

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UT-121986
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	ORDER 03
	)	
v.	)	
	)	
QWEST CORPORATION D/B/A	)	INITIAL ORDER APPROVING
CENTURYLINK QC AND	)	SETTLEMENT AGREEMENT
CENTURYTEL OF WASHINGTON	)	
D/B/A CENTURYLINK,	)	
	)	
Respondent.	)	
	)	
.....	)	

1     **NATURE OF PROCEEDING.** Docket UT-121986 arises out of a formal Complaint filed by Commission Staff on March 19, 2014, against Qwest Corporation d/b/a CenturyLink QC and CenturyTel of Washington d/b/a CenturyLink (CenturyLink). The complaint alleges that CenturyLink committed 2,644,014 violations of statute and rules enforced by the Washington Utilities and Transportation Commission (Commission) related to improper billing practices. The Complaint seeks a total penalty of up to \$313,070.

2     **PARTY REPRESENTATIVES.** Michael Fassio, Assistant Attorney General, Olympia, represents the Commission’s regulatory staff (Commission Staff or Staff).<sup>1</sup> Lisa Anderl, Senior Associate General Counsel, Seattle, represents respondent CenturyLink.

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. See RCW 34.05.455.

3 **PROCEDURAL HISTORY.** The Commission held a prehearing conference in this matter on Wednesday, April 23, 2014, and adopted a procedural schedule. The Commission scheduled an evidentiary hearing for Tuesday, October 7, 2014.

4 **SETTLEMENT AGREEMENT.** On July 2, 2014, the parties filed with the Commission a Settlement Agreement and a Narrative Supporting Settlement Agreement. The Settlement Agreement includes (1) the Company's admission that it violated WAC 480-120-161 through billing errors related to taxes and surcharges; (2) a requirement that CenturyLink pay a monetary penalty of \$31,300 within 30 business days after Commission approval of the settlement; and (3) the Company's commitment to (a) implement certain improvements to its billing system in the 4<sup>th</sup> Quarter of 2014 to mechanize tax table updates and reduce the likelihood of similar errors in the future and (b) re-emphasize the Company's culture of customer service through regular training and coaching programs.

5 The Settlement Agreement does not contain any suspended penalty amount. However, Commission Staff will continue to monitor CenturyLink's compliance with all applicable service quality laws and rules, including those related to customer billing. The Settlement Agreement does not preclude further enforcement action against the Company if a pattern of increasing violations is discovered.

6 **DISCUSSION AND DECISION.** WAC 480-07-750(1) states in part: "The commission will approve settlements when doing so is lawful, the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the commission." Thus, the Commission considers the individual components of the Settlement Agreement under a three-part inquiry, asking:

- Whether any aspect of the proposal is contrary to law.
- Whether any aspect of the proposal offends public policy.
- Whether the evidence supports the proposed elements of the Settlement Agreement as a reasonable resolution of the issue(s) at hand.

7 The Commission must determine one of three possible results:

- Approve the proposed settlement without condition.
- Approve the proposed settlement subject to conditions.
- Reject the proposed settlement.

8 We approve the Settlement Agreement without condition. The Company concedes that it violated a Commission rule and the Settlement Agreement ensures that CenturyLink pays a penalty for incorrectly billing customers. Further, the Settlement Agreement requires the Company to make changes to its computer systems in order to reduce the likelihood of similar billing errors recurring. This Agreement serves the public interest by promoting continuing compliance with Commission statutes and rules going forward without imposing an unwarranted financial burden on the Company for its failure to comply fully in the past with all applicable statutory requirements.

9 The settlement represents a compromise of the parties' original positions that concludes this matter without delay and without requiring expenditure of additional Commission resources to litigate the case. Further, the terms in the Settlement Agreement are not contrary to law or public policy and reasonably resolve all issues in this proceeding. We find that the Settlement Agreement is consistent with the public interest and should be approved as filed and without condition.

### **ORDER**

#### **THE COMMISSION ORDERS:**

10 (1) The Settlement Agreement attached as Exhibit A to this Order, and incorporated into this Order by this reference, is approved without condition and adopted as the final resolution of the issues in this docket.

11 (2) CenturyLink must pay a penalty of \$31,300 to the Commission no later than August 25, 2014.

- 12 (3) CenturyLink must implement improvements to its billing system as specified  
in the Settlement Agreement no later than December 31, 2014.
- 13 (4) CenturyLink must continue to strengthen its training and coaching programs as  
specified in the Settlement Agreement.
- 14 (5) The Commission retains jurisdiction to effectuate the terms of this Order.

Dated at Olympia, Washington, and effective July 14, 2014.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**ADAM E. TOREM**  
Administrative Law Judge

### NOTICE TO PARTIES

This is an Initial Order. The action proposed in this Initial Order is not yet effective. If you disagree with this Initial Order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this Initial Order, and you would like the Order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

WAC 480-07-825(2) provides that any party to this proceeding has twenty (20) days after the entry of this Initial Order to file a *Petition for Administrative Review*. What must be included in any Petition and other requirements for a Petition are stated in WAC 480-07-825(3). WAC 480-07-825(4) states that any party may file an *Answer* to a Petition for review within ten (10) days after service of the Petition.

WAC 480-07-830 provides that before entry of a Final Order any party may file a Petition to Reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. No Answer to a Petition to Reopen will be accepted for filing absent express notice by the Commission calling for such answer.

RCW 80.01.060(3) provides that an Initial Order will become final without further Commission action if no party seeks administrative review of the Initial Order and if the Commission fails to exercise administrative review on its own motion.

One copy of any Petition or Answer filed must be served on each party of record with proof of service as required by WAC 480-07-150(8) and (9). An Original and **five (5)** copies of any Petition or Answer must be filed by mail delivery to:

Attn: Steven V. King, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

**Exhibit A  
Settlement Agreement**