

Docket UT-130477  
CTL Response to Bench Request No. 1  
October 22, 2013

**BENCH REQUEST NO. 1:**

Exception 5 to the AFOR proposal states that the company will comply with WAC 480-120-355, which sets forth the accounting requirements for competitively classified companies, and states that CenturyLink will “use the same accounting method that it uses to maintain its books for the Federal Communications Commission purposes.” The Commission asked the company to clarify what accounting standards the company would be held to under the AFOR.

**Response:**

WAC 480-120-355 provides as follows: Competitively classified companies must keep accounts using generally accepted accounting principles (GAAP), or any other accounting method acceptable to the commission. In addition, the accounts must allow for identification of revenues for Washington intrastate operations subject to commission jurisdiction.

Exception 5 to the proposed AFOR provides that: CenturyLink will keep its books of accounts pursuant to WAC 480-120-355. However, instead of keeping its accounts in accordance with generally accepted accounting principles, CenturyLink will use the same accounting method that it uses to maintain its books for Federal Communications Commission purposes.

Under this rule and Exception 5, the legacy Qwest company would follow the same accounting practices that it does today (based on terms of the 2006 AFOR), keeping its accounts in the same manner as it does for the FCC pursuant to Part 32 as amended, and allowing for identification of intrastate revenues. The other CenturyLink ILECs will also follow these same accounting practices.

Respondent: Mark Reynolds