

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: QWEST CORPORATION	DOCKET NO. TF-05-167
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ORDER APPROVING REPLACEMENT TARIFF

(Issued September 6, 2005)

On May 24, 2005, Qwest Corporation (Qwest) filed with the Utilities Board (Board) a proposed local exchange tariff to replace its current tariff on file with the Board. Qwest filed the proposed tariff in response to Iowa Code § 476.1D as amended by 2005 Iowa Acts, House File 277 (HF 277), which became effective July 1, 2005. The proposed tariff has been identified as Docket No. TF-05-167.

HF 277 deregulates the retail rates for business and residential local exchange services in Iowa with the exception of single line, flat-rated residential and business service rates. However, under HF 277, the Board retains service quality jurisdiction over all local exchange carriers.

Qwest states that its proposed tariff conforms to the Board's reduced jurisdiction over local exchange rates pursuant to HF 277. Qwest states that the services retained in the proposed tariff represent what it believes remain under the Board's jurisdiction after HF 277 became effective. Qwest states that all deregulated services will be moved to the company's catalogs and obsolete services, such as party lines, are not retained in the proposed tariff and will not be moved to the

company's catalogs. Qwest's proposed replacement tariff is approximately 10 percent the size of its current tariff.

On June 16, 2005, the Board issued an "Order Docketing Tariff" in this docket due to the Board's concern that more services were being removed from the tariff than was appropriate and that the proposed removals would create problems for the Board's service quality jurisdiction.

On July 13, 2005, Board staff held a technical conference with representatives from Qwest, Frontier Communications of Iowa, Inc. (Frontier), Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Iowa Telecom), and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) to discuss replacement tariffs filed by Qwest, Frontier, and Iowa Telecom pursuant to the enactment of HF 277. During the technical conference and subsequent conversations with these companies and Consumer Advocate, there was significant discussion regarding the apparent overlap between retail rate deregulation and ongoing service quality regulation, i.e., the companies' proposed removal of ancillary services that may be associated with flat-rated services, such as construction charges. The companies and Consumer Advocate acknowledge that the removal of these services could result in the Board having authority to protect consumers from excessive rates for flat-rated services, but no authority to protect consumers against excessive construction charges to install those services, potentially negating the

legislative intent that these services continue to be available on a price-regulated basis.

Following the technical conference, the Board completed its review of Qwest's proposed replacement tariff and finds that it substantially complies with Board rules for the filing and processing of tariff pages. The Board will approve the tariff effective the date of this order, subject to complaint or investigation pursuant to 199 IAC 7.4(4).

The Board identified certain provisions that are being removed from the current tariff and might affect the Board's remaining authority over service quality or its continuing jurisdiction over single line, flat-rated services. However, these effects are only hypothetical at this time. The Board recognizes that attempting to explicitly identify all potential areas of this overlap between retail rate regulation and service quality regulation would involve significant resource expenditure by all parties and may have no benefit, if the hypothetical situations never come to pass. Under those circumstances, it would be contrary to the public interest to expend those resources to identify certain provisions to be retained in the tariff because they might be relevant in the future. Instead, the Board will approve Qwest's replacement tariff subject to the caveat that if it becomes apparent that the deletion of certain tariff language has adversely affected the Board's jurisdiction over service quality or single-line price regulation, or has negated the legislative intent underlying HF 277,

or has otherwise adversely affected the public interest, the Board may consider Qwest's prior tariff language in resolving the issues before it at that time.

IT IS THEREFORE ORDERED:

The tariff filed by Qwest Corporation on May 24, 2005, is approved effective the date of this order, subject to the conditions set forth in this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 6th day of September, 2005.