

Agenda Date: October 24, 2007
Item Number: A8

Docket: UT-071964
Companies: CenturyTel of Washington, Inc., and CenturyTel of Cowiche, Inc.

Staff: Wilford Saunders, Assistant Director, Telecommunications
Tim Zawislak, Regulatory Analyst

Recommendation

Grant the petition as amended -- including the specific waivers of rule and statute listed in Attachment A -- subject to conditions similar to those imposed by the commission in Docket UT-071571.

Discussion

On October 1, 2007, CenturyTel of Washington, Inc. and CenturyTel of Cowiche, Inc., both doing business as “CenturyTel” (company), filed a petition for minimal regulation of bundled telecommunications services. CenturyTel serves approximately 165,000 retail customers in 83 telephone exchanges throughout the state (in primarily suburban and rural areas).

During the 2007 legislative session the commission supported and the legislature passed an industry consensus bill¹ to allow bundles of telecommunications services to be minimally regulated under certain conditions.

Bundling of telecommunications services as a single retail offering has become a popular practice among all providers of telephone service, and the incumbent carriers regulated by the commission have stated that their customers prefer bundles over tariffed offerings à la carte.

CenturyTel’s petition is similar to the petitions presented in Dockets UT-071571 through UT-071575,² which asked the commission to implement the new statutory provisions for Embarq, Fairpoint, Verizon, and Mashell Telephone Companies. The petitioners in those matters asked that the commission’s order provide that certain laws (RCWs) and rules (WACs) would not apply to their packages and bundles under minimal regulation. The commission granted those petitions in part. CenturyTel follows this framework in its petition and proposes to largely mirror what the commission ultimately adopted for the previous five companies.

CenturyTel’s petition differs from the petitions in the previous dockets as follows:

- Century Tel does not request waiver of RCW 80-36-150 (1)-(4), which were requested but not granted in previous dockets

¹ SHB 2103 and companion SB 5888, Laws of 2007, Chapter 26, Laws 2007, Section 2, yet to be codified (“the 2007 legislation”).

² Dockets UT-071571 through UT-071575 were decided at the commission’s open public meeting on September 12, 2007.

- Century Tel does not request exemption from WAC 480-80-141 or subsections 4(a), 5(b)-(c), (8), (9) and (10) of WAC 480-120-161, which were requested but not granted in previous dockets
- Century Tel does not request exemption from WAC 480-80-143, Special contracts for gas, electric, and water companies, which was requested and granted in previous dockets.
- CenturyTel represents that it intends to implement internal billing practices to allocate partial payments as received to basic service first and thereafter to remaining regulated features and other bundled features. The company has worked with staff and the office of Public Counsel to adjust this mechanism, and staff is satisfied that it is in the public interest.

The attachment to this memo reflects the waivers and exemptions that the commission approved last month for the other five petitions and the proposed order includes the conditions that the commission imposed in its previous orders. Though not specifically mentioned in the petition, the company has indicated that it is willing to comply with the system of conditions ordered by the commission in the recent prior dockets, including:

- annual self-certification
- reporting upon request
- notice to customers

CenturyTel provided as Appendix A to its petition a list of regulated features currently included in its existing bundles and confirms that as required by the 2007 legislation; all features are available on an à la carte basis in CenturyTel's tariff. The company also submitted confidential cost support indicating compliance with section 2(b) of the 2007 legislation. The company is preparing the necessary web posting provisions, and will demonstrate compliance with section 2(c) of the statute before de-tariffing existing bundles or offering new minimally regulated bundles.

Conclusion

The Legislature enacted statutory changes in 2007 that allow for significant relaxation of regulations applicable to bundles of telecommunications services. CenturyTel's petition satisfies the statutory requirements and should be granted with the same conditions applied to the previous petitions.

Staff recommends granting the petition subject to the conditions identified in this memo and including the specific waivers identified in Attachment A.

Attachment