

June 29, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504
(360) 664-1160

Re: 2016 ETC Certification and Request for Certification Pursuant to WAC 480-123-060, WAC 480-123-070, WAC 480-13-080, and 47 C.F.R. §54.314.

Dear Mr. King:

Pursuant to WAC 480-123-060, WAC 480-123-070 and WAC 480-13-080, CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink ("Company") hereby request that the Washington Utilities and Transportation Commission certify that the Company has met the requirements of 47 C.F.R. §54.314 for eligibility for continued receipt of federal high-cost funds. The certifications and reports that are specified in WAC 480-123-060, WAC 480-123-070, and WAC 480-123-080 are enclosed.

The Company also that the attachments entitled requests "CONFIDENTIAL C", "CONFIDENTIAL EXHIBIT **EXHIBIT** "CONFIDENTIAL EXHIBIT E" be treated as confidential. The schedules contain information that is quite detailed as to type of equipment, location, and cost. Therefore, the Company claims that the information on the schedules is confidential under RCW 80.04.095 in that it constitutes valuable commercial information in the form of network configuration, design, and financial information.

Should you have any questions, please contact Mark Reynolds at (206) 345-1568 or myself at (318) 330-6616.

Sincerely,

Khurram Shakir

Khowam Shakir

Senior Regulatory Analyst

CenturyLink

Enclosure

2016 ELIGIBLE TELECOMMUNICATIONS CARRIER CERTIFICATION REPORT AS REQUIRED BY WAC 480-123-060, WAC 480-123-070, AND WAC 480-123-080

CENTURYTEL OF WASHINGTON, INC. D/B/A CENTURYLINK AND CENTURYTEL OF INTER-ISLAND, INC. D/B/A CENTURYLINK

CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink ("Company") hereby submit the following report in accordance with WAC 480-123-060, WAC 480-123-070, and WAC 480-123-080.

WAC 480-123-060 Annual certification of eligible telecommunications carriers.

(1) Each ETC seeking certification of the ETC's use of federal high-cost funds pursuant to 47 C.F.R. § 54.314 must request certification by July 1st each year. The ETC must certify that all federal high-cost support provided to the ETC within Washington State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The certification must be submitted by a company officer in the manner required by RCW 9A.72.085.

Response: Certification attached as Exhibit A.

(2): The commission will certify an ETC's use of federal high-cost universal service fund support, pursuant to 47 C.F.R. § 54.314 only if the ETC complies with the requirements in WAC 480-123-070, and the ETC demonstrates that it will use federal high-cost funds only for the provision, maintenance, and upgrading of facilities and services for which the support is intended through the requirements of WAC 480-123-080.

Response: See responses to WAC 480-123-070 and WAC 480-123-080 below.

WAC 480-123-070 Annual certifications and reports.

Not later than July 1st of each year, every ETC that receives federal support from any category in the federal high-cost fund must certify or report as described in this section. The certifications and reports are for activity related to Washington State in the period January 1st through December 31st of the previous year. A company officer must submit the certifications in the manner required by RCW 9A.72.085.

- (1) Report on use of federal funds and benefits to customers.
- (a) The report must provide a substantive description of investments made and expenses paid with support from the federal high-cost fund.

The report must include the company's gross capital expenditures and operating expenses made with federal high-cost support received by the ETC in the preceding calendar year along with a description of major projects and affected exchanges. A rate-of-return wireline ETC must also include a copy of its NECA-1 report for the preceding calendar year.

Response: Attached as Exhibit B is a copy of the Company's NECA-1 Report associated with the Company's operations in 2010. The plant investment and expense amounts listed on the report represent the basis for federal high cost funding support received in 2011. The attached report is also the basis of current support levels. Per FCC 11-161, the Connect America Fund order, current universal service funding levels are frozen based on the amount of support that was received by each company in 2011. Additionally, attached as Confidential Exhibit C is a Company report labeled USF 1010, showing the same type of information as the NECA-1 report. This report reflects the Company's continued operations in 2015. Confidential Exhibit C contains confidential financial information as recognized under RCW 80.04.095. Therefore the schedule is being submitted as a CONFIDENTIAL document under WAC 480-07-160 and RCW 80.04.095.

(b) Every ETC must provide a substantive description of the benefits to consumers that resulted from the investments and expenses reported pursuant to (a) of this subsection.

Response: The Company reports that the investment in plant and the expenses reported in Exhibit B and Confidential Exhibit C submitted herewith provide very direct and substantial benefits to consumers. Over the years the Company has invested millions of dollars in building, maintaining, and operating a telecommunications network in the state of Washington. It is the growth, enhancement, and continued viability of this network that give consumers in the Company's service territory access to services that are vital in meeting their telecommunications needs. The expenditures reflected in the Company's exhibits have allowed the Company to provide services that meet the expectations addressed in 47 U.S.C. 254 for consumers in the service area for which the Company is designated as an Eligible Telecommunication Carrier.

The expenditures reflected in Exhibit B and Confidential Exhibit C were directed to assuring that the network is positioned to meet the ever increasing needs and expectations of consumers. The company's expenditures included projects to increase network capacity. ¹For example, projects that added fiber or cable to the network increased the network's capacity. Consumers benefit from increased capacity in that it allows additional consumers to join or access the network, allows additional services to be offered over the network, and reduces the likelihood that calls will be blocked.

2

¹ Exhibit B and Confidential Exhibit C do not identify expenditures at the project level. The projects underlying the expenditures on these reports would tend to be very similar to those identified in response to WAC 480-123-080 (1) which does identify certain planned expenditures at the project level.

Company expenditures have also gone to maintaining and increasing network reliability. Ability to access the network during periods of power outages clearly benefits the health and safety of consumers. Network reliability also benefits consumers by generally increasing the overall quality of service.

- (2) Local service outage report.
- (a) The report must include detailed information on any outage in the service area (during the prior calendar year) of at least thirty minutes in duration in which the ETC owns, operates, leases, or otherwise utilizes facilities, that potentially affect:
 - (i) At least ten percent of the end users; or
 - (ii) A 911 special facility, as defined in 47 C.F.R. § 4.5(e)
- (b) Specifically, the eligible telecommunications carrier's annual report must include information detailing:
 - (i) The date and time of onset and duration of the outage;
 - (ii) A brief description of the outage and its resolution;
 - (iii) The particular services affected;
 - (iv) The geographic areas affected by the outage;
 - (v) Steps taken to prevent a similar situation in the future; and
 - (vi) The number of customers affected.

Response: Please see FCC Form 481 filed in 2016.

(3) Report on failure to provide service. The report must include the number of requests for service from potential customers within its designated service area that were unfulfilled during the prior calendar year. The ETC must also detail how it attempted to provide service to those potential customers.

Response: The Company reports that there were no outstanding requests for service from 2015 that are unfulfilled at the time of this filing.

(4) Report on complaints per one thousand connections (fixed or mobile). The report must provide separate totals for the number of complaints that the ETC's customers made to the Federal Communications Commission and the Consumer Protection Division of the Office of the Attorney General of Washington. The ETC must also report the number of consumer complaints in each general category (for example, billing disputes, service quality).

Response: As the Company reported on the FCC Form 481, there were 0.75 complaints per thousand access lines during calendar year 2015 for voice services as reported to any federal and/or state agencies, including the Federal Communications Commission, the Consumer Protection Division of the Office of the Attorney General of the State of Washington, and the Washington Utilities and Transportation Commission.

The Company reports that there were 0.35 complaints per thousand access lines during calendar year 2015 for voice services as reported to the Federal Communications Commission and the Consumer Protection Division of the Office of the Attorney General of the State of Washington.

Company had 23 complaints to the FCC. The complaints were as follows:

- 12 Billing or Pricing Disputed, resolved by explanation of charges or crediting account.
- 4 Performance or Repair, resolved by providing explanation or service.
- 7 Customer Service Complaint resolved by providing explanation.

Company had 13 complaints to the Office of Attorney General. The complaints were as follows:

- 12 Billing or Pricing Disputed, resolved by explanation of charges or crediting account.
- 1 Customer Service Complaint resolved by providing explanation.
- (5) Certification of compliance with applicable service quality standards and consumer protection rules. Certify that it met substantially the applicable service quality standards and consumer protection rules found in WAC 480-123-030 (1)(h).

Response: Certification attached as Exhibit A.

(6) Certification of ability to function in emergency situations. Certify that it had the ability to function in emergency situations based on continued adherence to the standards found in WAC 480-123-030 (1)(g).

Response: Certification attached as Exhibit A.

(7) Advertising certification, including advertisement on Indian reservations. Certify it has publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of federally recognized Indian reservations within the ETC's designated service area. Such publicity should include advertisements likely to reach those who are not current customers of the ETC within its designated service area.

Response: Certification attached as Exhibit A.

(8) Report filing alternatives. To the extent the company has filed a report with a federal agency that provides the data requested by the commission, the company can refer to that docket number and the date the information was filed with the commission.

WAC 480-123-080 Annual plan for universal service support expenditures.

(1) Not later than July 1st of each year, every ETC that receives federal support from any category in the federal high-cost fund must report the planned use of federal support related to Washington state that will be received during the coming calendar year. The report must include the company's planned gross capital expenditures and operating

expenses made with federal high-cost support received by the ETC for the coming calendar year along with a description of major projects and affected exchanges.

Response: The Company submits herewith Confidential Exhibit D. The schedule is not all-inclusive of the Company's planned capital expenditures but does list some of the more significant projects the Company is undertaking in 2016. The exhibit also includes a 2017 plan. The exhibit is quite detailed with regard to equipment, location, and cost and therefore constitutes valuable commercial information in the form of network configuration and design information as recognized under RCW 80.04.095. Therefore the schedule is being submitted as a CONFIDENTIAL document under WAC 480-07-160 and RCW 80.04.095. The Company also expects to incur expenses associated with maintaining and operating its network in the state of Washington at a level that will be similar to the expenses indicated on Exhibit B and Confidential Exhibit C submitted in response to WAC 480-123-070(1)(a). The Company also submits Confidential Exhibit E. The exhibit describes the status of construction projects during 2015 and is being submitted as a CONFIDENTIAL document under WAC 480-07-160 and RCW 80.04.095.

(2) The report must include a substantive plan of the investments and expenditures to be made with federal support and a substantive description of how those investments and expenditures will benefit customers.

Response: The Company states that federal support will be used only for the provision, maintenance, and upgrading of the facilities and services for which the support is intended under 47 U.S.C. 254. The federal support will be used to fund operation of, and improvements to, the network, including some of the various projects included in Confidential Exhibit D as well as expenses at a level similar to that indicated in Exhibit B and Confidential Exhibit C submitted in response to WAC 480-123-070(1)(a). The Company's use of federal support in this manner will benefit consumers. As discussed previously in this report, these types of expenditures will serve to sustain and improve network capacity and reliability. This network capacity and reliability is essential to providing the level of service anticipated in 47 U.S.C. 254 and therefore benefits consumers.

For more specific consumer benefits associated with planned expenditures, the Company incorporates by reference the column of the Confidential Exhibit D schedule that is entitled "Narrative." The narrative for each project on the schedule identifies specific improvements that will benefit consumers in specific areas.

(3) As part of the initial ETC petition for federal high-cost support, and at least once every three years thereafter, a wireless ETC must submit a map in .shp format that shows the general location where it provides commercial mobile radio service signals.

Response: This is not applicable to the Company, as it is not a wireless ETC.

EXHIBIT A

AFFIDAVIT CONTAINING CERTIFICATIONS AS REQUIRED BY WAC 480-123-060 AND WAC 480-123-070

I, David D. Cole, being of lawful age and duly sworn, on my oath state that I am Executive Vice President and Controller for CenturyLink, Inc. and an officer of CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink ("Company"), that I am authorized to execute this affidavit on behalf of the Company, and that the facts set forth in this affidavit and the accompanying reports are true to the best of my knowledge, information, and belief. On this basis, I hereby certify to the Washington Utilities and Transportation Commission ("Commission") for use by the Commission in providing the certification to the Federal Communications Commission and Universal Service Administrative Company required by 47 C.F.R. §54.314, as follows:

- (1) That all federal high-cost support received by the Company within Washington was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended;
- (2) That during the 2015 calendar year, the Company substantially met the applicable service quality standards and consumer protection rules found in WAC 480-123-030(1)(h);
- (3) That during the 2015 calendar year, the Company had the ability to function in emergency situations under the standard found in WAC 480-123-030(1)(g), as such standard relates to functionality of wire line carriers in emergency situations; and
- (4) That during the 2015 calendar year, the Company publicized the availability of its applicable telephone assistance programs, such as Lifeline, in a manner reasonably designed to reach those likely to qualify for service, including residents of any federally recognized Indian Reservations within the Company's service area and, in a manner which, in the Company's judgment, included advertisements likely to reach those who are not current customers of the Company within the Company's designated service area.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

FURTHER AFFIANT SAYETH NOT.

Dated this 29 day of June, 2016

Company: CenturyTel of Washington, Inc. d/b/a CenturyLink and CenturyTel of Inter-Island, Inc. d/b/a CenturyLink

David D. Cole, Executive Vice President and Controller

Subscribed to and sworn before me this 29 th day of June, 2016 in Monroe, Louisiana.

Notary Public

Printed Name of Notary

My Commission Expires:

EXHIBIT B



Subset 2

USF1010 ERROR REPORT



Applies to Period: Contact Name: Contact Phone: Release Status: Soft Edit Status: Year End 12/2010 Donnie Auitman (318)-388-9497 Ext: Not Released Passed Edit Reg: 2 MSM: 000021047 OO: 200000016 Co: 300000440 SAR: 522408

Marilyn Stewart CenturyTel, Inc. dba CenturyLink CenturyTel, Inc. dba CenturyLink CENTURYTEL-WASHINGTO

SOUTHERN

SOILE	idit Status. 1 assed Lott		•
Descr	îption	Pending View	Messag
060	Total Loops	130,363	
070	Cat. 1.3 Loops	124,102	
160	Account 2001	653,617,579	
170	Account 1220	9,415	
190	Account 3100	441,969,696	
195	Account 3400	0	
210	Account 4340	41,764,378	
220	Net Plant investment	169,892,920	
230	Account 2210	92,362,512	
235	Account 2220	0	
240	Account 2230	153,521,107	
245	Total Central Office	245,883,619	
250	Ckt Equip Cat 4.13	92,505,625	
255	Account 2410	377,165,713	
260	Account 3100 (2210)	65,209,407	
265	Account 3100 (2220)	0	
270	Account 3100 (2230)	117,488,248	
275	Account 3100 (2210-2230)	182,697,655	
280	Account 3100 (2410)	2 44 ,731,175	
310	Account 4340 (2210)	5,901,712	
315	Account 4340 (2220)	0	
320	Account 4340 (2230)	9,809,579	
325	Account 4340 (2210-2230)	15,711,291	
330	Account 4340 (2410)	24,099,859	
335	Account 6110 Total	116,145	
340	Account 6110 Benefits	14,942	
345	Account 6110 Rents	1,237	
350	Account 6120 Total	2,399,742	
355	Account 6120 Benefits	112,892	
360	Account 6120 Rents	426,273	
365	Account 6210 Total	5,112,371 1,245,988	
370	Account 6210 Benefits		
375	Account 6210 Rents	37,247 0	
380	Account 6220 Total Account 6220 Benefits	0	
385 390	Account 6220 Rents	0	
395	Account 6230 Total	2,161,891	
400	Account 6230 Benefits	386,005	
405	Account 6230 Rents	51,460	
410	Account 6210-6230	7,274,262	
430	Account 6410 Total	15,150,997	
435	Account 6410 Benefits	3,131,317	
440	Account 6410 Rents	2,251,196	•
445	Total Plant Specific	24,941,146	
450	Account 6530 Total	6,682,127	
455	Account 6530 Benefits	904,585	
510	Account 6560 (2210)	5,162,571	
515	Account 6560 (2220)	0,102,011	
520	Account 6560 (2230)	5,373,747	
JZU	, togoditi copa (zmaa)	0,0,0,1-11	



USF1010 ERROR REPORT

7/1/2011 12:05:32 pm Page 2 of 2

Contac Contac Releas	s to Period: ct Name: ct Phone: se Status: dit Status:	Year End 12 Donnie Aultmat (318)-388-9497 Not Released Passed Edit	Reg: MSM: OO: Co: SAR:	2 00002104 200000010 300000440 522408	6	SOUTHERN Marilyn Stewart CenturyTel, Inc. dba CenturyLi CenturyTel, Inc. dba CenturyLi CENTURYTEL-WASHINGTO	2
Descri	ption		Pending	y View M	/lessa	ge	
525 530 535 540 550 555 565 600 610 650 700 710 800 805 810 815 820 830	Account 6560 (221 Account 6560 (241 Account 6710 Tota Account 6710 Bend Account 6720 Tota Account 6720 Bend Sum of Lines 535 Ben. Por. of all Op Rent Por. of all Op Account 7200 Othe 2410 (C S Total C) 2410 (C S CWF - C) Account 2680 Tota Account 2680 (223 Account 2680 (2410) T Acc 2680 (2410) T Acc 2680 (2410) C Account 6560 (266	0) I effits I effits F550 Exp. Exp. Taxes WF - AV) Cat.1) I effits G0) Exp. Exp. Exp. Exp. Exp. Exp. Exp. Exp.	15,84 76 12 10,79 89 11,56 8,52 2,76 9,90 368,97	66,318 10,060 69,994 28,046 69,818 64,064 69,812 24,490 67,413 05,273 71,915 09,979 0 0 0			
Co	ontrol Total:		3,817,5	51,278			

Comments:

CONFIDENTIAL EXHIBIT C

USF1010

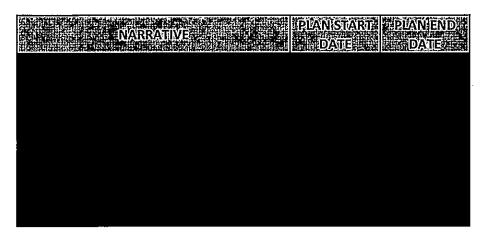
Study Area: CenturyTel of Washington/Inter-Island-T141-T142 (SAC 522408)

Year End 12/31/2015

	·—- ·· ·	
Description		
(060)	Total Loops	
(070)	Category 1.3 Loops	
(160)	a. Acct 2001	
(170)	b. Acet 1220	
(190)	c. Acct 3100	
(195)	d. Acct 3400	
(210)	g. Acct 4340	
(220)	h. Net Plant Investment	
(230) (235)	a. Acct 2210 b. Acct 2220	
(240)	c. Acct 2230	
(245)	d. Total Central Office	
(250)	e. Circuit Equip Cat 4.13	
(255)	f. Acct 2410	
(260)	g. Acct 3100(2210)	
(265)	h. Acct 3100(2220)	
(270)	i. Acct 3100(2230)	
(275)	j. Acct 3100(2210-2230)	
(280)	k. Acct 3100(2410)	
(310)	q. Acct 4340(2210)	
(315)	r. Acct 4340(2220)	
(320)	s. Acct 4340(2230)	
(325)	t. Acct 4340(2210-2230) u. Acct 4340(2410)	
(330) (335)	a. Acct 6110	
(340)	b. Acct 6110 (benefits)	
(345)	c. Acct 6110 (rents)	
(350)	d. Acct 6120	
(355)	e. Acct 6120 (benefits)	
(360)	f. Acct 6120 (rents)	
(365)	g. Acct 6210	
(370)	h. Acct 6210 (benefits)	
(375)	i. Acct 6210 (rents)	
(380)	j. Acct 6220	
(385)	k. Acct 6220 (benefits)	
(390)	I. Acct 6220 (rents)	
(395)	m. Acct 6230	
(400) (405)	n. Acct 6230 (benefits) o. Acct 6230 (rents)	
(410)	p. Acct 6210-6230	
(430)	t. Acct 6410	
(435)	u. Acct 6410 (benefits)	
(440)	v. Acct 6410 (rents)	
(445)	Total Plant Specific	
(450)	a. Acct 6530	
(455)	b. Acct 6530 (benefits)	
(510)	a. Acct 6560(2210)	
(515)	b. Acct 6560(2220)	
(520)	c. Acct 6560(2230)	
(525)	d. Acct 6560(2210-2230)	
(530)	e. Acct 6560(2410)	
(535) (540)	a. Acct 6710 b. Acct 6710 (benefits)	
(550)	c. Acct 6720	
(555)	d. Acct 6720 (benefits)	
(565)	e, (sum of lines 535+550)	
(600)	a. Benefits Portion	
(610)	b. Rents Portion	
(650)	a. Acct 7200	
(700)	Cost Study Avg C&WF Acct 2410	
(710)	2. Cost Study Avg C&WF Cat 1	
(800)	Acct. 2680 Tot Assets	
(805)	Acct. 2680 (2230) COE Trans	
(810)	Acct. 2680 (Cat. 4.13) COE Trans	
(815)	Acct. 2680 (2410) Total CWF	
(820)	Acct. 2680 (2410) CWF-Cat 1	
(830)	Acct. 6560 (2680) Dep & Amort	
	Control Total	

CONFIDENTIAL EXHIBIT D

CenturyLink 2016 Planned Investments WAC 480-123-080 (1)





CenturyLink 2017 Planned Investments WAC 480-123-080 (2)

	_	-		
i de la companya de				
<u>. </u>	<u>-</u>			
	·			
1				
<u> </u>				
		<u> </u>		
·			·	
				-
			=	
<u> </u>				
				· — ·
		 -		

CONFIDENTIAL EXHIBIT E

NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS

NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS
:				
:				

NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS
•				

NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS

NARRATIVE NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS
:				
•				

NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS
				!
				ì

NARRATIVE	INITIATIVE	MNEMONIC	VERB	STATUS