

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

In the Matter of the Petition of

THE CENTURLINK COMPANIES –
QWEST CORPORATION;
CENTURYTEL OF WASHINGTON;
CENTURYTEL OF INTERISLAND;
CENTURYTEL OF COWICHE; AND
UNITED TELEPHONE COMPANY OF
THE NORTHWEST

To be Regulated Under an Alternative
Form of Regulation Pursuant to RCW
80.36.135.

Docket No. UT-(new)

PLAN FOR ALTERNATIVE FORM OF
REGULATION

CenturyLink’s Proposal for an AFOR

Provisions:

- 1) For the period of the AFOR, CenturyLink¹ will be treated as if it were competitively classified, subject to certain exceptions and certain transition period requirements under this plan. CenturyLink is also subject to the provisions specified in **Appendix A** which provides for regulation similar to those companies who are competitively classified pursuant to RCW 80.36.320. **Appendix A** provides an overview of specific waivers of regulatory requirements that should be granted in order to effectuate the AFOR.
- 2) The terms of this plan for AFOR will be effective upon approval by the Commission and will remain in effect for five years unless extended or modified by Commission order.
 - a) During the six months prior to the 5-year anniversary of the AFOR, CenturyLink and the Commission’s Staff will conduct a review of the

¹ Unless specifically stated otherwise, the terms of the AFOR will apply equally to all five ILEC operating companies, Qwest Corporation d/b/a CenturyLink QC, CenturyTel of Washington, Inc. d/b/a CenturyLink, CenturyTel of Inter Island, Inc. d/b/a CenturyLink, CenturyTel of Cowiche, Inc. d/b/a CenturyLink, and United Telephone Company of the Northwest d/b/a CenturyLink.

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provisions of this AFOR to determine if changing conditions warrant modifications to the plan. All parties to the AFOR proceeding will have access to the same material made available to Commission Staff by CenturyLink.

- b) During the course of that review any of the parties to this AFOR proceeding may propose or oppose modifications for consideration by Commission Staff. Upon conclusion of the review but not later than the five-year anniversary the Commission will provide notice to the parties and hold a proceeding in which parties may advocate for or against proposed modifications.
- c) While the Commission deliberates, the terms of this AFOR shall continue in force.

Exceptions:

- 1) This AFOR does not affect the Commission's authority to regulate CenturyLink's wholesale obligations under the Telecommunications Act of 1996, nor does it affect existing carrier-to-carrier service quality requirements, including service quality standards or performance measures for interconnection and appropriate enforcement or remedial provisions in the event CenturyLink fails to meet service quality standards or performance measures contained in tariffs, ICAs, commercial agreements, or otherwise.
- 2) CenturyLink will provide service quality reporting consistent with the 'Class A' company reporting requirements in WAC 480-120-439(1). CenturyLink will no longer be required to file customer service guarantee reports (either performance reports or payment reports) in accordance with the Seventeenth Supplemental Order in Docket No. UT-991358 and Order 14 in Docket No. UT-100820.
- 3) The following services will remain in CenturyLink's tariffs for the duration of the AFOR:
 - a) Stand-alone Residential Exchange Services:
 - i) Exchange Areas and Measured Exchange Service Options; (CenturyLink QC, WN U-45; CTL of WA WN U-10 Section 5.2.1 A. and B. and 5.2.3; CTL of WA and InterIsland, WN U-2 Schedule 3 original sheet 12, II.; United Telephone Company of the Northwest WN U-4, Schedule AE-1, Sheets 6-8 as they pertain to measured service only.)
 - ii) Directory Assistance - IntraLATA and National Directory Assistance charges will not be applicable to requests originating from telephone

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services that CenturyLink has determined are used on a continuing basis by a person(s) certified incapable of using a published telephone directory. IntraLATA Directory Assistance charges will not be applicable for calls that originate from hospitals. (CenturyLink QC WN U- Section 6.2.4 (c) and (d); CTL of WA and Interisland WN U-2, Schedule 23, original sheet 1, 2. b. and c.; CTL of Cowiche WN U-3 Section 4. 3.A.2.c.; United Telephone Company of the Northwest WN U-4, Schedule AE-2 original sheet 2 A.2.a.)

- b) Washington Telephone Assistance Program (WTAP) (CenturyLink QC WN U-45, Section 5.2.6 A.; CTL of WA WN U-10 Section 5.2.11; CTL of WA and Interisland WN U-2, Schedule 26, second revised sheet 1, 1. and 2.; CTL of Cowiche WN U-3, Section 4.5. A and B.; United Telephone Company of the Northwest WN U-4, Schedule AE-9 first revised sheet 1 A.)
- c) Lifeline and Link-up Programs (CenturyLink QC WN U-45, Section 5.2.6 B. C., and D.; CTL of WA WN U-10 Section 5.2.11; CTL of WA and Interisland, Schedule 26, second revised sheet 1, 3., 4., and 5; CTL of Cowiche WN U-3, Section 4.5. C. and D.; United Telephone Company of the Northwest WN U-4, Schedule AE-9 first revised sheet 1 B. and C.)
- d) Basic and Enhanced Universal Emergency Number Service – 911 (CenturyLink QC WN U-45 Section 9.2.1; CTL of WA WN U-10 Section 9.2.1; CTL of WA and Interisland, Schedule 32; CTL of Cowiche WN U-3, Section 12; United Telephone Company of the Northwest WN U-4, Schedule AE-19 sheets 1-26)
- e) Interconnection Service (CenturyLink QC WN U-46)
- f) Resale Service (CenturyLink QC WN U-47; CTL of WA WN U-10 Section 2.2.4)
- g) Switched Access Service (CenturyLink QC WN U-48; CTL of WA, Interisland, and Cowiche WN U-8; United Telephone Company of the Northwest WN U-10)
- h) Wholesale Services (CTL of WA, Interisland, and Cowiche WN U-9)

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- 4) CenturyLink agrees to be bound by the provisions of RCW 80.36.330(3), and the Commission's implementing regulations, in connection with below-cost pricing.
- 5) 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.

The following requirements will apply during a three-year transition period:

- 1) The stand-alone residential exchange service recurring rate is capped at \$15.50 during the transition period, except where that rate, combined with any EAS adders, exceeds \$15.50.
- 2) Notwithstanding that CenturyLink's digital business services, analog private line services, and residential exchange services, features, and packages will be treated as competitively classified services in accordance with #1 above (Provisions), CenturyLink agrees not to geographically de-average the non-recurring and monthly recurring rates for these services. This provision does not modify or restrict CenturyLink's ability to enter into individual contracts for service that specify rates other than state-wide average rates.
- 3) The waiver of the Transfer of Property provisions in Chapter 80.12 RCW and Chapter 480-143 WAC does not apply to the sale of exchanges or access lines, and does not apply to a transaction involving the merger or acquisition of the parent company or any of the LEC operating companies by an unaffiliated entity.

APPENDIX A

Statute, Rule, or other provision to be waived
Securities
Chapter 80.08 RCW Securities
WAC 480-120-365 Securities Filings
WAC 480-120-389 Securities Report
Transfers of Property
Chapter 80.12 Transfers of Property; except, during the three year transition period, for the sale of exchanges and/or the merger or acquisition of any of the companies by an unaffiliated entity.
WAC 480-120-379 Transfers of property
Chapter 480-143 WAC Transfers of Property; except, during the three year transition period, for the sale of exchanges and/or the merger or acquisition of any of the companies by an unaffiliated entity.
Affiliated Interests
Chapter 80.16 RCW Affiliated Interests
WAC 480-120-375 - Affiliated Interests Contracts or arrangements.
WAC 480-120-395 - Affiliated interest and subsidiary transactions report.
Cash Transfers
WAC 480-120-369 - Transferring cash or assuming obligations.
Accounting
WAC 480-120-359
Service Quality
WAC 480-120-439 Service quality performance reports
Customer Service Guarantee Program
17 th Supplemental Order in UT-991358 Order Directing Qwest to File Customer Service Guarantee Reports and Order 14 in UT-100820 directing quarterly reporting of payments made.
Miscellaneous Waivers
RCW 80.04.300 Budgets to be filed by companies -- Supplementary budgets
RCW 80.04.310 Commission's control over expenditures
RCW 80.04.320 Budget rules
RCW 80.04.330 Effect of unauthorized expenditure -- Emergencies
RCW 80.04.360 Earnings in excess of reasonable rate -- Consideration in fixing rates
RCW 80.04.460 Investigation of accidents

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RCW 80.04.520 Approval of lease of utility facilities
RCW 80.36.100 Tariff schedules to be filed and open to public; Tariffs for excepted services unchanged.
RCW 80.36.110 Tariff changes -- Statutory notice – Exception; Tariffs for excepted services unchanged.
WAC 480-80-101 Tariff requirements through WAC 480-80-143 Special contracts for gas, electric, and water companies; Tariffs for excepted services unchanged.
Chapter 480-140 WAC Commission general – Budgets
WAC 480-120-102 Service offered
WAC 480-120-339 Streamlined filing requirements for Class B telecommunications company rate increases
WAC 480-120-399 Access charge and universal service reporting
WAC 480-120-344 Expenditures for political or legislative activities
WAC 480-120-352 Washington Exchange Carrier Association (WECA)