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January 22, 2019

Via Web Portal

Mr. Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
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COMMISSION

**Re: Docket No.: UT-180831
Response to January 15, 2019 Questions**

Dear Mr. Johnson:

CenturyLink is writing to follow up on the discussion in the January 17, 2019 workshop. On January 15, 2019 the Commission asked that stakeholders be prepared to provide information at the workshop in response to several questions. In addition to the information provided at the workshop on these questions, CenturyLink provides the following written responses.

* * * * *

- (1) How many line extensions have telecommunications companies subject to WAC 480-120-071 constructed on an annual basis over the last five years?

CenturyLink does not specifically track all line extensions constructed for this period of time, and does not have a readily accessible record of specific extensions during the past three years. In particular, extensions of less than 1,000 feet, which are likely in the majority (based on anecdotal information from the field) would not be tracked as they have no cost recovery associated with them, so they would simply be deployed. After discussion in the workshop, CenturyLink committed to pull available data for one month and see if further information can be provided to this question and the subparts below. CenturyLink believes it will take some time to compile this information and therefore commits to respond or update the Commission by February 8.

- a. What is the average length of those line extensions? *See above.*

- b. What is the average cost of those line extensions? *See above.*
- c. Did any of those line extensions exceed 1,000 feet in length? *CenturyLink is not aware of any that exceeded the 1,000 feet allowance.*

- (2) How does a company determine whether a line extension is “economically viable” or “financially prudent”? How should the Commission make such a determination?

CenturyLink does not currently make a determination regarding economic viability of a line extension in Washington because that is not a component of the current rule. This does not apply to service in developments.

- (3) Do developers have any legal obligation to include telecommunications facilities in their developments (e.g., state, county, or city requirements comparable to obligations to provide electrical, water, and sewer facilities)?

CenturyLink is not aware that a developer has any legal obligation to provide telecommunications facilities in a development. Based on the number of developers who decide to go with a cable provider as their only communications provider in developments, where subscribers can get video, internet, and VoIP from that provider, it does not seem likely that any such legal obligation exists. The landlord tenant act in Washington has legal mandates regarding a landlord’s obligation to provide heat, lights, water, and sewer services that function, but that law contains no obligations regarding communications facilities.

- (4) What costs do developers incur to have telecommunications facilities constructed in their developments?

CenturyLink cannot say for certain that it knows all of the costs a developer incurs to have facilities constructed, but those costs would include, at a minimum, the following costs:

- 1) The Developer/Builder will provide, without expense to the Company, trench and backfill based on the specifications provided by the Company for the facilities within the development. The Developer/Builder will also provide, as specified by the Company and without expense to the Company, conduit with adequate pull string for the service drop from the serving pedestal or property line to the dwelling. In areas where the Company has trench and backfill agreements with other utilities, the Developer/Builder is responsible for the Company’s trench and backfill costs.

- 2) The Developer/Builder shall provide at no cost to the Company a legally sufficient easement to accommodate the placing and maintenance of the facilities (e.g. distribution cables plus terminal pedestals or like devices and access point cabinets) throughout the development. The surface of the easements shall be brought to final grade prior to the installation of buried or underground facilities.
- 3) Where the Company deems it necessary or desirable to use private and/or government right-of-way to place facilities to and within the development, such Developer/Builder shall be required to provide or pay the cost of providing such right-of-way in addition to any other applicable charges. The route established shall be determined by the Company.
- 4) If in the opinion of the Company, construction to and within the development does not constitute a prudent investment, the Developer/Builder will assume that portion of the construction costs that exceed a prudent financial contribution by the Company. For the purpose of this section (4), construction costs are defined in 4.4.B.7., following.
- 7) For the purpose of 4.4.B.6.b.(4), construction costs shall include all material, supplies, engineering, labor, supervision, transportation, and rights-of-way for placing and removal of distribution and feeder facilities, and all facilities necessary to provide service from the central office to and within the development, including but not limited to channel equipment, feeder, distribution, and drop facilities, and any applicable overhead, as determined by the Company.
- 8) For the purpose of 4.4, facilities means feeder facilities and distribution facilities, including but not limited to the communications cable, wire, standard network interfaces, pedestals and terminals necessary to enable end-users to arrange to have communications services to their living unit activated in the future from a standard network interface, as well as any necessary structures including but not limited to communications conduit, sleeveings, service drop and pull strings. Title to all facilities placed by or for the benefit of Qwest to provide services to the development shall belong solely to Qwest.

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They would also incur the cost of a developer contribution to the project if CenturyLink's financial model shows that one is required in order for the deployment to economically viable. This calculation is based on the total cost of deployment, with factors and assumptions regarding payback period, likely take rate, and any other relevant financial considerations such as whether high speed internet can be enabled with the deployment.

Sincerely,

/s/ Lisa A. Anderl

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