Service Date: June 30, 2023



# STATE OF WASHINGTON

## UTILITIES AND TRANSPORTATION COMMISSION

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June 30, 2023

# NOTICE SUSPENDING FILING REQUIREMENT, REJECTING PETITION, AND REQUIRING REFILING, AND

NOTICE OF HEARING (Set for Wednesday, July 26, 2023, at 9:30 a.m.)

RE: In the Matter of the Petition of the CenturyLink Companies to Be Regulated Under an Alternative Form of Regulation Pursuant to RCW 80.36.135,

Docket UT-130477

#### TO ALL PARTIES:

On January 9, 2014, the Washington Utilities and Transportation Commission (Commission) entered Order 04 approving and adopting settlement agreements between the CenturyLink Companies – Qwest Corporation, CenturyTel of Washington, CenturyTel of Inter Island, CenturyTel of Cowiche, and United Telephone Company of the Northwest (collectively referred to as CenturyLink or Company), Commission staff (Staff), the Public Counsel Unit of the Office of the Attorney General (Public Counsel), Sprint Nextel Corporation, and the United States Department of Defense and other federal executive agencies. The settlement agreements established an alternative form of regulation (AFOR) for the Company pursuant to RCW 80.36.135.

On June 5, 2020, CenturyLink, Staff, and Public Counsel (collectively Stipulating Parties) filed a stipulation for a one-year extension of the current AFOR plan in this docket, and a petition to modify the settlement and order approving the settlement in accordance with the extension.

On June 18, 2020, the Commission entered Order 07, granting the Petition and amending Order 04 as the Stipulating Parties requested.

DOCKET UT-130477 PAGE 2

On June 15, 2021, the Stipulating Parties filed a stipulation for a second one-year extension of the amended AFOR plan and petition to modify Order 04 accordingly (Second Petition).

On June 18, 2021, the Commission entered Order 08, granting the Second Petition and amending Order 04.

On June 6, 2022, CenturyLink filed a third petition for another one-year extension of the amended AFOR plan and to modify Order 04 accordingly (Third Petition). The Company represented that it did not anticipate seeking a fourth extension.

On June 13, 2022, the Commission entered Order 09, granting the Third Petition and amending Order 04. In paragraph 10 of Order 09, the Commission stated, "We expect that this will be the last time we agree that continuing the current AFOR for an additional year will conserve Commission and party resources during what continue to be extraordinary times."

On June 27, 2023, CenturyLink filed a fourth petition for yet another extension of the amended AFOR plan and to modify Order 04 accordingly (Fourth Petition). CenturyLink represents that it plans to file a petition for competitive classification; the Company is consulting with Staff and Public Counsel prior to filing a formal petition; party resources remain stretched thin; and the parties do not oppose extension of the current AFOR until the competitive classification issue is resolved. CenturyLink thus seeks to extend the existing AFOR for another year or until the Company is competitively classified, whichever occurs first.

Requests to amend a Commission order must comply with WAC 480-07-485, section (1) of which provides,

- (1) **Amendment or rescission.** The commission may propose, or may act in response to a petition, to alter, amend, or rescind any order that the commission has entered. Any such petition must comply with the requirements in WAC <u>480-07-870</u> for a petition for rehearing. The commission may take the action it has proposed or grant the petition only after providing:
- (a) Notice of the petition or proposed commission action to the affected public service company or companies and to all parties in the underlying proceeding; and
- (b) An opportunity for parties to respond in writing or at a hearing consistent with due process.

Section (1) of WAC 480-07-870, in turn, provides,

- (1) **Petition.** A petition for rehearing must set forth sufficient grounds for rehearing the commission order and must include substantial evidence or an offer of proof in support of the requested relief. Sufficient grounds for rehearing consist of the following:
  - (a) Changed conditions since the commission entered the order;

DOCKET UT-130477 PAGE 3

(b) Harm to the petitioner resulting from the order that the commission did not consider or anticipate when it entered the order;

- (c) An effect of the order that the commission or the petitioner did not contemplate or intend; or
- (d) Any good and sufficient cause that the commission did not consider or determine in the order.

The Fourth Petition does not comply with these rules. CenturyLink filed the petition less than a week before the deadline in Order 04 for the Company to open a new AFOR docket, leaving insufficient time for parties or the Commission to respond. In addition, the Commission granted the first three petitions to amend Order 04 based on the COVID-19 pandemic and its attendant hardships. The state of emergency to address the pandemic ended on October 31, 2022, and thus no longer justifies further extension of the current AFOR. The Commission questions whether competitive classification negotiations are good and sufficient cause to amend Order 04 to extend the AFOR beyond its January 9, 2024, expiration date. Nor does the Fourth Petition explain why CenturyLink is requesting a fourth extension when it represented in the Third Petition that the Company did not anticipate seeking a fourth extension, and Order 09 stated the Commission's expectation that it would not agree for a fourth time that continuing the current AFOR would conserve party resources.

Accordingly, the Commission rejects the Fourth Petition. If CenturyLink continues to seek an extension of the current AFOR, it may refile a petition to amend Order 04 in compliance with WAC 480-07-485 by Friday, July 7, 2023. Other parties may file responses to any such petition by Friday, July 14, 2023, and the Commission will conduct a hearing on that petition on July 26, 2023. To allow for such a process, the Commission suspends the July 3, 2023, deadline for filing a petition to open a new AFOR docket pending resolution of any renewed request to extend the existing AFOR.

## THE COMMISSION GIVES NOTICE That

- (1) The July 3, 2023, deadline in Order 04 for CenturyLink to file a petition to open a new AFOR docket is suspended pending further notice;
- (2) The Commission rejects the Fourth Petition;
- (3) If CenturyLink continues to request an extension of the AFOR, the Company must refile a petition to amend Order 04 in compliance with WAC 480-07-485 by Friday, July 7, 2023; and
- (4) Parties may file responses to CenturyLink's refiled petition by Friday, July 14, 2023.

DOCKET UT-130477 PAGE 4

THE COMMISSION GIVES FURTHER NOTICE That the Commission will conduct a hearing on any renewed request to amend Order 04 on Wednesday, July 26, 2023, at 9:30 a.m. To participate by phone, call (253) 215-8782 and enter the Conference ID: 821 2580 0275# and use the Passcode: 798194#. To attend via Zoom, use the following link: Click here to join the meeting.

/s/ *Gregory J. Kopta*GREGORY J. KOPTA
Administrative Law Judge