January 28, 1997

Mary S. Hobson

Elam & Burke

PO Box 1539

Boise, ID 83701

RE: STAFF SETTLEMENT OFFER FOR THE SERVICE GUARANTEE PROGRAM, CASE NO. USW-S-96-5

Dear Mary:

As part of our settlement discussion in this case, U S WEST identified the following changes that it proposes to make to its Service Guarantee Program.  In these changes include:

∙Increasing the cellular voucher credit to $200 the first month and $150 for all subsequent months.

∙Customers would qualify for the cellular voucher or credit for recurring charge options after an order is held for 5, rather than 30 days.

∙Customers in areas where cellular service is not available would qualify for two times the monthly recurring charge, rather than one times the monthly recurring charge,  for each month or partial month an order is held.

∙Customers whose primary line is held for facilities would qualify for voice messaging service, at no set-up, installation or recurring charges, after an order is held for five days.

∙Customers would qualify for the telephone number and directory listing at the time an order is held, rather than five days after an order is held.

Staff makes the following offer to U S WEST.  If the Company accepts the following changes to the Service Guarantee Program, in addition to those identified above, then Staff is willing to discuss reducing or eliminating its proposed 50 basic points service quality penalty discussed in Staff witness Wayne Hart’s prefiled testimony.  The additional changes to the Service Guarantee Program include:

∙U S WEST must commit to operating the program as modified for a minimum of three (3) years.  Changes to the program during the three years would require Commission approval.  Changes after the third year would be allowed after 60 days advanced notice to the Commission.

∙A telephone number and directory listing would be provided to all orders, primary and secondary, whether held or not, at the time the order is placed, or as soon thereafter as is practicable.

∙Credit for the installation charge would be provided to any customer whose request for service, primary or secondary, is not provided within seven days of the date service is ordered, or a due date requested by the customer, which ever is later.

∙The credit for missed repair or installation commitments, repeat repairs and post installation repairs would be provided to both primary and secondary lines.   These credits would be automatically provided, without requiring a customer to call and request them.

A comparison of the current U S WEST Service Guarantee Program, along with the modifications identified by Souba, and proposed by the Staff, is attached.

If you would like to discuss this offer in greater detail, please contact me no later than January 31, 1997 at 334-0312.  We look forward to your favorable review.

Sincerely,

Donald L. Howell, II

Deputy Attorney General

cc:Parties of Record

Wayne Hart

Bev Barker

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