

ORIGINAL



0000066654

Qwest

Spirit of Service

2502

Qwest Corporation
Law Department
1801 California Street
49th Floor
Denver, CO 80202

Kathy Rowley
Lead Paralegal-Interrogatory Manager

February 8, 2007

VIA HAND DELIVERY

Candrea Allen
Executive Consultant I
Arizona Corporation Commission
Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

Re: **Staff's Letter of Insufficiency and First Set of Data Requests to Qwest
LD Corp.; Docket No. T-04190A-07-0030**

Dear Ms. Allen:

Enclosed please find Qwest LD Corp.'s Responses, Nos. 001-010, as they relate to the above-referenced matter.

Confidential information is being provided with the understanding that it will be treated as such. Should you have any questions, you may contact me at (303) 383-6679.

Sincerely,

Kathy Rowley

Enclosures

cc: Norm Curtright
Docket Control
Sharon Alvarado

Arizona Corporation Commission
DOCKETED

FEB -8 2007

DOCKETED BY	NR
-------------	----

AZ CORP COMMISSION
DOCUMENT CONTROL

2007 FEB -8 P 4:54

RECEIVED

Arizona
Docket No. T-04190A-07-0030
STF 01-001

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 001

Please provide a statement setting forth the reasons for which a rate increase is required. Refer to R14-2-1110 (B) (1) of the Arizona Administrative Code ("AAC").

RESPONSE:

The proposed increases will present the opportunity for a revenue increase to the company. As already stated in the Company's 1/16/07 application, the new rates requested by QLDC are just and reasonable in a competitive market such as the residential direct dialed long distance market.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-002

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 002

Please indicate the additional revenues to be derived from the proposed rates. Refer to AAC R14-2-1110 (B) (2).

RESPONSE:

The additional estimated potential annual revenue to be derived from the proposed increases was redacted for filing with Docket Control in QLDC's original filing done on January 16, 2007. For your convenience, QLDC has attached the unredacted version of Confidential Exhibit 2.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-003

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 003

Please provide an affidavit verifying that appropriate notice of the proposed rate increase has been provided to customers of the services.

RESPONSE:

The original affidavit was filed in the original application on January 16, 2007 as part of Exhibit 1. For your convenience, Exhibit 1 is attached.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-004

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 004

Please indicate the Applicant's fair value rate base in Arizona.

RESPONSE:

The rates contained in this filing are for services that have been classified as competitive by the Commission and that are subject to the Commission's Competitive Telecommunications Service Rules. Fair value is not useful in determining just and reasonable rates for competitive services. In fact, this was stated in Conclusions of Law No.8 in Decision No 66613, which approved QLDC's CC&N and established that QLDC's fair value rate base was zero.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-005

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 005

Please indicate if there is a cost based justification for the rate increase (i.e., is the rate increase necessary to account for a change in your cost)? If yes, please describe the change in your costs. Provide calculations and data to support your cost justification.

RESPONSE:

No. See response to Request No. 1.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-006

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 006

Please submit a schedule of current rates and proposed rates and the additional revenues to be derived from the proposed rates.

RESPONSE:

A schedule of current rates and proposed rates was provided in the original application letter filed on January 16, 2007 and is attached for your convenience. Also attached is Confidential Exhibit 2 containing the additional revenues to be derived from the proposed rates.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-007

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 007

Please provide a copy of the notification you sent to your customers.

RESPONSE:

A copy of the customer notice was filed in the original application on January 16, 2007 as part of Exhibit 1. Exhibit 1 is attached for your convenience.

Respondent: Sharon Alvarado, Regulatory Support Manager

AZ QLDC

Qwest has petitioned the Arizona Corporation Commission (Commission) to increase the maximum rate for the Interstate Service Fee (ISF) on your Qwest Choice™ Long Distance service to \$1.99 a month from its actual, current rate of \$0.99, effective March 10, 2007. The change in the ISF will not affect the monthly cap on your long-distance plan, which remains just \$20 (taxes, surcharges, and international calls are extra).

These changes will be voted on at a future open Commission meeting; they will only become effective upon approval by the Commission.

AZ QLDC

Qwest has petitioned the Arizona Corporation Commission (Commission) to increase the maximum rate for the Interstate Service Fee (ISF) on your Qwest long-distance service to \$1.99 a month from its actual, current rate of \$0.99, effective March 10, 2007. These changes will be voted on at a future open Commission meeting; they will only become effective upon approval by the Commission.

We're committed to making sure you're on the best plan for you, and we continue to offer one of the lowest rates in the market. Call today for a free account review to help determine if you're getting the most for your money.

Arizona
Docket No. T-04190A-07-0030
STF 01-008

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 008

Please indicate your current expenses form Arizona operations.

RESPONSE:

The company does not perform separations studies. Therefore, it is not possible to determine the amount of expense attributable to the Arizona jurisdiction. Further, as stated in the response to No. 4, the Commission has previously found that fair value studies are not useful in determining just and reasonable rates for competitive services.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-009

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 009

Please indicate your current revenues form Arizona operations.

RESPONSE:

The most recent current revenue from Arizona Operations as provided in QLDC's 2005 annual report was \$18,683,449.

Respondent: Sharon Alvarado, Regulatory Support Manager

Arizona
Docket No. T-04190A-07-0030
STF 01-010

INTERVENOR: Arizona Corporation Commission Staff

REQUEST NO: 010

Please indicate the states that the Applicant offers these services in.
Also, please indicate the rates the Applicant charges for these services
in those states.

RESPONSE:

These services with the same rates are provided in all states where Qwest
LD Corp. operates (Arizona, New Mexico, Colorado, Wyoming, Idaho, Montana,
Utah, Oregon, Washington, Iowa, Minnesota, Nebraska, North Dakota and
South Dakota).

Respondent: Sharon Alvarado, Regulatory Support Manager

QLDC Increase to monthly fees.

The table below sets out the current and proposed rates.

	Current Maximum Monthly Rate Per Account	Proposed Maximum Monthly Rate Per Account
QLDC 10 Cent Single Rate Plan	\$0.99	\$1.99
QLDC 5 Cent Saver Plan	\$0.99	\$1.99
QLDC 7 Cent Preferred Plan	\$0.99	\$1.99
QLDC Unlimited Long Distance Plan	\$0.99	\$1.99
QLDC Preferred Unlimited	\$0.99	\$1.99
QLDC 5 Cent Anywhere	\$0.99	\$1.99
QLDC 7 Cent Anywhere	\$0.99	\$1.99
QLDC 5 Cent Preferred	\$0.99	\$1.99
QLDC Choice Long Distance	\$0.99	\$1.99

Estimated potential annual revenues are \$1,787,074.

D. RATES AND CHARGES

1. Canada Service (Cont'd)

o. Unlimited Canada

Allows residential customers to complete international calls. This service works in conjunction with any interstate, residential Qwest unlimited calling plan. Refer to Q.3.bu. or Qwest Unlimited, refer to D.3.c. (T)

The monthly fee provides unlimited direct dialled international long distance calling each month.

MONTHLY RATE

- Per Line \$0.00 (R)

p. 60 MINUTE CANADA SAVINGS

General Description

60 MINUTE CANADA SAVINGS allows a residential customer to complete 60 minutes of calls to Canada for a flat monthly fee.

Terms and Conditions

This plan is available when the customer has subscribed to any Company-provided consumer long distance base plan except Managed Long Distance.

Calls to other countries are billed at the rate of the customers Qwest International Calling Plan rates or at the International Base Rates, refer to D.35., if no other international plan applies.

Carry over of minutes from month to month is not allowed. Unused minutes will be forfeited.

Rates and Charges

All calls are rounded to the next full minute.

	MONTHLY	
• Per account (when customer subscribes to any Qwest domestic calling plan except an unlimited plan)	\$3.50	(T) (T)
• Per account (when customer subscribes to any Qwest domestic unlimited calling plan)	0.00	(N) (N)
	PER MINUTE	
• Rate after first 60 minutes	[1]	

[1] After the first 60 minutes of calls to Canada, the rates billed are those specified for Q.world. The Q.world monthly rate does not apply in this instance.