

Page 22, line 28

INSERT “not” after “The Stipulation is”

Page 23, line 1

INSERT “not” after “and is”

Page 23, line 2

INSERT new Conclusion of Law No. 6

“The sale of Dex as conditioned in Findings of Fact No. 23 is reasonable and fair and in the public interest.”

Page 23, line 3

DELETE

“that the Stipulation between Qwest and Commission staff attached hereto as Exhibit A is approved.”

INSERT

“the sale of Qwest Dex, Inc. to Dex Holdings LLC is approved conditioned upon the annual directory revenue imputation being raised from \$43,000,000 to \$110,000,000 for the four (4) years beginning on the date Qwest submits its first Price Cap Plan review filing pursuant to the settlement agreement in Docket No. T-0105B-99-0105 and paragraph 6(b) of Attachment A of the Price Cap Plan, as approved in Decision No. 63487. Thereafter, the annual directory revenue imputation shall be \$103,400,000 for the following eleven (11) years.