

# Rob McKenna ATTORNEY GENERAL OF WASHINGTON

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November 19, 2012

## SENT VIA E-MAIL & ABC/LMI

David Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Re:

In the Matter of the Joint Application of

QWEST COMMUNICATIONS INTERNATIONAL INC. AND CENTURYTEL, INC.

For Approval of Indirect Transfer of Control of Qwest Corporation, Qwest

Communications Company LLC, and Qwest LD Corp.

Docket UT-100820

#### Dear Mr. Danner:

I am filing this letter today with the Washington Utilities and Transportation Commission, and providing a copy to all parties on the service list for the above-referenced case, to clarify Public Counsel's Response to CenturyLink, Inc.'s Petition for Waiver and/or Modification of Merger-Related Conditions Regarding AFOR Filings ("Response").

In Public Counsel's Response, I refer to April 1, 2013, as the date on which CenturyLink must file its results of operations with the Commission. Paragraph 218 of Order 14, the Paragraph I cite to in Public Counsel's Response, states,

"Accordingly, we modify Condition 3(b) of the Staff/Public Counsel Settlement to require a pro forma results-of-operations filing from the combined company no later than two years following closing, a deadline we expect would be no later than June 30, 2013."

#### ATTORNEY GENERAL OF WASHINGTON

To: David Danner

Re: CenturyLink Merger, Docket UT-100820

Date: November 19, 2012

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Based on the language of Paragraph 218, Public Counsel concluded that the Commission intended the filing date to be two years from the closing date of April 1, 2011. However, Paragraph 266, which summarizes the modifications and additional conditions imposed by the Commission, describes the modification to Condition 3(b) as follows:

"An additional review of the combined company's pro forma results-of-operations according to a filing to be submitted no later than two years from the date of closing or June 30, 2013, whichever comes later." (Emphasis added.)

It appears from this language that the Commission intended that CenturyLink file the results of operations by June 30, 2013, rather than by April 1, 2013. As described in Public Counsel's Response, and supported by Paragraph 266, this "additional review" was originally expected to be conducted in advance of a 2014 AFOR filing. However, if the AFOR filing is accelerated ahead of the June 30, 2013, due date, the additional early review essentially becomes moot, since the AFOR itself must be accompanied by a results of operations filing, pursuant to Order 14.<sup>1</sup>

This clarification does not change Public Counsel's recommendation. In summary, Public Counsel has no objection to allowing an accelerated AFOR filing, so long as a results of operations filing is made concurrently, as required by Order 14. Public Counsel continues to recommend that the filing be permitted no earlier than April 1, 2013. This would allow CenturyLink to provide a results of operations based on calendar-year 2012 operations, and this should be required. Requiring the earnings filing to be based on 2012 operations will allow for a more meaningful review of post-merger operations than use of earlier, incomplete information.

Sincerely,

LISA W. GAFKEN

Assistant Attorney General Public Counsel Division

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LWG:cjw

cc: Parties (E-mail & U.S. Mail)

Marguerite E. Friedlander, ALJ (E-mail)

<sup>&</sup>lt;sup>1</sup> CenturyLink is required under Paragraph 218 of Order 14 to submit an earnings filing along with its AFOR filing, as described in Public Counsel's Response at ¶ 13.

## Docket UT-100820 Qwest/CenturyTel CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the **Public Counsel's letter re clarification of response to Mr. Danner** was sent to each of the parties of record shown on the attached Service
List in sealed envelopes, via: U.S. Mail and Electronic Mail.

### **SERVICE LIST**

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\* = Receive Confidential

NC = Receive Non-Confidential

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