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October 24, 2008

Mr. Ernest Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Re: Qwest Corporation's Request to Extend Renewed Price Cap Plan;
Docket No. T-01051B-03-0454

Dear Mr. Johnson:

In June of this year, Qwest filed to extend the price cap plan approved by Commission Decision No. 68604. The company has requested that the plan be extended without modifications. It is my understanding that once Staff has completed its evaluation of the company's request, Staff could recommend extending the existing price cap plan, extending the price cap plan with modifications, or requiring the company to file a rate case.

This letter should not be construed as an attempt to influence what conclusion Staff should reach in this matter; however, I ask that Staff thoroughly scrutinize several issues when conducting its evaluation.

Quality of service is an important issue for Arizona consumers. As such, I feel that it is appropriate for Staff to consider if it would be beneficial to reconvene the Quality of Service Task Force established as a condition of approval of the merger of Qwest and U.S.West by Decision No. 62672. I would also like Staff to examine the number of repeat service calls to correct recurring problems and the potential effects on service quality of Quest's implementation of a voluntary separation program in 2008.

As you know, Qwest has settled its lawsuit against various Arizona taxing entities. As a result, numerous cities, counties, school districts and community colleges throughout the state will return $40 million to Qwest. Pima County and Maricopa County will be returning $6.5 million and $26.9 million to Qwest, respectively. The Arizona Court of Appeals agreed with Qwest's claim that state assessors erred by failing to account for

"obsolescence", which would have reduced the taxable value of the company's assets. Considering the potential impact on ratepayers, I request that Staff pay close attention to the "obsolescence" and tax issues in Qwest's pending application.

Thank you for your attention to this matter.

Sincerely,

William A. Mundell

William A. Mundell, Commissioner
Arizona Corporation Commission

cc: Chairman Gleason
Commissioner Hatch-Miller
Commissioner Mayes
Commissioner Pierce
Brian McNeil
Lyn Farmer
Janice Alward
Rebecca Wilder