

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET UT-131949
	)	
Qwest Corporation d/b/a	)	ORDER 01
CenturyLink QC	)	
	)	
Petitioner,	)	
	)	ORDER APPROVING AMENDMENTS
For Approval of Amendments to the	)	TO THE PERFORMANCE
Qwest Performance Assurance Plan	)	ASSURANCE PLAN AND
and Performance Indicator	)	PERFORMANCE INDICATOR
Definitions	)	DEFINITIONS
.....	)	

**BACKGROUND**

- 1      On October 15, 2013, Qwest Corporation d/b/a CenturyLink QC (CenturyLink or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting that the Commission replace the existing Qwest Performance Assurance Plan (PAP) and Performance Indicator Definitions (PIDs) with those recently negotiated between CenturyLink and several competitive local exchange companies (CLECs) in Colorado. The Colorado Public Utilities Commission has entered an order approving a settlement containing the new PAP and PIDs, and settling CLECs agreed that the redesigned PAP and PIDs should be proposed for adoption in the thirteen other states, including Washington, where CenturyLink has operations. Currently, eleven states have approved the Company’s petitions to replace the existing PAP and PIDs. CenturyLink also requests that these amendments be applied to all interconnection agreements that include the PAP and PIDs without the need for additional filings. The Company requests the changes become effective on January 1, 2014.
- 2      The Commission issued a notice on October 18, 2013, inviting parties to comment on the amendments to the Company’s existing PAP and PIDs. The Commission’s regulatory staff (Staff) and the Public Counsel Section of the Washington Attorney General’s Office responded to the notice neither opposing nor objecting to CenturyLink’s request.

3 CenturyLink filed the redesigned PAP and PIDs as Exhibits X, Y, and Z with its  
petition. Exhibit X contains a comprehensive description of the changes to the PAP and  
the PIDs, while Exhibit Y is the new PAP and replaces the existing Exhibit K for  
interconnection agreements. Exhibit Z consists of the new PIDs that replace the existing  
Exhibit B within interconnection agreements.

4 On October 18, 2013, CenturyLink notified all CLECs in Washington who have entered  
into interconnections agreements with the Company of its request to modify the PAP  
and PIDs. The Commission has not received any responses from the CLECs regarding  
the filing.

5 CenturyLink's existing Washington base payment is \$150.00 per occurrence. The new  
agreement creates three different levels and different rates for non-conformance  
conditions:

- I. Level 1 Non-Conformance exists for any month, in which a Level 2 or  
Level 3 non-conformance is not found, and that fails to meet the  
established standard for three or more consecutive months;
- II. Level 2 Non-Conformance exists for any month, in which a Level 3 non-  
conformance is not found, and that fails to meet the established standard  
for two consecutive months;
- III. Level 3 Non-Conformance exists for any month in which CenturyLink QC  
fails to meet the established standard to the extent defined for a Level 3  
non-conformance.

6 Washington's Defined Base rate under the new agreement is \$150.00 per occurrence  
with a different rate for each non-conformance level.

Non-Conformance Level	Washington per occurrence
Level 1	\$150.00
Level 2	\$225.00
Level 3	\$300.00

The petition also has a provision for escalation of payments for consecutive months for  
non-conforming service as listed in the following Table:

**PER-OCCURRENCE PAYMENTS TO CLEC – WITH ESCALATION  
WASHINGTON STATE**

Per Occurrence Measurement Group	Consecutive Months of Non-conforming Performance at Any Level				
	Month 1	Month 2	Month 3	Month 4	Each following month after Month 4 add
Level 1	\$150.00	\$175.00	\$350.00	\$450.00	\$100.00
Level 2	\$225.00	\$250.00	\$500.00	\$600.00	\$100.00
Level 3	\$300.00	\$325.00	\$650.00	\$750.00	\$100.00

7 The filing will eliminate Tier 2 performance payments estimated to be approximately \$80,000 paid to the Commission for the last 12 months. Other CLECs are not required to pay fees to the Commission for quality of service issues. With the change in technology and the increasing level of competition in Washington, Staff believes the Tier 2 payments to the Commission are no longer necessary under the new filing.

8 Staff believes the Company’s revisions are appropriate and consistent with the public interest and not discriminatory.<sup>1</sup> Assuming all states adopt the PAP changes, it standardizes the performance measures for both CenturyLink and the CLECs throughout the Company’s operating states. It also reduces the number of performance measures. The revised agreement will remain in place through April 1, 2016, giving the CLECs certainty of future payments if the quality of wholesale services declines. The agreement maintains key metric measurements and results in escalating payments if CenturyLink’s quality of service declines. For these reasons, Staff recommends the Commission grant CenturyLink’s petition.

**DISCUSSION AND DECISION**

9 The Commission agrees with Staff that the QPAP changes CenturyLink proposes are consistent with the public interest and federal law. The revisions to the PAP and PIDs to which CenturyLink and the CLECs have agreed recognize the improvement in

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<sup>1</sup> 47 U.S.C. § 252(e)(2).

CenturyLink's wholesale service quality and eliminate unnecessary standards and measures while adding others that reflect the services the Company currently provides to its competitors. We also agree that Tier 2 payments to the Commission have outlived their usefulness and should be discontinued. All of these changes further the Commission's goal of tailoring regulation to the realities of today's telecommunications marketplace. The revised PAP and PIDs should be approved.

### FINDINGS AND CONCLUSIONS

- 10       (1)    The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, and securities, transfers of property and affiliated interests of public service companies, including telecommunications companies.
- 11       (2)    CenturyLink is a telecommunications company and a public service company subject to Commission jurisdiction.
- 12       (3)    The Telecommunications Act of 1996, 47 U.S.C. § 252, requires telecommunications carriers submit negotiated interconnection agreements to the Commission for approval.
- 13       (4)    This matter came before the Commission at its regularly-scheduled meeting on December 27, 2013.
- 14       (5)    After review of the petition filed by CenturyLink requesting approval of its modified PAP and PIDs, and giving due consideration to the comments received from Staff and Public Counsel, the Commission finds that the proposed modifications to the PAP should not adversely affect CenturyLink's wholesale services in Washington. Therefore, it is consistent with public interest and not discriminatory and should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 15       (1)    The request by Qwest Corporation d/b/a CenturyLink QC for approval of the amendments to the Performance Assurance Plan and Performance Indicator Definitions is granted.
- 16       (2)    All existing interconnection agreements between Qwest Corporation, d/b/a CenturyLink QC, and competitive local exchange carriers that have received notice of the proposed changes are modified to incorporate the new Performance Assurance Plan without the need for further filings or Commission's action.
- 17       (3)    The Commission retains jurisdiction over this matter to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective December 27, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary