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Mark S. Reynolds Northwest Region Vice President Public Policy

July 31, 2013

Via E-mail and Overnight Delivery

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Re: CenturyLink's compliance with Condition No. 22 to the Joint Applicants' agreement with Commission Staff and Public Counsel, Docket UT-100820, Order 14, Appendix A

Dear Mr. King,

Condition No. 22 in the Docket UT-100820 merger settlement agreement between CenturyLink, Commission Staff and Public Counsel, adopted by the Commission in its Order 14 in the docket, requires CenturyLink to submit a semi-annual retail OSS integration status report.

22. OSS - Retail

CenturyLink agrees to submit to Commission Staff and Public Counsel semiannual 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. Steven King Washington Utilities and Transportation Commission July 31, 2013 Page 2

Attachment 1 provides the semi-annual status report which contains the required information on CenturyLink's integration of retail OSS.

If you have any questions regarding this report, please don't hesitate to call me.

Sincerely,

Mark Reynolds

MSR/ldj

cc: Jennifer Cameron-Rulkowski

Lisa Gafken

Washington Semi-Annual Report Retail OSS Integration Status CenturyLink/Qwest Merger

Docket UT-100820 -- Order No. 14, Appendix A to Settlement Agreement, Condition 22
July 31, 2013

Background

The first paragraph of Condition 22 of the settlement agreement between CenturyLink/Qwest, the WUTC Staff and the Public Counsel, approved by the Commission in Order 14 in Docket UT100820, requires CenturyLink to submit a semi-annual retail OSS integration status report. The full text of the condition is stated below:

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.

In compliance with this condition, CenturyLink hereby provides its semi-annual status report concerning integration of retail OSS.

Retail OSS Integration Status

CenturyLink's Integration Management Office is leading the analysis and implementation phases of Systems Integration for the Qwest merger. Pursuant to CenturyLink's ongoing system review process, no additional system selection decisions were made during this reporting period regarding the integration or final disposition of customer facing Operational Support Systems ("OSS") and other substantive systems. A summary of integration activity completed since the last report is detailed below.

Network Inventory Systems: The analysis, planning, and preparation for CenturyLink's previously reported transport network inventory consolidation project has continued to progress. In the time since the last report, CenturyLink has focused on mapping and preparing the data in existing systems for conversion as well as preparing documentation and training materials. The

initial phase of the transport network inventory systems conversion encompasses the replacement of the legacy CenturyLink inventory systems with the legacy Qwest TIRKS systems.

The phased conversions will be conducted by state or groups of states and are currently scheduled to begin in 2014 and be completed in 2015. The conversion for the Washington legacy CenturyLink companies is planned in 2015.

Workforce Management: As previously reported, the legacy CenturyLink workforce management system will be enhanced with a newly created forecast, plan and load control module, "Service Planner¹", that is similar to the existing legacy Qwest systems. Phase 1 of the project will entail the development of the new control module and is anticipated to be completed in July 2013. Phase 2, planned for 2014, will integrate the Service Planner module into the legacy CenturyLink workforce management system.

In the time since the last report, work has continued on the development of the Service Planner module and the detailed planning process with the subject matter experts to determine business requirements, data migration strategies and linkages to other systems in preparation for the conversion.

¹ Referred to in previous reports as the "CTL Service" module.