

Boise, Idaho
November 13, 2002

Wayne Hart
Carol Cooper
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

**RE: QWEST QUOTATION FOR SPECIAL FACILITY CHARGES TO
RICHARD HORNER FOR SERVICE TO APPLEWOOD APARTMENTS IN
REXBURG, IDAHO**

Dear Wayne,

At the request of Debbie Drew I have reviewed the complaint of Mr. Horner regarding provision of service to his new apartment complex in Rexburg, Idaho. Based upon this review and my discussion with the Qwest engineer who prepared the quotation I believe the charges requested from Mr. Horner (\$3,528) have been quoted correctly and consistently with current practice. I would like to provide you some background information to assist in your investigation.

Mr. Horner's development is a result of rapid expansion of housing for college students associated with Rick's Colleges recent change to a four year institution. In Mr. Horner's case a home (with current service) with a grandiose back yard is having the back yard area converted to commercial use to include seven 6-plex apartment units. This development is in the middle of a 20 year old single-family-home residential subdivision.

To provide service to the forty-two apartments Qwest is installing a new 100 pair aerial cable for 1400 feet from a service pedestal with adequate facilities to handle an expected demand of 63 lines (42 home units with 1.5 lines each). The use of the 100 pair cable is caused by ordering a standard cable size (ie. 50 pair and 100 pair choices) and would, of course, provide for unusual or unexpected future service needs to the area.

Qwest could not have planned for such an extreme demand for service when it originally engineered and placed its cabling to serve this area of Rexburg. Mr. Horner has indicated that there are several other multifamily developments which have sprung up around the one he is developing. I have confirmed with the Qwest engineer in the area that nearly all of these apartments were billed for special facility charges calculated the same way the charges for Mr. Horner were prepared.

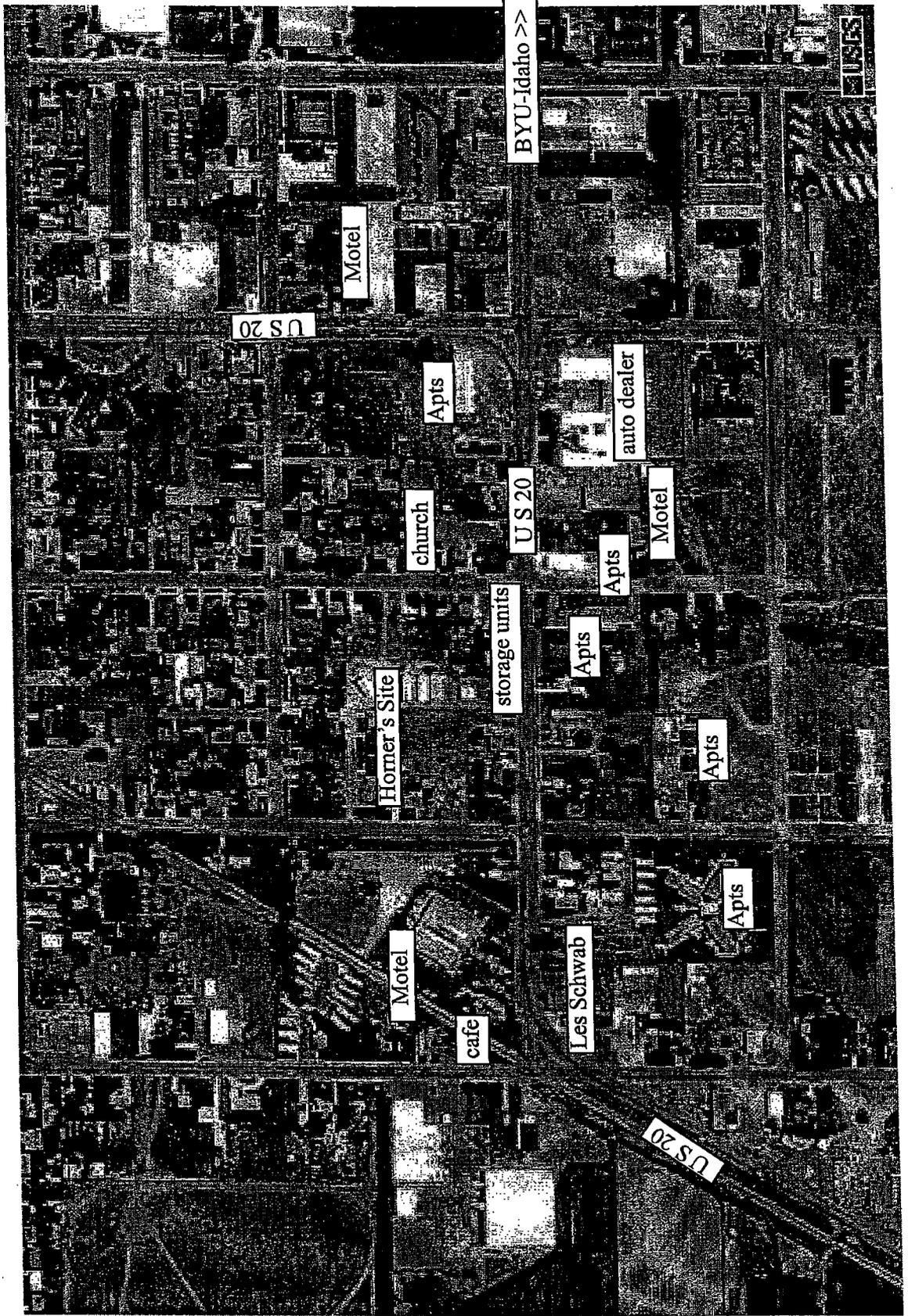
Qwest is relying upon its Basic Local Exchange Tariff Section Section 4, page 4, paragraph 4.5.1 for this quotation. It says: "Rates and charges in connection with special assemblies, special facilities and special finishes of equipment will be based on the cost involved in each individual case." In this case, the building of commercial apartments in an area originally cabled for single-family service requires installation of special facilities for the unique demands of this customer. In its billing quotation to Mr. Horner, Qwest is only charging for the placement of the new cable. The actual cost of the aerial cable is not being billed to Mr. Horner as it is considered a reusable facility for the future. In fact, Qwest's total charges for the engineering, material and placement of the cable to Applewood Apartments is \$6,303. Qwest believes this approach strikes an appropriate balance between it investing in providing new service to this commercial application and a customer contribution based upon its impact on the existing network.

The Company engineer indicates that the relatively small financial impact to provide telephone service to new apartments that are placed in locations such as Mr. Horner's typically cause little or no concern to developers. Qwest's engineer is moving forward with the final drafting of the job and ordering material for the Applewood Apartments with the understanding that Mr. Horner will be willing to pay 'under protest' the Qwest-quoted charges. If Staff agrees that the quoted charges are reasonable and consistent with our tariff, no refund will be made by Qwest. If Staff does not agree that the charges are valid, Qwest requests that this complaint be brought to the Commissioners for formal determination through a decision meeting agenda item.

If I can be of further assistance in this matter, please call me on 385-8666.

Sincerely,

John Souba
Mgr. Regulatory Affairs



US 20

Motel

BYU-Idaho >

Apts

church

US 20

auto dealer

Apts

Motel

storage units

Apts

Horner's Site

Apts

Motel

cafe

Les Schwab

Apts

US 20

US 20

