

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CENTURYTEL OF INTER ISLAND, INC.
D/B/A CENTURLINK,

Respondent.

DOCKET UT-132234

REVISED SETTLEMENT
AGREEMENT

1 This Settlement Agreement is entered into by all of the parties to this proceeding, for the purpose of resolving all of the issues raised in the above docket. This settlement is a full settlement pursuant to WAC 480-07-730(1).

I. PARTIES

2 The parties to this Settlement Agreement are CenturyTel of Inter Island, Inc. d/b/a CenturyLink (CenturyLink), the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel), and the Staff of the Washington Utilities and Transportation Commission (Commission Staff) (collectively, "the Parties").

II. BACKGROUND

3 In the early morning hours of Tuesday, November 5, 2013, CenturyLink customers on the San Juan Islands experienced a service outage that isolated them from the mainland, disrupted 911 and long-distance service, and limited interisland calling. The cause of the outage was a break in the underwater cable connecting Lopez Island and the main switch on San Juan Island.

4 CenturyLink monitoring systems detected a loss of connection to the Friday Harbor switch at 3:45 a.m. on November 5, 2013, and the outage was reported to the Washington Utilities and Transportation Commission (Commission) at 3:47 a.m. The report to the Commission described the outage as follows: “5831 lines impacted due to toll isolation. Possible maintenance activity.” The report provided an estimated restoral time of 8:00 a.m. that day.

5 Commission Staff learned from the Washington Military Department that the outage was far more extensive and likely due to a severed fiber cable. Although CenturyLink did not include Commission Staff in the initial notification of daily conference calls to discuss the outage, Commission Staff was able to participate in those calls beginning on November 6, 2013, during which status updates on the outage were provided. CenturyLink communicated with the Commission by email on November 8, 2013, about the nature and extent of the outage and to update the initial report sent on November 5, 2013.

6 Residents, business owners, and public officials, such as the county E911 coordinator, stated at the Commission’s public hearing held December 9, 2013, and in written comments to the Commission that they were unable to get reliable and timely information about what was happening and the status of the repairs.

7 CenturyLink issued daily news releases to the media, which were available on local websites. The outage limited Internet access to varying degrees on the islands. On approximately the third day of the outage, the Company began posting news releases at some business locations in Friday Harbor on San Juan Island, but not on any of the other islands.

8 The Commission conducted an investigation, which culminated in a complaint filed November 5, 2014. In the complaint, the Commission alleged 15,921 violations of the

Commission's Major Outages Rule, WAC 480-120-412, which requires a company to timely notify the Commission, timely notify and update the county E911 coordinator and the state emergency management authorities, and disseminate information to the public and public officials as well as to the media during major outage recovery efforts. Public Counsel intervened in the proceeding. Subsequently the Parties engaged in settlement discussions, which resulted in this Settlement Agreement.

III. AGREEMENT

9 The Parties have reached agreement on the issues raised in the above docket and present their agreement for the Commission's consideration and approval. The Parties therefore adopt the following Settlement Agreement, which the Parties enter into voluntarily, to resolve the matters in dispute between them and to expedite the orderly disposition of this proceeding.

A. Defined Terms

10 For the purposes of this Settlement Agreement, the terms below are defined as follows:

1. "Effective Date" means the service date of a final order approving the Settlement Agreement or the date that an initial order approving the Settlement Agreement becomes a final order pursuant to WAC 480-07-825(7).
2. "San Juan Submarine Facilities" means the cable route from Friday Harbor on San Juan Island through Lopez Island and terminating at the meet-point with Frontier Communications Northwest, Inc.'s facilities in Anacortes; and the cable route between Blakely Island and Orcas Island.

B. Admission to Violations

11 CenturyLink admits to violations of WAC 480-120-412 in connection with the
notification obligations under that rule.

C. Penalty

12 Within 30 days of the Effective Date, CenturyLink will pay a penalty of \$50,000.00
to the Commission.

D. Emergency Communications Plan for San Juan County

13 CenturyLink commits to meet with representatives from Commission Staff, Public
Counsel, and, if they wish to attend, representatives from the San Juan County Department
of Emergency Management and the Washington Military Department to develop an
emergency communications plan for San Juan County that is consistent with the
requirements of WAC 480-120-412. The Parties agree that one meeting will take place in
San Juan County within six months following the Effective Date, and the Parties will make
appropriate representatives available for the meeting. Commission Staff will initiate,
coordinate, make logistical arrangements for, and facilitate these meetings. CenturyLink
commits to producing an emergency communications plan for San Juan County, in
consultation with representatives of the organizations noted above, within eight months
following the Effective Date.

E. Washington State Communications Plan

14 CenturyLink commits to meet with representatives from Commission Staff and
Public Counsel to develop an emergency communications plan for use during major outages
in Washington State consistent with the requirements of WAC 480-120-412. The Parties
agree that one meeting will take place at the Commission's headquarters building within six
months following the Effective Date, and the Parties will make appropriate representatives

available for the meeting. Commission Staff will initiate, coordinate, make logistical arrangements for, and facilitate these meetings. CenturyLink commits to producing an emergency communications plan for Washington State, in consultation with representatives of the organizations noted above, within eight months following the Effective Date.

F. Technical Agreements

15 This Settlement Agreement constitutes formal notification to the Commission by CenturyLink that spectrum for the two microwave systems (transmitting between Friday Harbor/Mt. Constitution and Mt. Constitution/Bellingham) has been approved by both the Federal Communications Commission and Canadian authorities, and that the systems are fully operational. These microwave systems have sufficient capacity to maintain CenturyLink's intrastate voice and critical services traffic, such as 911 and SS7 links, on a diverse route between the islands and the mainland at normal call volumes.

16 CenturyLink agrees to the following annual inspection and reporting requirements, which will expire March 31, 2025:

1. By November 30 of each year, CenturyLink will submit annual inspection plans to the Commission for the subsequent calendar year for the San Juan Submarine Facilities. The plans should, at a minimum, specify the location of the facility to be inspected and the frequency and manner in which inspections will be conducted.
2. By March 31 of each year, CenturyLink will report to the Commission all inspections and maintenance performed during the preceding year for both the underwater fiber cable and microwave systems. In each report for each underwater fiber facility, CenturyLink will: identify the baseline measurements of decibel and signal strength; identify any loss of decibel or signal strength; and

describe ongoing monitoring for each underwater facility. In each report for each microwave system, CenturyLink will state whether it followed its current Antenna and Tower Routine Inspection, which is attached as Appendix A to this Settlement Agreement. If CenturyLink changes its Antenna and Tower Routine Inspection, CenturyLink will provide the Commission with the revised routine inspection document on or before March 31 of each year.

3. By March 31 of each year, CenturyLink will report to the Commission the ability of both San Juan microwave systems to provide redundant capacity between the various island customers to the host switch located in Friday Harbor and the redundant capacity between Friday Harbor and Bellingham, Washington. CenturyLink will also affirm in this report that the two microwave systems have sufficient capacity to maintain CenturyLink's intrastate voice and critical services traffic on a diverse route between the islands and the mainland at normal call volumes. CenturyLink will provide information to Commission Staff about the status of the microwave systems on request.
4. CenturyLink will petition the Commission for approval of any company plans to reduce or eliminate redundant service between the islands and from the islands to the mainland.

G. Service Quality Repairs

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CenturyLink will replace facilities in six counties at locations identified by Commission Staff from consumer complaints to improve service quality to customers in those locations:

- King County, Enumclaw – Complaint 122394 – cut over to new cable
- Stevens County, Colville – Complaint 121141 – replace cable

- Pierce County, Tacoma – Complaint 122347 – replace cable
- Ferry County, Keller – Complaint 121833 – replace cable
- Cowlitz County, Longview – Complaint 122811 – replace cable
- Walla Walla County, Walla Walla – Complaint 119890 – replace cable

18 CenturyLink’s preliminary estimate of the capital cost of these investments totals approximately \$100,000. This work will be completed by December 31, 2015, and CenturyLink will notify the Commission, with a copy to Commission Staff and Public Counsel, when that work is complete.

IV. GENERAL PROVISIONS

19 The Parties agree that this Settlement Agreement reflects the settlement of all contested issues between them in this proceeding. The Parties understand that this Settlement Agreement is not binding unless and until accepted by the Commission.

20 The Parties agree to cooperate in submitting this Settlement Agreement promptly to the Commission for acceptance. The Parties agree to support adoption of this Settlement Agreement in proceedings before the Commission through testimony or briefing. No party to this Settlement Agreement or their agents, employees, consultants, or attorneys will engage in advocacy contrary to the Commission’s adoption of this Settlement Agreement.

21 The Parties agree (1) to provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Settlement Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements), and (2) to include in any news release or announcement a statement that the Commission Staff’s recommendation to approve the settlement is not binding on the Commission itself.

22 Nothing in this Settlement Agreement shall limit or bar any other entity from

pursuing legal remedies against CenturyLink or CenturyLink's ability to assert defenses to such claims.

23 Except to the extent expressly stated in this Settlement Agreement, nothing in this Settlement Agreement shall be (i) cited or construed as precedent or indicative of the Parties' positions on an issue resolved in this Settlement Agreement, or (ii) asserted or deemed in any other proceeding, including those before the Commission, the commission of any other state, the state courts of Washington or any other state, the federal courts of the United States of America, or the Federal Communications Commission, to mean that a Party agreed with or adopted another Party's legal or factual assertions.

24 The Parties have entered into this Settlement Agreement to avoid further expense, inconvenience, uncertainty, and delay of continuing litigation. The Parties recognize that this Settlement Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Settlement Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Settlement Agreement or any Commission order fully adopting those terms. This Settlement Agreement shall not be construed against any party because it was a drafter of this Settlement Agreement.

25 The Parties have negotiated this Settlement Agreement as an integrated document to be effective upon execution and Commission approval. This Settlement Agreement supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the Commission adopt this Settlement Agreement in its entirety.

26 The Parties may execute this Settlement Agreement in counterparts and as executed shall constitute one agreement. Copies sent by facsimile or by email in PDF format are as effective as original documents.

27 The Parties shall take all actions necessary, as appropriate, to carry out this Settlement Agreement.

28 In the event that the Commission rejects or modifies any portion of this Settlement Agreement, each party reserves the right to withdraw from this Settlement Agreement by written notice to the other party and the Commission. Written notice must be served within ten (10) business days of the Order rejecting part or all of this Settlement Agreement. In such event, no party will be bound or prejudiced by the terms of this Settlement Agreement, and any party shall be entitled to seek reconsideration of the Order.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION
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Assistant Attorney General

Dated: June _____, 2015

Dated: June _____, 2015

CENTURYTEL OF INTER ISLAND, INC.
d/b/a CENTURYLINK

LISA A. ANDERL
Senior Associate General Counsel
for CenturyLink

Dated: June _____, 2015