

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

QWEST CORPORATION D/B/A
CENTURYLINK QC AND
CENTURYTEL OF WASHINGTON,
D/B/A CENTURYLINK,

Respondent.

DOCKET UT-121986

SETTLEMENT AGREEMENT

1 This Settlement Agreement (Agreement) is entered into by the parties to this
proceeding for the purpose of resolving all issues raised in the above docket.

I. PARTIES

2 The parties to this Agreement are Qwest Corporation d/b/a CenturyLink QC, and
CenturyTel of Washington, d/b/a CenturyLink (“CenturyLink”), and Staff of the
Washington Utilities and Transportation Commission (“Staff”) (collectively, “the Parties”).

II. BACKGROUND

3 CenturyLink is the largest local exchange carrier operating in Washington State.
Beginning in 2012, and concluding in 2013, Staff conducted a follow-up compliance
investigation of CenturyLink based on consumer complaints filed against CenturyLink
between September 1, 2011, and August 31, 2012, to determine whether CenturyLink had
improved its compliance with statutes and rules enforced by the Washington Utilities and
Transportation Commission (“Commission”). Staff’s investigation, which incorporated the

consumer-complaint investigations, found alleged violations of various consumer protection laws and rules, including laws and rules related to billing.

4 The Commission issued a complaint on March 19, 2014, in which Staff requested penalties based on alleged violations of RCW 80.36.130 and WAC 480-120-161, related to billing issues.

5 The Parties reached an agreement to settle before any testimony was filed, and they wish to present their agreement for the Commission's consideration and approval.

III. AGREEMENT

6 The Parties adopt the following Agreement, which the Parties enter into voluntarily, to resolve all matters in dispute between them or that could arise between them from the issues presented in this proceeding, and they seek to expedite the orderly disposition of this matter.

A. Admission

7 To achieve a settlement, CenturyLink admits that there were billing errors and that it violated WAC 480-120-161. The Parties understand the admissions made by CenturyLink for purposes of settling this complaint are considered offers to compromise that are not admissible as evidence by third parties in other proceedings or litigation. Nothing in this Settlement Agreement limits the Commission's ability to consider violations admitted here as prior violations.

B. Penalties

8 CenturyLink agrees to pay to the Commission a \$31,300 penalty within thirty (30) business days after Commission approval of the Agreement.

C. CenturyLink Customer Billing Commitments

9 CenturyLink recognizes that billing errors related to taxes and surcharges are an area of concern to the Commission. CenturyLink strives to ensure accurate billing, and as a part of its commitment to that goal commits to implement improvements in its billing system in 4Q 2014 which will mechanize tax table updates and reduce the likelihood of errors. In addition, CenturyLink has already instituted an IT change so that the underlying cause of the FUSF errors noted in the complaint will not reoccur.

10 CenturyLink is committed to customer service. CenturyLink will continue to regularly train its customer service employees with new-hire training, annual and/or periodic on-line training courses, and other training as needed. CenturyLink will continue to provide on-line tools for its customer service representatives to enable them to answer state and product-specific questions and to research product or process issues. Customer service representatives also receive periodic e-mail bulletins as needed to keep them current on new products or issues. CenturyLink has other employee tools available as well, including an internal help desk for customer service representatives.

11 CenturyLink commits to continue to provide group or one-on-one coaching as necessary to ensure compliance, and when specific issues arise. Feedback is provided to each representative's supervisor when customer complaints are received, so that the supervisor may provide coaching to the representative. In addition, CenturyLink will continue to routinely conduct quality assurance observations of its representatives' customer interactions, monitoring for accuracy and completeness of the information provided and rates quoted.

D. Monitoring Compliance

12 Staff will continue to monitor CenturyLink's compliance with Washington's service quality laws and rules, including those related to customer billing. If a pattern of increasing violations is found in a particular area, Staff will initiate appropriate enforcement action.

E. General Compliance

13 This Agreement does not preclude the Commission from pursuing penalties for violations of rules and statutes enforced by the Commission that are unrelated to the subject matter of this Agreement.

IV. GENERAL PROVISIONS

14 The Parties agree that this Agreement is in the public interest. The Parties further agree that this Agreement reflects the settlement of all contested issues between them in this proceeding. The Parties understand that this Agreement – including the admissions contained herein – is not binding unless and until accepted by the Commission. If the Commission does not accept this Agreement, including all of its terms and conditions without change, then the Parties shall be free to assert their pre-settlement positions and agree that neither this Agreement nor any statements or admissions contained herein shall be admissible or used for any purpose in this docket or any other proceeding for any purpose.

15 The Parties agree to cooperate in submitting this Agreement promptly to the Commission for acceptance. The Parties agree to support adoption of this Agreement in proceedings before the Commission. No party to this Agreement, or its agents, employees, consultants, or attorneys, will engage in advocacy contrary to the Commission's adoption of this Agreement.

16 The Parties agree (1) to provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements), and (2) to include in any news release or announcement a statement that Staff's recommendation to approve the settlement is not binding on the Commission itself.

17 Nothing in this Agreement shall limit or bar any other entity from pursuing legal remedies against CenturyLink or CenturyLink's ability to assert defenses to such claims.

18 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay. The Parties recognize that this Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Agreement or any Commission order fully adopting those terms. This Agreement shall not be construed against either party because it was a drafter of this Agreement.

19 By executing this Agreement, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Agreement, nor shall any Party be deemed to have agreed that any provision of this Agreement is appropriate for resolving issues in any other proceeding, except to the extent expressly set forth in the Agreement.

20 The Parties have negotiated this Agreement as an integrated document to be effective upon execution. This Agreement supersedes all prior oral and written agreements on issues

addressed herein. Accordingly, the Parties recommend that the Commission adopt this Agreement in its entirety.

21 The Parties may execute this Agreement in counterparts and, as executed, shall constitute one agreement. A signed signature page sent by facsimile or email is as effective as an original document.

22 The Parties shall take all actions necessary as appropriate to carry out this Agreement.

23 In the event that the Commission rejects all or any portion of this Agreement, or accepts the settlement upon conditions not proposed in this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the Commission. Written notice must be served within 10 business days of the order rejecting part or all of this Agreement or imposing conditions not proposed in this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and the Parties agree to request the prompt reconvening of a prehearing conference and to cooperate in developing a procedural schedule.

ROBERT W. FERGUSON
Attorney General



MICHAEL A. FASSIO
Assistant Attorney General
Counsel for the Washington Utilities and
Transportation Commission Staff

LISA A. ANDERL, WSBA # 13236
Senior Associate General Counsel
1600 7th Avenue, Room 1506
Seattle, WA 98191
206-345-1574
Lisa.anderl@centurylink.com

Dated: July 2, 2014

Dated: _____, 2014

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Attorney General

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LISA A. ANDERL, WSBA # 13236
Senior Associate General Counsel
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Seattle, WA 98191
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Dated: _____, 2014

Dated: JULY 2, 2014