

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

David Boyd	Chair
J. Dennis O'Brien	Commissioner
Phyllis Reha	Commissioner
Thomas Pugh	Commissioner
Betsy L. Wergin	Commissioner

In the Matter of the Petition of Qwest Corporation MPUC Docket No. P-421/AR-09-790
for Approval of its Second Revised Alternative
Form of Retail Regulation Plan

QWEST CORPORATION

**SECOND REVISED
ALTERNATIVE FORM OF RETAIL REGULATION
PLAN FOR THE STATE OF MINNESOTA**

Second Revised AFOR Plan

Filing Date: June 30, 2009

Second Revised AFOR Plan

Effective Date: December 31, 2009

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I. PREFACE

Qwest Corporation's ("Qwest") retail services shall be subject to an alternative regulation plan in Minnesota as set forth in the Second Revised Plan on the Second Revised Plan Effective Date. The elements of the Second Revised Plan are set forth in detail in the following sections.

Since January 1999, when Qwest entered into its initial alternative regulation plan, the telecommunications industry in Minnesota has become a vibrant, competitive marketplace characterized by customer choices in price, service offerings, technology and providers. Competition has emerged from an array of communications providers that use various technologies to deliver local telephone service - including competitive local carriers, cable companies, voice over internet protocol (VOIP), and wireless companies. The Second Revised Plan will allow consumers to enjoy the benefits of the competitive marketplace at affordable and equitable rates and with service quality consistent with Commission rules; to facilitate telecommunications alternatives; and to provide a regulatory environment consistent with the competitive climate.

II. DEFINITIONS

- A. **Commission.** Commission means the Minnesota Public Utilities Commission.
- B. **Department.** Department means the Minnesota Department of Commerce.
- C. **Flexibly-Priced Services.** Flexibly-priced services include retail services offered by Qwest that have not been classified as either price-regulated or non-price regulated. Specific services that are classified as flexibly-priced under this Second Revised Plan are listed in Appendix A, Schedule 2.

D. New Service(s). New services are those functions, features, or capabilities that are not offered by Qwest in Minnesota on the Second Revised Plan Effective Date.

E. Non-Price-Regulated Services. Non-price-regulated services are those retail services for which alternatives are competitively available. Specific services that are classified as non-price-regulated under this Plan are listed at Appendix A, Schedule 3.

F. Price-Regulated Services. Price-regulated services are those retail services that are listed in Appendix A, Schedule 1 and as specified in Minnesota Statutes section 237.761.

G. Second Revised Plan. "Second Revised Plan" is the same as a "new plan" as described in Minn. Stat. § 237.766, Subdivision 2 (2004).

H. Tariff or Price List. Tariff means the schedule filed with the Commission that describes the rates, terms, and conditions of price-regulated services provided by Qwest. Price List means the schedule filed with the Commission that describes the rates, terms, and conditions of flexibly-priced or nonprice-regulated services provided by Qwest.

L Total Service Long Run Incremental Cost or "TSLRIC." As used herein, Total Service Long Run Incremental Cost shall have the meaning defined in Minn. Stat. § 237.772, subd. 1(a).

HI. PRICE AND SERVICE QUALITY REGULATION

A. Alternative Regulation.

Qwest's retail services are not subject to rate of return regulation or earnings investigations pursuant to sections 237.075 or 237.081 of Minnesota Statutes during the term of the Second Revised Plan. Similarly, except as otherwise specified in the Second Revised Plan, Qwest is not subject to the provisions of sections 237.57, 237.59, or 237.63 of

Minnesota Statutes during the term of the Plan. Except as provided herein, the Commission retains its authority under section 237.081 to investigate matters other than rate of return and earnings and to issue appropriate orders, and the Department retains its authority under sections 216A.07 and 237.15 to investigate matters other than the rate of return and earnings of the Company. Nothing in this section limits the Commission's jurisdiction or authority over Qwest's wholesale services.

B. Effective Date.

This Second Revised Plan is effective immediately upon expiration of the existing plan at 12:00 midnight on December 31, 2009 (the "Plan Effective Date").

C. Duration and Renewal.

The Plan shall be adopted pursuant to the requirements of Minn. Stat. § 237.766, subd. 2, and will continue for a period of four (4) years (48 consecutive months) from the Second Revised Plan Effective Date.

Within six months prior to the termination of the Second Revised Plan, Qwest shall file with the Commission notice that it propose a new plan, extend the existing plan, or revert to rate of return regulation.

If Qwest notifies the Commission that it intends to propose a new plan, interested parties shall have such time as the Commission shall designate to file comments on' the proposal submitted by Qwest. The Commission shall establish such procedures as it deems necessary to make a determination on the proposal pursuant to Minn. Stat. § 237.61. If the Commission rejects or modifies Qwest's proposal in a manner that is unacceptable to Qwest, Qwest may permit the Second Revised Plan to expire according to its terms and shall be regulated pursuant to applicable Minnesota Statutes and Commission Rules then in effect.

IV. RETAIL SERVICES PROVIDED: CLASSIFICATION, RATES AND PRICES

A. General Provisions.

1. Initial Classification.

a. Specific telephone services that are subject to regulatory oversight are described in the Second Revised Plan and listed in Appendix A, Schedules 1 and 2.

b. All services offered by Qwest which are not retail telephone services and/or are not subject to regulation by the Commission except those specifically listed in Appendix A are not subject to regulation under this Plan. Such services include, but are not limited to, wholesale services other than switched access service subject to the jurisdiction of the Commission, radio common carrier services, customer premise equipment, billing and collection services, inside wiring, high speed internet and services tariffed in the Federal jurisdiction. Nothing in this Second Revised Plan adds to or reduces in any way the authority of the Minnesota Public Utilities Commission, the Department of Commerce or the Office of the Attorney General.

2. The Introduction of New Services.

a. Filing.

As provided in Minn. Stat. § 237.761, subd. 7, at the time Qwest first offers a service, Qwest shall file with the Commission a price list and the proposed classification for the service, along with a written explanation of why the service classification is consistent with Minn. Stat. § 237.761. New services may be offered to customers one (1) day after filing.

b. Classification.

If no interested party or the Commission objects to Qwest's classification within thirty (30) days from the date of filing, Qwest's proposed classification is approved. Qwest shall have twenty (20) days to respond to any objections. After such further proceedings as may be appropriate, the Commission shall make a final determination as to the appropriate classification within one-hundred-twenty (120) days from the date of the filing of the new service. If the Commission does not act within one-hundred-twenty (120) days, the classification is approved as filed.

3. Tariffs and Price Lists.

Within 90 days of Commission approval of this Second Revised Plan, Qwest shall update its tariffs and price lists consistent with the terms of this Plan.

B. Price-Regulated Services.

1. Permitted Changes and Procedures for Changes for Price-Regulated Services.

The "Regulated Price" of a service is the price of the service on the effective date of this Second Revised Plan. Qwest may, on its own initiative, reduce the rate for a price-regulated service below the Regulated Price and may subsequently increase those prices of price-regulated services that had been reduced at Qwest's initiation up to the Regulated Price without Commission approval. The rates or prices may not be reduced below the Total Service Long Run Incremental Cost of providing service.

Qwest may file for a rate change for price regulated services under the following procedures:

a. Price Caps for Certain Price-Regulated Services.

Qwest shall not increase the price of one-party basic local residential service (1FR, 1MR) for the first three years of the Second Revised Plan. One time during the fourth year of the Second Revised Plan, Qwest may increase the monthly price of one-party basic local residential service (1 FR, 1 MR) up to \$1. At no time during the Second Revised Plan will Qwest increase the outstate price of one-party basic local residential service above the metropolitan area price of one-party basic local residential service.

b. Rate Changes for Price-Regulated Services.

Changes in tariffs for price-regulated services shall become effective under the following timelines: a) language changes and promotions, 1 day after filing the tariff; b) rate reductions, 1 day after filing the tariff, c) significant changes in the condition of service, 20 days after filing the tariff; and d) proposals to increase prices, 30 days after filing the tariff and providing notice to customers. Interested parties shall have 30 days to file comments from the date of the initial filing of any change in the price-regulated service tariffs. Reply comments shall be filed within 30 days of the initial filing. When comments have been filed, or the Commission initiates action on its own motion, the Commission shall issue its order within 120 days of the initial filing. The Commission may suspend a rate change for good cause pending a PUC determination.

c. Procedures for Objection to Price Increases for Price-Regulated Services.

In the event Qwest proposes a price increase above the Regulated Price of a Price-Regulated Service, the proposal shall be supported by affirmative evidence. Any interested person may file an objection with the Commission or the Commission, on its own motion, may act within 30 days of the notice. In its objection, the interested person or the

Commission shall specify the manner in which Qwest's proposal violates state law or Commission rules or is otherwise not in the public interest. If, after receipt of a valid objection or upon its own motion, the Commission within 120 days of the date of notice makes specific findings based on substantial evidence demonstrating that Qwest's proposal violates state law or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase. If the Commission does not make such a determination within 120 days, the proposal shall be deemed approved. If no objection is filed or the Commission on its own motion does not act within 30 days of Qwest's filing, the price increase(s) shall be deemed approved. Qwest may not increase the price of a price-regulated service if it has not demonstrated substantial compliance with the quality of service standards set forth in the Plan.

Qwest shall be permitted to institute rate changes as provided in Minnesota Statute section 237.762, subd. 5.

2. **Discontinuance of Price-Regulated Service.**

a. Qwest reserves the right, pursuant to Minn. Stat. § 237.767, to seek approval from the Commission to discontinue the provision of a service that has been classified as a price-regulated service in accordance with the procedures set forth below. For the discontinuance of toll service, Qwest shall comply with the discontinuance provisions of Minn. Stat. § 237.74.

b. At least 30 days prior to the proposed date of discontinuance, Qwest shall file with the Commission a petition to discontinue a price-regulated service. At the same time, Qwest shall provide notice of such filing to the affected customers of its intent to discontinue the service. Parties shall have 10 days from the date of the filing to file initial

comments on the petition. Reply comments may be filed 5 days after the initial comments. If no comments are filed, the proposed changes shall go into effect on the date specified by the Company. If comments are filed, or issues raised by the Commission, the Commission shall hold such hearings as it deems appropriate and issue its final order within 120 days of the filing of the petition by Qwest.

3. Reclassification of Price Regulated Services to Flexibly-Priced Services.

Except for the services listed in Minn. Stat. § 237.761, subd. 3, when the Company presents documentation that any one of the following conditions is present, the Commission shall reclassify the price-regulated service as "flexibly-priced" if:

- (1) The service is not essential for providing local telephone service or access to the local telephone network; or
- (2) The service is not integrally related to privacy, health or safety of the Company's customers; or
- (3) A reasonable alternative exists within the relevant market or geographic area on reasonably comparable terms and conditions.

C. Flexibly-Priced Services.

1. Permitted Price Changes and Procedures for Flexibly-Priced Services.

Specific services or categories of services that are classified as flexibly-priced services under this Second Revised Plan are listed in Appendix A, page 3.

2. The following section sets forth the procedures for adjusting the price lists for flexibly priced services during the term of the Plan:

a. Price Decreases.

Qwest may file for price decreases at any time. Decreases will be effective on the day after the filing, unless a later time period is designated by Qwest. If Qwest has decreased a price on its own initiative, Qwest may subsequently increase that price back to the price level existing December 31, 2009, notwithstanding the provisions of IV.C.1.c.

b. Price Increases.

Qwest may file for rate increases at any time. Qwest may implement price increases for flexibly priced services 20 days after filing with the Commission and the provision of notice to affected customers.

c. Procedures for Objection to Price Increases to Flexibly-Priced Services.

In the event Qwest proposes a price increase to a flexibly-priced service, any interested person may file an objection with the Commission or the Commission, on its own motion may act within 20 days of the notice. In its objection, the interested person or the Commission shall include the manner in which Qwest's proposal violates state law or Commission rules or is otherwise not in the public interest. If, after receipt of a valid objection, the Commission within 120 days of the date of notice makes specific findings based on substantial evidence demonstrating that Qwest's proposal violates state law or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase. If the Commission does not make a determination within 120 days, the proposal shall be considered approved. If no objection is filed within 20 days of Qwest's filing, the price increase(s) shall be deemed approved.

d. Other Changes to the Price List.

All other changes to the price list shall be effective after filing, on the date designated by Qwest.

3. Reclassification of Flexibly-Priced Services to Non-Price Regulated Services.

The Commission shall reclassify a flexibly-priced service as a non-price regulated service pursuant to Minn. Stat. § 237.761, subd. 5.

4. Discontinuance of a Flexibly-Priced Service.

a. Qwest reserves the right, pursuant to Minn. Stat. § 237.767, to seek approval from the Commission to discontinue the provision of a service that has been classified as flexibly-priced in accordance with the procedures set forth below. For the discontinuance of toll service, Qwest shall comply with the discontinuance provisions of Minn. Stat. § 237.74.

b. At least 30 days prior to the proposed date of discontinuance, Qwest shall file with the Commission a petition to discontinue a flexibly-priced service. At the same time, Qwest shall provide notice of such filing to the affected customers of its intent to discontinue the service. Parties shall have 10 days from the date of the filing to file initial comments on the petition. Reply comments may be filed 5 days after the initial comments. If no comments are filed, the proposed changes shall go into effect on the date specified by the Company. If comments are filed, or issues raised by the Commission, the Commission shall hold such hearings as it deems appropriate and issue its final order within 120 days of the filing of the petition by Qwest.

D. Non-Price Regulated Services.

1. Permitted Price Changes and Procedures for Price Changes for Non-Price-Regulated Services.

a. Qwest may change its prices for non-price-regulated services pursuant to the procedure set forth below. Prices for these services may be increased or may be reduced, but not below TSLRIC.

b. Qwest may implement price changes and other miscellaneous changes for non-price-regulated services immediately upon notice to the Commission by filing a revised price list reflecting the change and the effective date of the change. Prices for these services are not subject to approval or investigation by the Commission except as expressly permitted by Minn. Stat. § 237.770 and § 237.771. Affected customers will be provided notice at least 20 days in advance of the change.

2. Discontinuance of a Non-Price-Regulated Service.

Commission approval to discontinue a non-price-regulated service is not required. Qwest will give its customers and the Commission 30 days notice prior to discontinuing a non-price-regulated service.

E. Customer Incentives.

Qwest may offer incentives to customers to purchase or continue to purchase services from Qwest including a waiver of non-recurring charges and a waiver of monthly rate(s) on selected services as determined by the Company.

If required by federal law, a customer incentive provided pursuant to this section will be made available for resale by qualified carriers reselling the Company's service.

F. Special Pricing Issues.

Qwest shall charge uniform rates for local services within its service area. However, Qwest may offer unique special pricing arrangements under the same terms and conditions that apply to competitive local exchange carriers as set forth in Minnesota Rules, part 7812.2210, subp. 5, sections (A) and (B); and the January 13, 2009 decision of the Minnesota Court of Appeals. The customer contracts for services priced with special pricing arrangements are not required to be routinely filed, but shall be provided to the Commission, the Department, or the OAG upon request. Each service offering with special pricing arrangements must be identified in the tariff and contain the terms, conditions, and rates under which the special pricing is available.

G. Cost Recovery.

To the extent that a lawful order or mandate of a governmental authority requires investments that impose network or infrastructure-related costs on Qwest, Qwest has the right to recover those costs from its customers. Qwest shall propose rate changes pursuant to this Second Revised AFOR Plan to recover those costs. If the Commission disapproves Qwest's proposed rates, it must approve an alternative that allows for full recovery of the imposed cost. The Commission may not impose a cost recovery mechanism with which Qwest does not concur.

H. Exogenous Costs.

If the Commission, Legislature • or other government entities with appropriate jurisdiction impose new costs on Qwest or changes in Qwest's revenues (collectively referred to as "Exogenous Changes") incurred after the effective date of the Second Revised Plan and during the effective period of this AFOR, Qwest may petition to recover Exogenous

Changes, including but not limited to changes in the intrastate financial impact of: changes in EAS routes and/or compensation, including changes in intercarrier compensation; comprehensive local service rate restructuring; rate deaveraging; changes in state or federal universal service or funding payments; changes in local, state or federal taxes; changes in the Commission's application of jurisdictional separations, the Uniform System of Accounts or other mandatory Financial Accounting Standards Board accounting standards; assessments related to the use of telephone numbers, including mandated number conservation efforts; financial impacts of government mandates to construct specific telecommunications infrastructure or develop systems beyond that contemplated by this Second Revised Plan, and for which Qwest would not otherwise be compensated through some other manner under the Plan.

The Commission shall, upon petition, grant recovery of any Exogenous Change through the associated rate including price-regulated rates. Nothing in the Second Revised Plan alters legal rights Qwest may have related to revenue neutrality set forth by law. Qwest shall have the right to recover federally authorized rates or charges during the term of this Second Revised Plan. All changes related to local service provider long-term number portability (LNP) are treated in this Plan as federally authorized rates or charges.

Any costs to Qwest resulting from any legislatively authorized local taxes, franchise fees, or special surcharges imposed by local or regional governmental units on the services provided by Qwest under the Plan may be recovered through a separate line item on Qwest's bill and recovered only from customers living within the jurisdiction that imposed the surcharge and who subscribe to the service upon which the surcharge is imposed. This paragraph does not give Qwest authority to recover "management costs" or "right-of-way

management costs" as defined in Minn. Stat. § 237.162, subd. 9 or other applicable provisions of Sections 237.162 or 237.163, as such provisions may be amended from time to time regarding the recovery of costs by local or regional government units, or the recovery of other police power fees imposed on Qwest and allowed by law, provided however, that Qwest may surcharge to recover direct construction costs resulting from a local government unit's order or directive to relocate facilities beginning no later than 18 months after that directive or order to the extent Qwest is not required to bear such costs pursuant to Minnesota Rules Part 7819.3100.

Prior to imposing a surcharge on customer bills, Qwest shall file a tariff with the Commission identifying the surcharge amount to be added on the customer bill. The filing shall provide any necessary supporting calculations for determining the surcharge amount and the basis upon which the underlying costs qualify as Exogenous Costs under the Plan. The tariff will become effective 60 days after filing and after notice to the local or regional government unit, unless the Commission receives an objection within the 60 day period to treating the costs as Exogenous Costs under the Plan. If the Commission receives any such objections, it shall determine whether or not the costs qualify as Exogenous Costs within 120 days of the original tariff filing. Qwest shall have the burden to demonstrate that the costs qualify as Exogenous Costs and qualify for recovery under this Plan.

Qwest may petition the Commission for recovery of any Exogenous Change at any time. Qwest shall be allowed to implement approved increases to its Regulated Prices to recover the financial impacts of Exogenous Changes.

I. Changes Related to Access Charge Reductions.

At no time during the term of this plan will the carrier common line or local end-office switching rates be above the following levels: The Carrier Common Line per minute rate (originating) will not exceed \$0.001896 per minute of use. The Carrier Common Line per minute rate (terminating) will not exceed \$0.011202 per minute of use. Local End Office Switching per minute rate will not exceed \$0.008063 per minute of use. Qwest shall have the ability to offset government mandated reductions in access charge elements with an increase to local rates or the imposition of a flat monthly end-user charge or surcharge of equivalent value. If the offset for the net revenue loss from access charge reform and the permitted increase to 1 FR and 1 MR rates in the fourth year of the plan exceeds \$1, Qwest must submit a petition that proposes how the net revenue loss has been allocated across all affected services and the Commission may assess the appropriateness of an increase to the 1 FR and 1 MR rates beyond \$1.

J. Required Commission Action.

Where this Plan requires Commission action within a specified period, if the Commission fails to act, the filing or proposal submitted by Qwest is deemed accepted and approved.

V. SERVICE QUALITY

This Plan incorporates, in Appendix B, the quality of service measures pursuant to Minn. Stat. § 237.765. The Appendix provides customer remedies for retail customers.

VI. INVESTMENT PLAN

As required by Minn. Stat. § 237.761, subd. 8, Qwest incorporates Appendix C which describes Qwest's investment plan.

APPENDIX A

SCHEDULE 1

Price-Regulated

211, 311, 511 and 711 (i.e. N11) services
811 Service
Business and Residence Local Service (Flat & Measured)
Call Trace
Carrier Access Code Blocking
Change of Responsibility
Change of Telephone Number
Classroom Service
Combined Main Line Service
Construction Charges
Customer Transfer Charge
Customer Premises Wire and Maintenance Plans
CustomNet Service
Direct Inward Dialing (DID) Service
Dormitory Communications Service
Dual Service
Emergency Reporting Services (911)
Extended Area Service
Extension and PBX Station Lines (0)
Foreign Area Service (0)
Home Business Line
Hunting Service
International Blocking
Inward Lines
Joint User Service
Local Operator Services, excluding Directory Assistance
Mileage Charges
Network Access Registers
Network Premises Work Charges
Nonrecurring Charges (Local Services) Pay-Per-Call Restriction (Call Number Blocking)
PIC Change Charges
Primary White Page Directory Listing
Private and Semi-Private Listings
Private Branch Exchange Trunks (Flat & Measured)
Public Access Line

(0) These services are obsolete.

Public Interexchange Carrier Access Service
Restoration of Service
Semi-Public Access Line
Standby Line
Switched Access Services
Tie Lines and Common Central Switching Arrangements (CCSA)
Toll Restriction

Note: The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. § 237.411 are only subject to §§ 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigations of local rates under § 237.081 or other rate and price requirements of this Revised Plan.

APPENDIX A

SCHEDULE 2

Flexibly Priced

Anonymous Call Rejection
Answer Supervision-Lineside
Apartment Door Answering Service (0)
Automatic Call Distributor Service (0)
Automatic Identified Outward Dialing (0)
Automatic Number Identification (ANI) Order Entry Service
Business Continuance Routing Service
Caller Identification - Bulk
Caroline Service (0)
Competitive Response
Customized/Same Number Service
Dormitory Communications Service
Express Service
Home Business Line
Public Response Calling
Return Check Charge
Trouble Isolation Charge
Single Number Service
Uniform Call Distribution
Utility Line Service for Business

Note: The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. § 237.411 are only subject to §§ 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigations of local rates under § 237.081 or other rate and price requirements of this Revised Plan.

(0) These services are obsolete.

APPENDIX A

SCHEDULE 3

Non-Price Regulated

2-Line CustomChoice
2-Line CustomChoice Complete
2-Line Popular Choice
Anywhere Voice Mail
Billed Number Screening
Business CustomChoice Plans
Business Line Plus Plans
Call Event and Management Signaling Service (CEMSS) Subscriber
Call Planner
Call Rejection
Call Waiting-Residence and Business
Caller Identification
Central Office Alarm Services
Central Office Automatic Call Distribution (CO-ACD) Services
Central Office Concentrator Service - Type A
Central Office Concentrator-Identifier Systems (0)
Central Office Type Transfer Relay and Make-Busy Equipment
CENTRON/Centrex Services features
 CENTRON
 Customized Call Management Services (CCMS)/CENTRON I
 CENTREX 21
 CENTRON 50
 CENTRON XL
 CENTREX Prime
 Centrex Service (0)
 (excluding exchange access and other price-regulated services)
CLASS Services (excluding those listed as price-regulated)
Competitive Response Offerings
Complete-A-Call
Concentrator - Identifier Systems (0)
Connection of Premises Equipment to Exchange Services
Contingency Plan Service
Contractual Service Agreements
Custom Calling Services - Business
Custom Calling Services - Residence (except Speed Calling)
Custom Ringing Service
CustomChoice Complete

Customer Incentive Programs
Digital Switched Service
Director Assistance (National)
Directory Assistance Service (Local)
Directory Listings (Other Than Primary, Private and Semi-Private Listings)
Easy Access
Foreign Exchange Service
Geo Max
Group Use Exchange Service (0) (excluding exchange access)
Hotel Branch Exchange Service (0)
I-Called
Integrated T1 Service
IntraCall Service
LAN Switching Service (LSS)
Market Expansion Line
Message Delivery Service
Message Rate Trunks (0)
Metro Optical Ethernet Services
Natural Disaster Relief for Customers
Network Connecting Arrangements
NextConnects
Number Forwarding
Payment for Service
 Payment Practices
 Duplicate Bill Charge
PopularChoice
Preferred Choice
Private Line/Data Services
 Private Line/Special Access Services:
 Low Speed Data Service
 DC Channel Service
 Voice Grade Service
 Audio Service and Wired Music
 Video Service
 Telephone Answering Service
 Alarm Services
 Same Continuous Property
 Local Area Data Service (LADS)
 Simultaneous Voice Data Service
 Digital Data Service
 Alarm Services (0)
 Direct Routed Channels (0)
 Information Distribution Service (0)
 Miscellaneous Services and Arrangements (0)

Order Options, Modifications, Misc. Charges for above services
 U S WEST DS1 Service
 U S WEST DS3 Service
 U S WEST DS1 Service (0)
 Frame Relay Service
 Integrated Services Digital Network
 SwitchNet 56 Service
 SwitchNet 56 Service Two Wire (0)
 Transparent LAN Service
 ATM Cell Relay Service
 Uniform Access Solution Service
 Private Line/Data Services:
 Private Line/Special Access Services:
 Self-Healing Network Service (SHNS)
 Synchronous Service Transport
 Order Options, Modifications, Misc. Charges for above services
 Public Safety Answering Point (P SAP) Equipment (0)
 Purchase Plus Reward Plan
 Qwest Choice Business Services
Security Screen
 Select Call Routing Service
 Selective Carrier Denial
 Simultaneous Voice and Data Service
 Special Needs Customer Premises Equipment (0)
 Speed Calling
 Telephone Answering Bureau Service
 Toll Diversion
 Toll Services:
 1-800 Calling Services
 Operator Services (MTS)
 Message Telecommunications Services (MIS)
 Wide Area Telecommunications Services (WATS)
 Total Package
 Traffic Data Report Service (TDRS)
 Type 4 Automatic Call Distribution Services
 Type A Automatic Call Distribution (ACD-ESS)
 U S WEST Receptionist
 Unistar (Provided to LECs)
 Versanet

Voice Messaging:

Voice Messaging Services

Message Waiting Indication

Miscellaneous Business Voice Messaging Features (0)

Wholesale Billing and Collection

Wholesale Directory Assistance Services (MTS)

Note: The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. § 237.411 are only subject to §§ 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigations of local rates under § 237.081 or other rate and price requirements of this Revised Plan.

RETAIL QUALITY OF SERVICE

A Standards and Customer Remedies

During the term of the Revised Plan, Qwest will comply with specific quality of service standards and customer remedies as shown in this Appendix

B. Service Quality Standards and Customer Remedies Apply to Normal Operating Conditions

The service quality standards and customer remedies in this Appendix apply only to normal operating conditions and do not establish a level of performance to be achieved where circumstances are beyond Qwest's control. Qwest is exempted from the otherwise applicable individual customer remedies if it is prevented from meeting a quality of service standard because of conditions caused by persons, things, or events outside the reasonable control of Qwest, that Qwest could not have reasonably anticipated and prevented, or circumstances that endanger the safety of Qwest employees or members of the public, including: (1) delays of a local government unit in granting approval for obtaining easements, permits or access to rights-of-way; where Qwest has made a timely application for any permits; (2) the customer, including but not limited to, no access to customer's premises, delays caused by the customer's construction project or lack of facilities or the customer choosing a later appointment than offered; (3) delays caused by a vendor in the delivery of equipment where Qwest has made a timely order or request; (4) other delays outside the control of Qwest, including, but not limited to, acts of God, explosions or fires, floods, frozen ground, tornadoes, severe weather, epidemics, injunction, war, acts of terrorism, strikes or work stoppages, or negligent or willful misconduct by customers or third

parties including outages originating from the introduction of a computer virus onto the provider's network. Events caused by Qwest employees or contractors are not outside Qwest's control for the purpose of the Plan.

C. Substantial Compliance

Substantial compliance with retail service quality standards is satisfied if Qwest meets 6 out of 7 of its individual service quality standards each year. For purposes of determining substantial compliance, compliance with the individual service quality standards will be measured on an annual statewide basis. Qwest will not be in substantial compliance with the service quality standards if it fails to meet the same individual service quality standards for two consecutive years. Failure to substantially comply with the service quality standards for two consecutive years will require Qwest to meet and confer with the Department and OAG to negotiate a voluntary resolution to the matters. If successful resolution of the matter cannot be negotiated, Qwest will present the Department and OAG with a plan to bring service quality into compliance including specific actions the Company will take to remedy the situation. If the plan is not acceptable to the Department or OAG, the Department or OAG may file a complaint with the Commission for the purpose of determining whether reasonable additional customer remedies or other actions are warranted. Qwest shall not be deemed to be out of substantial compliance if failure to meet a standard is the result of circumstances as set forth in Section **B**.

D. Annual Service Quality Reports

Qwest shall report annually to the Commission, the Department, and the OAG its performance in meeting the quality of service standards for the previous year.

E. Service Quality Standards

1. Installation Terms

a. Application for Service:

In cases where a construction agreement is not required, an application shall be considered as made when the customer either verbally or in writing requests service. In cases where a construction agreement is requested or payment is required, an application shall be considered as made when the Company receives the applicable construction agreement signed by the Company and by the customer, and the customer has made any advance payment to the Company required by the tariff.

b. Primary Line Service:

Primary line service is the first access line to the customer providing local dial tone and local usage necessary to receive a call.

2. Installation Interval - Ninety-five percent of residential/business basic primary line service orders will be completed within three business days or on the requested installation date, if later. This will be measured statewide on an annual basis.

a. If Qwest is unable to provide primary local exchange service to a customer within three business days, or on the requested installation date, if later, for Company reasons, Qwest shall waive the one-time installation charge for primary line connections.

b. Qwest shall also offer the customer free of charge a telephone number, a directory assistance listing, and the customer's choice of either:

- 1) Free remote call forwarding of that number until service is provisioned; or
- 2) A free voice mailbox to which the customer's calls may be directed until service is provisioned.

c. The company shall give priority installation commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life threatening emergencies.

d. If the delay is due to customer actions or other force majeure conditions, then no remedy will be required.

3. Restoration of Out-of-Service - It shall be the Company's objective to clear 95% of out-of-service trouble report conditions within 24 hours of the time such troubles are reported. Compliance with the objective shall be determined by a 12-month annual statewide average performance for the measure. A service is deemed to be out-of-service if the customer is unable to receive or place calls. This definition includes service affecting troubles such as static severe enough to prevent communications.

a. If Qwest fails to reinstate basic primary residential service within 48 hours and basic primary business service within 24 hours of the outage or a later date requested by the customer for the repair to be made, for Company reasons, Qwest will provide the customer a pro rata adjustment (i.e., 1/30th) of the monthly recurring charge for the first two days (Residential) and one day (Business) that there is a service outage. Qwest shall provide the customer \$5 for each day thereafter that the Residential customer is out-of-service and \$10 for each day the Business customer is out-of-service.

b. The company shall give priority repair commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life threatening emergencies.

c. If the missed restoration of service is due to events beyond Qwest's reasonable control (e.g., force majeure), then no remedy will be required.

4. **Trouble Report Rates** - The Company shall not exceed 2.5 customer trouble reports per 100 access lines, measured monthly on an exchange basis for each of Qwest's five LATAs. Compliance with the required objective shall be determined by the annual average of the 12 monthly out-of-service trouble report performance metrics by LATA, excluding reports caused by conditions outside Qwest's control (e.g., force majeure events or customer action).

In the event of a customer trouble report rate of more than 6.5 per 100 telephones per month per exchange for more than three consecutive months, the Department/OAG shall meet and confer with Qwest representatives to negotiate a voluntary resolution to the matter. If successful resolution of the matter cannot be negotiated, Qwest will present the Department and OAG with a plan to bring service quality into compliance. If the plan is not acceptable to the Department or OAG, the Department or OAG may file a complaint with the PUC for the purpose of determining whether reasonable additional customer remedies are warranted. Qwest shall not be deemed to be out of substantial compliance if failure to meet a standard is the result of circumstances as set forth in Section B.

5. **POTS Repeat Trouble Report Rate** - For all customers who report trouble on their access line, no more than 9.0% of total trouble reports may reflect the same trouble on the same line within 30 days of having the first trouble resolved. For instances of the same trouble reported on the same access line within 30 days, Qwest will credit individual residential customer(s) \$5 for each like-occurrence and business customer(s) \$10 for each like-occurrence. Compliance shall be determined by a 12-month annual statewide average of the performance for the measure.

The company shall give priority repair commitments to customers who identify critical medical situations.

Critical medical situations are identified as infants on monitor systems, life support systems, or other life threatening emergencies.

6. **Held Orders** - No more than .005% of primary access line orders where facilities are not available will be held for more than 30 days for Company reasons. Compliance shall be determined by a 12-month annual statewide average of the performance for the measure.

7. **Service Center Access** - Calls to the Service Center will be on hold no more than 60 seconds on the average after the last menu option is selected before being answered by a live service representative. The service representative will accept the information needed to begin processing the call and direct the caller to the appropriate specialized personnel, as appropriate. Compliance shall be determined by a 12-month annual statewide average of the performance for the measure for combined customer, business and repair calls.

8. **POTS Missed Repair Commitments** - Qwest will complete 90% of repair tickets by the commitment date provided to the customer. Compliance shall be determined by a 12-month annual average of the statewide performance for the measure. If the Company misses a commitment to repair service, due to Company reasons, where the customer is required to be at the premises, the Company will make reasonable efforts to adjust-to-satisfy.

a. The company shall give priority repair commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life threatening emergencies.

b. If the company misses a repair ticket commitment date, and the customer is required to be at the premise, Qwest will provide a remedy to the customer which may include a credit on the bill of the affected customer in the amount of \$10 for a residential customer or \$20 for a business customer for each trouble report. However, if the missed commitment is due to events beyond Qwest's reasonable control (e.g., the customer's failure to provide Qwest with adequate or correct information or failure to arrange for access to the premises, or force majeure events, etc.), then no remedy will be required.

INVESTMENT PLAN

Qwest is a vital member of the Minnesota community that is committed to serving its customers and supporting the economy on an ongoing basis. Qwest maintains a viable business that employs approximately 3,500 people in Minnesota and provides excellent service to its customers.

Qwest invests in technological and infrastructure enhancements to efficiently and effectively provide advanced integrated services for voice communications, data and video through a broadband capable network. Qwest's continued focus on advanced technology placement is based upon consumer demand and the highly competitive marketplace in Minnesota.

As owner of a ubiquitous copper last-mile network on which both retail and wholesale customers rely throughout Qwest's service area in Minnesota, Qwest will maintain the network to serve the telecommunications needs of both its retail and wholesale customers, except to the extent that Qwest is allowed by law to retire and replace copper loops or subloops or Qwest is otherwise specifically exempted from such obligations by law.

Qwest will invest significant resources to ensure that this network is reliable and accessible by all customers for telecommunications services on a nondiscriminatory basis.

Requirements Under AFOR Statute

Minn. Stat. §237.761, Subd. 8, requires that a proposed AFOR plan include an outline of infrastructure improvement plans. The investment plan must include the following: a

description of the planned level of investment in technological or infrastructure improvements; a description of the extent to which the investment plan will make new technology available to customers or will expand availability of current technology to customers; and, a description of the planned deployment of broadband capabilities or fiber optic facilities to schools, libraries, technical colleges, hospitals, colleges and universities, and local governments.

Current Status

Qwest's Minnesota network is a sophisticated, state-of-the art network that supports Qwest's commitment to provide a high level of quality for all its services

- Qwest has, since 2006, invested nearly \$362 million in our network in the state of Minnesota.
- Qwest's commitment to Minnesota is clearly demonstrated by its continued provision of quality service.
- Qwest has placed enough fiber optic cable in the loop infrastructure alone to carry tens of millions of simultaneous voice conversations.
- 100% of Qwest's switches in Minnesota have digital capabilities or are considered to be functionally equivalent.
- Frame relay service is available to 100% of Qwest's customer base.
- All Qwest exchanges have custom calling service and CLASS services available.

- Qwest has increased its high speed internet availability and speeds and continues to work to meet customer demand.

Investment Plan

Technological changes and infrastructure enhancements incorporated into Qwest's future investments will include the following:

- (1) Extensive use of fiber in interoffice trunking and the loop infrastructure;
- (2) Higher speed circuit electronics to tap the transmission capacity of fiber;
- (3) Increased Synchronous Optical Network (SONET) technology;
- (4) Technology upgrades that will enhance the capacity and performance of the current copper network;
- (5) Increased high speed internet service availability; and
- (6) Increased availability of CLASS service features.

Qwest will continue to deploy a network designed to meet the future needs of all telecommunications consumers.

- **SONET:** Networks and SONET rings in Minnesota have been upgraded to increase ring capacity through equipment augmentations and ring diverse routing (survivability). SONET is a method for communicating digital information using lasers or light-emitting diodes (LEDs) over optical fiber. Diverse Routing/Survivability are the capability of the communications network to continue to provide service after major damage to any part of the system.

- **OC192:** OC192 optical interoffice facility transport equipment has been deployed in larger interoffice facility applications to augment IOF capacity and bandwidth primarily in metropolitan areas.
- **Titan 5500:** Equipment Upgrades of Titan 5500 multiplexing equipment and fiber interface to facilitate expanded customer capacity and expanded broadband services to the Minnesota customer base in non-metro areas.
- **Dense Wave Length Division Multiplexers:** Deployment of DWDM improves fiber interoffice facility capacity and the management of signals transported over SONET networks. DWDM improves the capacity of fiber by using close spectral spacing of individual optical carriers (wavelengths) to take advantage of desirable transmission characteristics (e.g., minimum dispersion or attenuation) within a given fiber, while reducing the total fiber count needed to provide a given amount of information-carrying capacity.
- **ROADM (reconfigurable optical add-drop multiplexer):** ROADM adds the ability to remotely switch traffic in the DWDM systems at the wavelength layer. This allows individual wavelengths carrying data channels to be added and dropped from a transport fiber without the need to convert the signals on all of the WDM channels to electronic signals and back again to optical signals.
- **Asynchronous Transfer Mode (ATM):** ATM cell-based switching technology provides customers with high speed, low delay information transfer

capacity suited for data intensive business computing applications that require near-real-time mixed media communications among multiple locations. ATM technology provides high efficiency and flexibility because it provides "virtual channels" instead of dedicated physical paths.

- **Fiber To The Node (FTTN):** Qwest began its FTTN deployments in Minnesota in 2007. This investment allows for increased broadband speeds and a continually expanding broadband footprint. FTTN investments involve fiber deployment deeper into the network to enable the provision of high speed internet access at speeds up to 20 Mbps. Qwest anticipates a continued increase in broadband speed and area covered during this Plan. FTTN is a basic building block for Metro Optical Ethernet and High Speed Internet and is a transition technology from Asynchronous Transfer Mode (ATM) switching.
- **High Speed Internet:** Currently, 132 Minnesota wire centers are High Speed Internet (HSI) capable. Current product offerings for residential and small business broadband include: 1.5 Mbps (Silver), 7 Mbps (Platinum), 12 Mbps (Titanium) and 20 Mbps (Ultimate).

Digital Subscriber Line (DSL) technology has allowed Qwest to efficiently and quickly deploy high speed data and voice service to end users over the existing infrastructure of traditional copper telephone lines. Downstream speeds range from 192 Kbps to 20 Mbps, depending in part upon the distance from the central office. Customers include residential consumers, small and

large businesses and Internet Service Providers. DSL technology is utilized by businesses, residences, schools, libraries and healthcare providers for Telecommuting, Internet Access, Computer Telephony Integration, Distance Learning, Remote LAN Access, conferencing and E-mail access. Qwest will continue to invest and expand the availability of high speed internet in Minnesota.

Consistent with Qwest's deployment of high speed internet services, Qwest will continue its commitment to link schools, libraries, technical colleges, hospitals, colleges and universities, and local governments together with technology. Qwest will actively respond to demands from schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in its service area.

- **Metro Optical Ethernet:** Metro Optical Ethernet has been deployed in Minnesota wire centers. Metro Optical Ethernet is a Layer 2 intelligent Ethernet switching service that offers enterprise and carrier customers the ability to interconnect standard Local Area Network (LAN) interfaces between customer locations in designated Qwest Wire Centers where Metro Optical Ethernet facilities are available based on customer need.
- **Switch Upgrades:** Feature package upgrades in Minnesota from feature group 5E16 to 5E16.2 have provided enhanced internet protocol call routing

through the 5E switching fabric. 5E16.2 also provides expanded call control for 5E Remote Switching Units during emergency standalone operation.

- **Augmentation of Primary Rate 1SDN:** 24 channel interface switch capacity (PRI) in Minnesota PRI offices provides increased bandwidth capability for larger bandwidth consumers, e.g., hospitals, governmental and school system/universities.
- **CLASS Service Availability:** Customer Local Area Signaling Service (CLASS) offerings are available to all of Qwest's Minnesota customers. CLASS is a group of features that use the SS7 overlay network to forward line and call-specific information between offices on interoffice calls. CLASS services available to Qwest's customers include: Caller ID (including Calling Name), Call Waiting ID, Continuous Redial, Last Call Return, Selective Call Forwarding, Priority Call, Call Rejection, Call Trace, Anonymous Call Rejection.

High Speed Internet Service Deployment

Since 2006, Qwest has made substantial investments in the deployment of high speed internet service. It now provides high speed internet service to 132 wire centers. Qwest will continue to expand its provisioning of advanced service offerings where reasonable customer demand exists. In addition to facility investment that will provide for growth and offer advanced network services, Qwest's investment will be directed toward network preservation and rehabilitation initiatives to continue to improve and maintain service quality.

Reasonable customer demand will provide justification for the extension of high speed internet service beyond those areas initially identified by the Company for deployment of advanced services. Customer demand sufficient to justify further investigation into the extension of high speed internet service is demonstrated if 30 customers in a single distribution area, defined as the serving area of a particular network cabinet or feeder distribution interface, as expressed by individual customers, or by a local unit of government on behalf of 30 specific customers, indicate an interest in the extension of service to Qwest, via customer complaints or inquiries. Further, the extension of service to the 30 potential customers must produce a positive net present value to the Company within 42 months. The determination of whether the provision of high speed internet service will have a positive net present value will be predicated upon consideration of the following factors:

- The dollar amounts of the investments
- The expected service lives of the investments
- The interest rate used in the time value of money calculations
- Depreciation rates applied to investments
- Income tax rates used to calculate tax savings from investments
- Revenue flows over the lives of the investments
- Operating expenses over the lives of the investments

Qwest may request that potential high speed internet customers that served as the basis for the net present value study enter into one-year contracts for the service as a condition to offering the service.

Documentation of Qwest's net present value analysis will be provided to the Department of Commerce and/or the OAG-RUD upon request by the agencies. Beginning in 2010, or twelve months after the inception of the revised AFOR, Qwest will submit to the Commission a report that identifies the investments in technological and infrastructure enhancements it has made during the previous twelve month period. The report will be filed on March 1 of each year.