

**APPENDIX A TO SETTLEMENT AGREEMENT - CONDITIONS**  
**Reflecting Joint Applicants' agreement with Commission Staff and Public Counsel**  
12/23/2010

As part of a comprehensive settlement with Commission Staff and Public Counsel, CenturyLink agrees to the following conditions:

**1. Financial Reporting**

After the Transaction closes, until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded, CenturyLink will file with the Commission a semi-annual report containing the following:

- a. CenturyLink Inc.'s balance sheet.
- b. Intercompany receivables and payables for the CenturyLink ILECs and Qwest showing the beginning balance, the change for the period and the ending balance of those accounts.
- c. Dividend payments declared by CenturyLink Inc. to its shareholders (in total and per share) for each quarter during the year.

The first report shall be filed with the Commission within 30 days after CenturyLink's first post-Transaction filing of quarterly financial reports (10Q) with the SEC. Subsequent reports will be filed semi-annually thereafter within 30 days after CenturyLink's filing of financial reports (10K or 10Q as appropriate) with the SEC.

**2. Cost of Capital**

The CenturyLink ILECs and Qwest will not advocate in any general rate case or AFOR proceeding, or other earnings review, for a cost of capital that is higher than what it would have been absent the Transaction.

**3. AFOR Filing**

- a. Prior to the expiration of the existing Qwest AFOR, CenturyLink will petition the Commission for the following:
  - i. deferral of the Qwest AFOR review until the filings required in the next section of this condition are made;
  - ii. extension of the Qwest AFOR period until the Commission issues an order on the filings required in the next section of this condition; and
  - iii. elimination of the CenturyTel/Embarq merger conditions requiring a results of operation filing within three years and an AFOR filing within five years of the close of the CenturyTel/Embarq merger.
- b. No sooner than three years and no later than four years after the Transaction closes, CenturyLink must file concurrently with the Commission:

- i. *Pro forma results of operations.*

CenturyLink must file, at the company's option, either (1) a normalized pro forma consolidated results of operations that combines the results of operations for the CenturyLink ILECs and Qwest into a single consolidated results of operations filing or (2) separate results of operations for each CenturyLink ILEC and for Qwest. For the CenturyLink ILECs, results of operations shall be consistent with WAC 480-07-510(3) and reflect the Commission format using a historical test period with restating and pro forma adjustments to the test period. Restating adjustments will remove non-recurring transactions and other costs that are not appropriate for rate making purposes, such as integration costs. Pro forma adjustments will use the "known and measurable" standard. The filing shall provide the Commission the information necessary to conduct a full earnings review consistent with that required in a general rate case, and which captures merger synergies realized throughout the test year and pro forma period, as specified in the CenturyTel/Embarg Merger Order, Docket No. UT-082119, Order 05, ¶¶ 48-50. For Qwest, results of operations shall be consistent with the reporting required in the AFOR and set forth in attachments to Order 06, Docket UT-061625, at pp. 49 and 50, Qwest's Modified Proposal for an AFOR, Transition Period Requirement #3 and #5, and at p. 55, Appendix B to the proposal. Also included in the filing will be a cost of capital determination. The Parties understand that the Commission may request additional information to enable it to conduct an earnings review or may request the filing of consolidated results of operations.
- ii. *AFOR plan(s).*

CenturyLink must file, at the company's option, either a single consolidated proposed AFOR plan or separate proposed AFOR plans for each CenturyLink ILEC and Qwest, in compliance with RCW 80.36.135 and utilizing the principles established by the Commission in the Qwest AFOR, Docket UT-061625.
- c. The Parties agree in reference to b. above that, if and after separate filings are made, the Parties are not precluded from requesting the Commission to order a consolidated filing. The Parties understand that the Commission may request filing of a consolidated AFOR plan on its own motion.
- d. The Parties agree that the issues in the AFOR proceedings shall include the analysis and disposition of merger synergies, the question of whether and to what extent rate rebalancing is appropriate, and whether and to what extent the rate design for residential or business services, and intrastate access charges should be modified to achieve consistency of rate structures among the companies. Issues also include whether any rate changes associated with achieving consistency of rate structures among the CenturyLink ILECs and Qwest should be accomplished over time and whether or not they would result in a single statewide rate for

residential or business services, or intrastate access charges. The Parties further agree that in the AFOR proceeding(s), any party may advocate for the modification, termination, or continuation of any merger conditions (i.e, those stated to be effective through the end of the AFOR proceeding), except where otherwise provided (e.g., conditions 2, 5, and 6).

#### **4. Synergy Report**

For a period of five years after the Transaction closes, CenturyLink will track and file annually a confidential report reflecting merger costs and synergy savings on a company-wide and Washington basis. The first report shall be filed with the Commission within 150 days after the first anniversary of the close of the Transaction, and subsequent reports will be filed annually with the Commission on the anniversary date of the first report. The report shall reflect the following information:

- a. Synergy Savings – The report will provide estimated achieved synergy savings by the functional areas being tracked by CenturyLink. Estimated achieved synergy savings by the functional areas will be shown for CenturyLink company-wide and for each CenturyLink ILEC and Qwest (total company and intrastate jurisdiction amounts).
- b. Merger Costs – The report will provide total merger costs incurred for the reporting period for CenturyLink company-wide and for each CenturyLink ILEC and Qwest (total company and intrastate jurisdictional amounts).

CenturyLink acknowledges that the reporting required under this condition has no effect on the reporting obligations related to merger costs and synergy savings previously established in paragraph 50 of the Commission’s order in the CenturyTel/Embarq merger in Docket UT-082119.

#### **5. Management Costs**

The CenturyLink ILECs and Qwest agree not to seek recovery from their retail or wholesale customers any increases in overall management costs related to the Transaction.

#### **6. Merger Costs**

CenturyLink will not seek recovery through retail or wholesale service rates transition, integration, branding or transaction costs in Washington. These costs will be borne by the CenturyLink stockholders.

#### **7. Encumbrance of ILEC Assets**

CenturyLink will not pledge the assets of the CenturyLink ILECs and Qwest to secure borrowing undertaken by CenturyLink without approval of the Commission.

## **8. Notification of Financial Information at Transaction Close**

Within 30 days after the Transaction closes, CenturyLink will notify Commission Staff of the post-Transaction CenturyLink consolidated 2010 Net Debt/ trailing 12-month EBITDA; the price per share of CenturyLink's and QCII's stock at the Transaction's close; and the number of shares issued to QCII shareholders.

## **9. Affiliated Interest**

The CenturyLink ILECs and Qwest will comply with all applicable state and federal statutes and regulations regarding affiliated interest transactions, including timely filings of applications and reports, consistent with their respective forms of regulation, and terms of such regulation, as applicable to each respective company.

## **10. Changes to Transaction**

The Joint Applicants must immediately notify the Commission of any material change to the Transaction terms and conditions set forth in their Application that: (1) occurs while a Commission order on the merits of the Transaction is pending, or (2) occurs before the Transaction closes but after the Commission issues its order on the merits of the Transaction. The Joint Applicants also must submit a supplemental application for an amended Commission order in this docket if there is any change in substantive transaction conditions and terms that affect Commission-regulated services in Washington.

## **11. Accounting Records**

CenturyLink agrees to the following with respect to books and records:

- a. After the Transaction closes, the CenturyLink ILECs and Qwest must maintain their books to ensure they will continue to report Washington operations to the Commission consistent with the Washington-specific data that is being reported currently by the CenturyLink ILECs and Qwest to the extent that the data being reported is still required.
- b. Nothing in this Transaction or related agreements will limit or affect the Commission's, Commission Staff's or Public Counsel's rights with respect to inspection of accounts, books, papers and documents of QCII or CenturyLink or their subsidiary companies pursuant to RCW 80.04.070 or RCW 80.16.030.
- c. Nothing in this Transaction or related agreements will result in reduced access to necessary books and records that relate to transactions between or among any of the participating parent corporations or their operating subsidiaries, or their successors. The corporate structure resulting from the Transaction will not be used by the surviving post-Transaction entities as a basis to oppose requests for

books and records made by the Commission, the Commission Staff, or Public Counsel.

- d. Joint Applicants and the surviving post-Transaction entities shall maintain the necessary books and records so as to provide an audit trail for all corporate, affiliate, or subsidiary transactions with the operating ILEC subsidiaries, or that result in costs that may be allocable to the operating ILEC subsidiaries.

## **12. Plan for Evaluation and Replacement of Switches**

CenturyLink will provide to Commission Staff and Public Counsel on the first anniversary of the Transaction's close, a status report on CenturyLink's switching infrastructure in the state, which will identify any switch replacements, upgrades or retirements made in the prior calendar year as well as any that are known for the upcoming calendar year.

## **13. Report of Capital Expenditures**

After the Transaction closes, until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded, CenturyLink will submit to the Commission, with copies to Commission Staff and Public Counsel, a confidential report for the previous calendar year detailing Washington regulated capital expenditures as a percentage of total system expenditures and a comparison of the amount of regulated capital expenditures per Washington access line with the amount of regulated capital expenditures per CenturyLink system-wide access line.

After the Transaction closes, until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded, CenturyLink will submit a report annually, within 30 days after capital budgets have been approved by the CenturyLink board, to the Commission, with a copy to Commission Staff and Public Counsel, containing the projected capital budgets for the CenturyLink ILECs and Qwest for the current budget year. Recognizing that projected capital budgets are fluid, and that these budgets will be provided for informational purposes, follow-up filings will not be made except in the case of a major variance.

## **14. Broadband Commitment**

In addition to the Qwest AFOR and CenturyTel/Embarq merger broadband commitments, CenturyLink shall invest no less than \$80,000,000 (eighty million dollars) in retail broadband infrastructure in Washington over a five year period, beginning January 1, 2011. No less than thirty-three percent (33%) of this amount shall be invested in unserved and underserved areas. In addition to the 33% of the total investment that is directed to unserved and underserved areas, CenturyLink will enable broadband in the following CenturyLink central offices: Clearwater, Glenwood, Willard, Nespelem, and Eureka. This investment will count toward the \$80,000,000 total.

For purposes of this Settlement Agreement, “unserved” means either an area that has no wireline broadband service from any carrier, or no wireline service available from the CenturyLink ILECs or Qwest; “underserved” means an area with wireline broadband service but only at download speeds of 4 Mbps and upload speeds of 1 Mbps or less; and “area” means one or more living units. CenturyLink may invest less than thirty-three (33%) of the total amount in unserved or underserved areas with Commission approval, after a showing that such investments would not be appropriate based on deployment costs, availability of other broadband services in those areas or other pertinent factors, but any such Commission approval shall not impact the total amount of the commitment.

Within 180 days of the Transaction’s close, CenturyLink will file with the Commission, with copies to Commission Staff and Public Counsel, a separate confidential filing identifying the initial wire centers targeted under the commitment, including those areas that qualify as unserved or underserved, as well as the estimated living units that will be enabled or upgraded as to speed. Company representatives will meet with Commission engineering staff and Public Counsel to review this report. The Parties agree that as part of its initial broadband evaluation CenturyLink will evaluate each of the unserved and underserved areas, with an emphasis on those Qwest and CenturyLink ILEC wire centers with 85% broadband availability or less, to determine if the combined networks overcome the existing challenges in provision of broadband services. These findings will be used in developing CenturyLink’s broadband investment plan and will be reviewed with Commission Staff and Public Counsel as part of the post-Transaction meeting.

For a period of five years, or until all capital commitments have been expended under this condition, CenturyLink will file with the Commission annually on the anniversary of the Transaction’s close a confidential written report on the broadband deployment by wire center accomplished in the previous year, including the expenditure per wire center, the number of living units enabled or upgraded as to speed, and the broadband speeds available in each wire center. The report shall contain the same Washington-specific information as is currently reported under the Qwest AFOR broadband reporting requirement. The Parties agree to work collaboratively to develop a report format to comply with this provision.

CenturyLink will file with the Commission, with copies to Commission Staff and Public Counsel, a plan for broadband deployment annually, to begin within 60 days of the anniversary date of the closing of the Transaction and thereafter submitted on the anniversary of the Transaction’s closing date, including the number of living units to be enabled or upgraded. In addition, CenturyLink will meet with Commission Staff and Public Counsel to review the annual broadband plan and the annual deployment report.

## **15. DSL Offerings**

After the transaction closes, until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded, CenturyLink will continue to offer stand-alone DSL service within the Qwest service territory and, within the CenturyLink ILEC territories,

will continue to offer a basic broadband service coupled with discounted, restricted voice and 911 service equivalent to the current “Pure Broadband” service.

## **16. Service Performance Guarantee (SPG)**

- a. After the Transaction closes, until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded,
  - i. CenturyLink ILECs will implement a \$5 out of service credit mirroring Qwest’s “Allowance for Service Interruptions” tariff. The program must be implemented within 180 days after the Transaction’s closing date.
  - ii. CenturyLink agrees to modify the service guarantee program adopted in the CenturyTel/Embarq merger in the following manner:
    - (1) The one year program will be extended to run until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded.
    - (2) The \$15 residential credit will be increased to \$25.
- b. For a period of three years from the Transaction’s close, CenturyLink agrees to meet or exceed delayed primary service metrics for CenturyLink ILECs, measured as follows:
  - i. For the first three months after the Transaction closes, the CenturyLink ILECs’ average performance will be compared to average performance for the twelve months prior to the Transaction’s close or the WAC 480-120-105(1)(a) metric, whichever is higher.
  - ii. Thereafter, each successive month of the CenturyLink ILECs’ performance will be added to the three month period referenced above in determining the CenturyLink ILECs’ average performance until twelve months after the Transaction closes.
  - iii. Beginning one year after the Transaction closes, the CenturyLink ILECs’ performance will be measured by a rolling twelve month average performance, or the WAC 480-120-105(1)(a) metric, whichever is higher.
  - iv. If the CenturyLink ILECs’ average performance for any three month period fails to meet the standard specified above by 125%, CenturyLink agrees to implement a “delayed primary” service program mirroring Qwest’s “Delayed Primary Basic Exchange Alternative” tariff until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded.

## **17. Service Quality Reporting**

Qwest shall continue the monthly service quality reporting required before the Transaction; however, until the conclusion of the AFOR proceedings, Qwest shall report payouts under the CSGP on a quarterly basis.

The CenturyLink ILECs shall continue to file monthly service quality reports as required by rule, and following implementation of a CSGP consistent with Condition 16 above, the CenturyLink ILECs shall file quarterly reports of their CSGP until the conclusion of the AFOR proceedings.

CenturyLink will include in the monthly service quality reports of the CenturyLink ILECs a 90-day held order report that, within the limitations of CenturyLink's system, replicates the Qwest report as closely as possible.

CenturyLink will file, and Commission Staff will support, a petition for waiver of WAC 480-120-439(4) seeking permission to report on orders completed rather than on orders taken, which would constitute treatment similar to that granted Qwest in Docket No. UT-030704.

### **18. Failure to Meet Service Quality**

If any CenturyLink ILEC or Qwest has service quality degradation that falls below the average level of retail service quality metrics reported for six months prior to the closing date of the Transaction, Commission Staff, or Public Counsel, at its discretion, can initiate a service quality investigation to propose establishment of a self-executing service quality penalty mechanism tailored to address the service failure issue(s).

### **19. Customer Complaint Handling**

CenturyLink will retain Qwest WUTC complaint staff in Washington state for a period of no less than two years following the close of the Transaction.

On an ongoing basis, CenturyLink shall ensure that its executive complaint functions are sufficiently staffed with adequately trained personnel who will provide a level of service that is consistent with WAC 480-120-166, with particular focus on punctuality of response; accessibility during the Commission operating hours; thorough investigation with complete responses; and internal communication methods to reach appropriate operations personnel to respond to and resolve consumer issues, with particular emphasis on service affecting situations.

### **20. Retail Rate Cap**

None of the CenturyLink ILECs or Qwest will file tariff revisions seeking to increase stand alone flat rated residential (1FR) or business (1FB) tariffed access line rates until such time as an AFOR for the CenturyLink ILECs and Qwest has been approved, except in the case of the occurrence of "Exogenous Events."

For three years following the date the Transaction closes, Qwest's rate for competitively classified stand alone business (1FB) service shall be capped at \$30.00, which is \$1.00 more than the rate currently in effect.



CenturyLink or Qwest ILECs may petition the Commission to seek recovery from the impact of exogenous events that materially affect their operations as a result of orders issued by the Federal Communications Commission ("FCC") or this Commission.

Until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded, CenturyLink will continue to offer rate stabilization provisions for those Qwest business exchange services for which rate stabilization is available as of December 1, 2010.

CenturyLink will honor all existing terms and conditions for bundled service customers (e.g., lifetime price guarantees) agreed to prior to the close of the Transaction.

## **21. LD Issues**

If post-Transaction rearrangements will cause a change in a customer's CenturyLink or QCII long distance carrier, CenturyLink agrees to notify all affected customers before the transfer occurs. The notice will be sent to customers a minimum of thirty (30) days before the transfer and will offer customers the option to change to a different long distance carrier without incurring a Primary Interexchange Carrier (PIC) change charge for a period of ninety (90) days.

## **22. OSS – Retail**

CenturyLink agrees to submit to Commission Staff and Public Counsel semi-annual integration status reports following the close of the Transaction. The initial report will be submitted within 90 days after the Transaction closes and will continue semi-annually for four years (reports will be provided within 30 days following the end of each semi-annual period). At a minimum, the reports will include a summary of integration-related activity completed since the last filed report and key milestones, deliverables and implementation timelines, and major risks and contingency plans for the upcoming quarter and beyond, if available, for all substantial integration team efforts.

For four years after the closing date of the Transaction, prior to conversion of any CenturyLink retail operations support systems that impact Washington operations CenturyLink will provide notice to Commission Staff and Public Counsel 180 days in advance of the conversion. Notification will consist of a detailed description of the systems involved, the action to be taken, the timelines associated with the system conversion and a description of customer impacts. Upon request CenturyLink will provide Commission Staff with additional documentation verifying conversion readiness. Retail operations support systems are defined as ordering, provisioning, maintenance and repair, and billing systems.

## **23. OSS – Wholesale**

In legacy Qwest ILEC service territory, after the Transaction closes, CenturyLink will use and offer to wholesale customers the legacy Qwest Operational Support Systems (OSS) for at least two years, or until July 1, 2013, whichever is later, and thereafter

provide a level of wholesale service quality that is not less than that provided by Qwest prior to the Transaction's closing, with functionally equivalent support, data, functionality, performance, electronic flow through, and electronic bonding. After the period noted above, CenturyLink will not replace or integrate Qwest systems without first establishing a detailed transition plan and complying with the following procedures:

- a. Detailed Plan. CenturyLink will provide notice to the Wireline Competition Bureau of the FCC, the Commission, and the Parties to this agreement at least 270 days before replacing or integrating Qwest OSS system(s). Upon request, CenturyLink will describe the system to be replaced or integrated, the surviving system, and steps to be taken to ensure data integrity is maintained. CenturyLink's plan will also identify planned contingency actions in the event that CenturyLink encounters any significant problems with the planned transition. The plan submitted by CenturyLink will be prepared by information technology professionals with substantial experience and knowledge regarding legacy CenturyLink and legacy Qwest systems processes and requirements. CLECs will have the opportunity to comment on CenturyLink's plan in a forum in which it is filed, if the regulatory body allows comments, as well as in the Qwest Change Management Process.
- b. CMP. CenturyLink will follow the procedures in the Qwest Change Management Process ("CMP") Document.
- c. Replacement or Retirement of a Qwest OSS Interface.
  - i. The replacement or retirement of a Qwest OSS Interface may not occur without sufficient acceptance of the replacement interface by CLECs to help assure that the replacement interface provides the level of wholesale service quality provided by Qwest prior to the Transaction's closing. Each party participating in testing will commit adequate resources to complete the acceptance testing within the applicable time period. The Parties will work together to develop acceptance criteria. Testing will continue until the acceptance criteria are met. Sufficient acceptance of a replacement for a Qwest OSS Interface will be determined by a majority vote, no vote to be unreasonably withheld, of the CMP participants (Qwest and CLECs) in testing, subject to any party invoking the CMP's Dispute Resolution process. The requirements of this paragraph will remain in place only until completion of Transaction-related OSS integration and migration activity. If a dispute arises as to whether such Transaction-related OSS integration and migration activity is complete, the Commission will determine the completion date.
  - ii. CenturyLink will allow coordinated testing with CLECs, including a stable testing environment that mirrors production, jointly established test cases, and, when applicable, controlled production testing, unless otherwise agreed to by the Parties. Testing described in this paragraph

associated with merger-related system replacement or integration will be allowed for the time periods in the CMP Document, or for 120 days, whichever is longer, unless otherwise mutually agreed to by the Parties.

- iii. CenturyLink will provide the wholesale carriers training and education on any wholesale OSS implemented by CenturyLink without charge to the wholesale carrier.
- d. *Billing Systems*. CenturyLink will not begin integration of Billing systems before the end of the minimum two year or July 1, 2013 period, whichever is longer, noted above, or without following the above procedures, unless the integration will not impact data, connectivity and system functions that support or affect CLECs and their customers.
  - i. Any changes by CenturyLink to the legacy Qwest non-retail OSS will meet all applicable ICA provisions related to billing and, to the extent not included in an ICA, will be Ordering and Billing Forum (OBF) compliant.

#### **24. Network Integration**

After the Transaction closes, until such time as an AFOR proceeding for the CenturyLink ILECs and Qwest has concluded, CenturyLink will provide Commission Staff and Public Counsel with 90 days' advanced notice of the rearrangement of major network components. The notice will include a rearrangement plan discussing the changes that will be made and the timeframes in which the work will be completed. Major network components include:

- a. Customer call centers
- b. Customer repair centers
- c. E911 systems
- d. Maintenance systems that monitor central office and transport systems
- e. Engineering systems
- f. Outside plant record systems

#### **25. OSS Integration Completion**

CenturyLink will file notification with the Commission upon the completion of any OSS system conversions or integrations for which advance notification was required under the Retail or Wholesale OSS conditions

#### **26. Lifeline (WTAP)**

- a. After the Transaction closes, the CenturyLink ILECs and Qwest will meet and work collaboratively with Commission Staff, Public Counsel and DSHS to

- evaluate the current WTAP outreach program in order to enhance customer awareness and increase participation in the program.
- b. Within 60 days after the Transaction closes, the CenturyLink ILECs and Qwest will institute a program with the executive complaint handlers for the treatment of consumer upheld WTAP complaints, to include the following:
- i. A root cause analysis that indicates the cause of the problem leading to the customer complaint;
  - ii. The corrective action the company has taken to remedy the underlying problem;
  - iii. An issuance of a three-month service credit to the affected customer at the current applicable WTAP, Lifeline or Link-up rate, plus any additional credits that may be due the customer.
  - iv. Upon implementation of the Lifeline credit program, CenturyLink shall provide a quarterly report that shows by month:
    - (1) The total number of Lifeline complaints received under the program; and
    - (2) The total number of Lifeline credits that were issued during the preceding quarter.

This program shall remain in place for three years after the date of implementation.

- c. CenturyLink agrees to notify WTAP, Lifeline and tribal agencies of a name change if and when it occurs. The procedure includes the following:
- i. Update all Lifeline materials to reflect the new name when it becomes final and approved for distribution.
  - ii. Update agency contact letters to reflect the name change message.
  - iii. Prepare a mailing list of all social service agencies on the CenturyLink ILEC or Qwest contact lists and send notifications along with Lifeline applications and flyers;
  - iv. Update the FYI Bulletin to reflect the message about the name change;
  - v. Send a Lifeline Bill Message to existing Lifeline customers prior to and after the change;
  - vi. Edit any Lifeline newspaper advertising to reflect the name change.

## **27. 911 Service**

Immediately upon closing of the Transaction, CenturyLink shall continue to honor all contractual agreements held by Qwest associated with the provision of 911 service consistent with all terms and conditions of those agreements (see Qwest Communications Contract with Washington State Military Department, Contract number E09-196).

## 28. Rate Center Consolidation

Commission Staff identified 15 areas with two-way extended area local calling between CenturyLink ILEC rate centers for rate center consolidation. The Parties acknowledge that due to the costs of consolidating four of these areas, which would result in rate impacts for CenturyLink ILEC customers, CenturyLink will not pursue consolidation at this time in:

- Port Townsend
- Coulee City
- Davenport
- Rimrock

CenturyLink commits to completing rate center consolidations in other areas in Washington as set forth below. Immediately after all activities required for rate center consolidation in a particular area have been completed, CenturyLink will file a report with the Commission describing and confirming the consolidation. The report may accompany the tariff filing for the newly consolidated rate center.

- a. CenturyLink will file tariffs prior to the date the Transaction closes, but no later than August 30, 2011, reflecting the new rate center names within the following consolidated rate centers:
  - i. Lake Quinault
  - ii. Friday Harbor
  - iii. Kingston
  - iv. Forks
  - v. Long Beach
- b. CenturyLink will complete rate center consolidations and all activities required for rate center consolidation, including distribution of timely notifications and tariff filings reflecting the new rate center names, prior to the date the Transaction closes, but no later than June 30, 2011, for the following rate centers:
  - i. Puget Island/Cathlamet
  - ii. Benge/Ritzville
- c. CenturyLink will complete rate center consolidations and all activities required for rate center consolidation, including distribution of timely notifications and tariff filings reflecting the new rate center names, within 12 months of the date the Transaction closes, but no later than June 30, 2012, for the following rate centers:
  - i. Basin City, Mesa, Connell, Kahlotus – new rate center name “Connell”
  - ii. Mathews Corner, Eltopia – new rate center name “Mathews Corner”
  - iii. Chewelah, Hunters – new rate center name “Chewelah”
  - iv. Winthrop, Twisp – new rate center name “Twisp”

The parties agree that further rate center consolidation by CenturyLink ILECs need not be addressed upon completion of these rate center consolidations. Decisions by this Commission or the FCC may require future rate center consolidations.

## **29. Customer Notice**

Within 30 days of closing of the Transaction, CenturyLink will give individual notice to its customers explaining that the Transaction has been approved subject to certain conditions. The notice will provide UTC and company phone numbers for questions and will notify customers that information regarding the Transaction's approval and conditions can be obtained from the UTC website at docket number UT-100820. CenturyLink will work with Commission Staff and Public Counsel on the content of the notice.

CenturyLink commits to send notice to affected customers if any of the CenturyLink ILECs or Qwest undergoes a name change. Prior to any name change becoming effective in Washington, CenturyLink will work with Commission Staff and Public Counsel on the content of a notice informing the affected customers of the name change, if applicable.

CenturyLink will file copies of the notice(s) above with the Commission after issuance, together with a description of the manner and timing of the notice.

**Defined Terms and Glossary**

<b>TERM</b>	<b>DEFINITION</b>
<b>10K Report</b>	Annual report of a company's performance required by the Securities and Exchange Commission
<b>10Q Report</b>	Quarterly status report of a company's performance required by the Securities and Exchange Commission
<b>AFOR</b>	Alternative Form of Regulation; see RCW 80.36.135
<b>CenturyLink</b>	CenturyLink, Inc., the parent company
<b>CenturyLink ILECs</b>	CenturyLink's pre-Transaction Washington local exchange carriers: <ul style="list-style-type: none"> <li>• CenturyTel of Washington, Inc.</li> <li>• CenturyTel of Cowiche, Inc.</li> <li>• CenturyTel of Inter-Island, Inc.</li> <li>• United Telephone Company of the Northwest</li> </ul>
<b>CSGP</b>	Customer Service Guarantee Program
<b>Transaction's close/close of the Transaction</b>	The date of "closing" as set forth in SECTION 1.02 of Agreement and Plan of Merger, dated April 21, 2010, at Exhibit C to Joint Application of Qwest Communications International Inc. and CenturyTel, Inc. for Approval of Indirect Transfer of Control
<b>CLEC</b>	Competitive local exchange carrier
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization
<b>ILEC</b>	Incumbent local exchange carrier
<b>Joint Applicants</b>	CenturyLink and QCII
<b>OSS</b>	Operational Support Systems
<b>QCII</b>	Qwest Communications International Inc.
<b>Qwest</b>	Qwest Corporation, QCII's local exchange carrier operations in Washington
<b>Parties</b>	Joint Applicants, Commission Staff, and Public Counsel
<b>Transaction</b>	The term used in the Direct Testimony of Mark Reynolds at page 3, line 11; the acquisition of QCII by CenturyLink, the subject of this docket
<b>WTAP</b>	Washington Telephone Assistance Program; see RCW 80.36.420; Chapter 480-122 WAC