



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
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July 6, 2018

RE: *In the Matter of CenturyLink's Notice of Transaction and Application for an Order Declining to Assert Jurisdiction Over, or, in the Alternative, Expedited Approval of the Indirect Transfer of Control of Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., and Level 3 Telecom of Washington, LLC to CenturyLink, Inc.*
Docket UT-170042

TO ALL PARTIES:

On July 27, 2017, the Washington Utilities and Transportation Commission (Commission) entered Order 03 Approving Settlement Agreement and Transaction and Granting Limited Waiver of WAC 480-07-160 (Order 03) in the above-referenced docket. Order 03 approved a settlement agreement, the terms of which include Commitment 5.1, which provides that:

CenturyLink will file an annual report with the Commission on May 1 of 2018, 2019, and 2020, showing the regulated network maintenance expense for the prior calendar year for each of CenturyLink's Washington Incumbent Local Exchange Carriers (ILECs). Network maintenance expense means plant specific operations expense. If the annual maintenance expense per access line of any of the Washington ILECs is less than the expense incurred per access line for the years 2014 through 2016, CenturyLink will provide an explanation of the variance. The maintenance expense per access line for the years 2014 through 2016 is based on an average number of access lines during those years and has been calculated for each of CenturyLink's Washington ILECs in Confidential Attachment A.

On June 25, 2018, CenturyLink filed its second revised report (Final 2018 Report) in response to feedback from Commission staff (Staff) regarding the Company's first two reports, filed on May 1 and May 22, respectively.

On June 27, 2018, Staff filed a letter in this docket stating that Staff had reviewed the Final 2018 Report and believes that it complies with Commitment 5.1 for 2018. In its letter, Staff emphasized the requirement that future reports contain a full explanation of any variance of maintenance expense per access line.

The Commission has reviewed the Final 2018 Report, and finds that it complies with the 2018 reporting required by Commitment 5.1 of the settlement agreement approved in Order 03. The

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Commission directs the Company to maintain the level of detailed explanation established in the Final 2018 Report in its 2019 and 2020 reports.

Sincerely,

MARK L. JOHNSON
Executive Director and Secretary