

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of the Petition of the

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

to be Competitively Classified Pursuant to RCW 80.36.320

DOCKET UT-240029

**ATTACHMENT 2
Comments Sent to Public Counsel**

July 26, 2024

COMMENTS OF HUGH JONES

From: [Hugh Jones](#)
To: [ATG WWW E-mail Public Counsel](#)
Cc: jejxv@centurytel.net
Subject: insure the WUTC reject the Docket UT-24009 petition
Date: Friday, April 12, 2024 2:08:25 PM

[EXTERNAL]

To: The Public Council Unit of the Washington State Attorney Generals Office

We are on a fixed income, wife dealing with cancer, I with heart problems, we rely on our land line phone provided by CenturyLink for both emergency & medical provider needs, as well as personal business & contacts.

This CenturyLink service is the only provider for this and for internet access available to us.

Unless we have the continued protection of the W.U.T.C. to monitor and regulate CenturyLink there is a grave risk the rates will skyrocket, end the service will suffer, leaving us suffering financially and leaving us vulnerable to both safety and medical needs.

As we are collectively represented by the Public Council Unit of the Washington State Attorney Generals Office, please insure the WUTC reject the Docket UT-24009 petition and continue to protect the citizens of Washington State.

FYI, we have already contacted the WUTC and relayed the above to them via their on-line form and email.

Yours, Hugh & Charlotte Jones

COMMENTS OF JODEAN SARINS

Hartman, Brice C (ATG)

From: JoDean Sarins <arrayofelegance@att.net>
Sent: Wednesday, June 5, 2024 12:52 PM
To: ATG WWW E-mail Public Counsel
Subject: CenturyLink Petition for Competitive Classification #Docket UT-240029

[EXTERNAL]

CenturyLink Petition for Competitive Classification

#Docket UT-240029

I strongly oppose this petition. I live in an area where cell phone coverage is spotty and inconsistent at best. If an emergency arose, there is no reliable way of communicating without a wired line. I also run a business out of my home, because of the inconsistency in the cell phones, I am forced to use a landline to communicate with clients. Please consider this information in your decision making.

Jo Dean Sarins

Array of Elegance

15 Osbourne Road

White Salmon, wa. 98672

arrayofelegance.com
phone: 309-657-2180

COMMENTS OF JURIS SARINS

Hartman, Brice C (ATG)

From: Juris Sarins <jurissarins@att.net>
Sent: Tuesday, June 4, 2024 4:59 PM
To: ATG WWW E-mail Public Counsel
Subject: Century Link Docket UT-240029

[EXTERNAL]

Dear ATG:

CenturyLink has file a petition, UT-240029 to for Competitive Classification of certain Copper telephone landlines.

Our residence falls within the realm of this petition.

We have a residential elevator, which must have reliable communication to summon help is a person(s) would become trapped due to a mechanical failure. We have no alternative means of communication, as cellphone signal at this location is no-existent. Any Wi-Fi calling option is also subject to the same issue, as signal for that is supplied by the same lines as the voice telephone. Alternative Wi-Fi, derived form satellite internet, has been found to be sporadic and un-reliable, thus not a viable option to preclude a potential fatality.

Based upon this, I strongly oppose the petition.

Juris Sarins
15 Osborne Rd
White Salmon, WA 98672

509 493 3010

COMMENTS OF KATE RICHARDSON

Hartman, Brice C (ATG)

From: Kate Richardson <riverchat_kr@hotmail.com>
Sent: Thursday, June 6, 2024 6:43 PM
To: ATG WWW E-mail Public Counsel
Subject: 6/6/24 UT240029 comment text

[EXTERNAL]

I'm Kate Richardson, a 76 year old, living alone in Burien. I've had an uneven relationship with CenturyLink since it took over from Qwest. Currently I am on a 'price for life' program; any change will raise the monthly by at least \$25, though I have nothing in writing spelling out any conditions. I get land line and high-speed internet. Nonetheless, I am very hesitant to consider any other company. Where is the market? How do I make comparisons? I get adds from the big companies usually bragging about 'no contract', which leaves customers with no assurance as to what to expect. And they probably don't have land line capability. At least if I sit tight my rate with CL shouldn't rise.

I prefer land line to cell phone. I have an answer machine and several phones in the house, so I can easily answer a call, don't need to wonder where I left the cell last... in a coat pocket? in the car? I don't want to have to purchase pricey new equipment every few years - I haven't had to get another phone for several decades.

I don't need to worry about the phone being charged up though, while changing my internet service several years ago, CL connected my land line to the data line without telling or asking me. That means if the power goes out the phone doesn't work. Was that allowed by the UTC? I might not have made the change had I known.

I don't text. I used the cell during covid to advise Fred Meyer when I was ready to pick up groceries. I take it in the car in case of some kind of mishap. That's about it.

Evidently CL intends to stop providing land line service if you let them. I object to this. Where is my alternative? Why do these slick corporations get to function without any regulations? Is your interest in their profit, or customers' needs?

COMMENTS OF KATHLEEN DYE

From: [K.C.](#)
To: [ATG WWW E-mail Public Counsel](#)
Subject: RE: Docket UT-240029
Date: Wednesday, June 26, 2024 11:37:59 AM

[EXTERNAL]

To: Public Counsel Unit Washington State Attorney General's Office

I am contacting your office regarding Century Links proposal to discontinue landline service within Washington State.

After participating in the Public Comment Hearing on May 16, it is apparent that many people affected by this matter are elderly and/or disabled and live in areas with few cell towers and limited cell phone coverage. I am elderly and disabled myself and have no cell phone due to cost and limited coverage. I live in Sequim (Clallam County) and I believe there only two cell phone towers for the county and the carrier used also affects service.

The discontinuance of landline service will represent a hardship for customers who often have no other viable options.

Your time and consideration as well as your representation of the "protected customers" are greatly appreciated.

Sincerely,

Kathleen Dye

COMMENTS OF KATHRYN WHITE

Hartman, Brice C (ATG)

From: Kathryn White <FollowUp48@outlook.com>
Sent: Sunday, April 28, 2024 4:20 PM
To: comments@utc.wa.gov; ATG WWW E-mail Public Counsel; council@seattle.gov; Dan.Strauss@seattle.gov; cathy.moore@seattle.gov; maritza.rivera@seattle.gov; jorge.baron@kingcounty.gov; girmay.zahilay@kingcounty.gov; rod.dembowski@kingcounty.gov; teresa.mosqueda@kingcounty.gov; sarah.perry@kingcounty.gov; reagan.dunn@kingcounty.gov; dave.upthegrove@kingcounty.gov
Subject: Issues of CenturyLink Classification Request; Docket UT-240029

Follow Up Flag: Follow up
Flag Status: Flagged

[EXTERNAL]

Hello,

CenturyLink has petitioned and requested the Washington Utilities Trade Commission (WUTC) to classify CenturyLink as Competitive Telecommunications Companies. I request that this classification be denied as CenturyLink is the carrier in Seattle, its surrounding areas, and probably in all of Washington State that provides reliable internet and landline service over copper wires (which also allows alarm systems to run over the same copper lines).

CenturyLink has a monopoly of wired, landline, copper wire provided services, there are no other wired, landline, copper wire alternative service providers, and it has a significant captive customer base for these services as well as for other types of communication services as it has been the prime telephone and internet service in these areas for years.

There is no other company that is providing phone and internet services over copper wire, all the rest are using wireless (which CenturyLink provides as well).

If CenturyLink is classified as Competitive Telecommunications Companies there is a great likelihood that it will substantially increase the rates, reduce their maintenance, and/or eliminate its copper wire services and force customers to go with wireless services for phone and internet (which also means wired, landline alarm services will need to be changed as well).

There are many people, including myself, who do not want to lose their wired copper wire landline phone and internet service as these ensure customers are safer as they have phone service, alarm service, and internet service when there are power outages (which occurs several times a year).

We feel safer knowing we have this access when power goes out AND we don't need to buy or rely upon a backup battery that may or may not work for backup power supply (besides the expense and the negative environmental impacts of manufacturing, replacing, and using batteries).

Also, it makes more environmental sense to diversify and have wired, copper wire, landlines available as this ensures there are some people in the neighborhoods that have phone, internet, and alarm availability with power outages.

In addition, copper wire, wired, landline services don't use electricity (and the use of electricity will be substantially rising in this area as population grows and as more people switch from gas appliances, gas heaters, gas water heaters,

gasoline vehicles, etc. to electrical ones). With the decrease in snow pack due to climate change and the increase in electricity demands as time goes on, having alternative ways to provide phone, internet, and alarm systems is crucial.

Furthermore, many elderly people are more familiar, comfortable, and trusting of wired, copper wire landlines.

Please ensure that CenturyLink continues to operate under an Alternative form of Regulation, a form of limited regulation that keeps it subject to certain regulations that ensure reliable wired, copper wire landline services and reasonable rates for these services.

Please do not allow CenturyLink to discontinue its wired, copper wire, landline services in the Seattle metro area as well as in the rest of Washington State. Please ensure the rates remain as is.

The WUTC must issue its decision about whether to grant CenturyLink's petition by July 8, 2024.

Please lend your power and voice to maintain CenturyLink's current classification and ensure the maintenance, existence, and reasonable costs especially for wired, copper wired, landline phone, internet, and alarm systems that use the copper wire landline phone lines.

Please reply in how you will be responding to this issue.

Thank you for your prompt attention to this matter.

COMMENTS OF MAIRIAM GOLDFARB

From: [Dreyer, Jean Marie \(ATG\)](#)
To: [Hartman, Brice C \(ATG\)](#)
Subject: FW: CenturyLink Copper Wired Telephone Lines - Telephone Plans and Prices - Written Comments
Date: Wednesday, July 24, 2024 10:12:48 AM

Fyi – emailed public comments from Miriam Goldfarb to PCU below.

Jean Marie Dreyer

Regulatory Analyst—Public Counsel Unit
Washington State Office of the Attorney General
800 5th Avenue, Suite 2000, Seattle, Washington 98104
Direct: 206-389-3040 | Cell: 206-948-4573 | [Pronouns: She/Her/Hers](#)

From: Miriam Goldfarb <magoldfarb@comcast.net>
Sent: Monday, June 3, 2024 2:35 PM
To: Dreyer, Jean Marie (ATG) <jeanmarie.dreyer@atg.wa.gov>; Castaneda-Kerson, Melissa (UTC) <melissa.castaneda-kerson@utc.wa.gov>
Subject: CenturyLink Copper Wired Telephone Lines - Telephone Plans and Prices - Written Comments

[EXTERNAL]

CenturyLink Copper Wired Telephone Lines - Telephone Plans and Prices - Written Comments for Washington UTC Virtual Public Comment Hearing - June 6, 2024

We live in the Gig Harbor area in Pierce County. We have copper wired telephone service through CenturyLink. In the recent past, I have provided comments for these hearings regarding our experience with poor customer service and lack of telephone service with CenturyLink.

I am adding comments today regarding CenturyLink's lack of detailed telephone plan information and pricing transparency for their copper wired telephone plans. When I have requested detailed written information from CenturyLink regarding their copper wired telephone plans, I have been told that they do not have any written information to mail to me. I have been told to look at their website for this information. When I have looked at their website, they do not list any of their copper wired telephone plans on their website.

For the past several years, CenturyLink has increased their prices very frequently. In order for a customer to make informed, correct decisions about changing a telephone plan, a customer should be given in writing complete and accurate information about all available copper wired plans in their area. Some customers are in grandfathered plans. Once one switches out of the grandfathered plan, the customer cannot return back to the previous plan.

The customer should be given written, detailed information about the copper wired telephone plans in their area. That information should include all services in each plan along with detailed pricing, fees, and taxes.

COMMENTS OF PATRICIA THURSTON

CENTURYLINK

DOCKET UT-240029

I am absolutely opposed to CenturyLink going Competitive and I truly hope you will not allow it to happen.

The reasons I am so opposed to their petition are as follows: (Please bear with me as there are quite a few reasons.)

- * CenturyLink has proven that they cannot be trusted. When looking back at the formal complaints that have been filed against them and I'm sure there must be a numerous number of informal complaints, plus years of personal experience with them, they can't seem to follow the rules that have been set forth for them and they don't seem to make much of an effort to correct the things that are complained about.
- * In the last 6 to 10 years the services they provide have deteriorated greatly all the while they are looking for every way possible to increase rates. I understand that is what business is about, but for the most part, companies are usually up front about raising rates for their services and seem to be more compassionate toward their customers. CenturyLink is neither. Their Customer Service is a joke. First, it usually takes about half an hour to get through to a representative if you're lucky. The representatives read from a script that the company has supplied them with because it is the same thing every time no matter what representative you talk to. They really don't listen to what the customer has to say – just stay with the script. (Example: The Customer: calls to find out why their phone and internet are not working. Representative: You can go online to get many answers that may help solve your issue.) OK-what about NO working Phone or Internet do they not get? It is pretty difficult to go online when you have no phone or internet. Not everyone can just jump in the car and drive around looking for cell service-some don't even have a cell phone.
- * If they get competitive status and are unregulated and can pretty much charge their customers whatever they want for services they may or may not provide. They have set themselves up by aggressively raising rates the last couple of years to charge even higher rates if they become unregulated.
- * I don't know who they would be competitive with as there are no other phone companies in this area.
- * They can't seem to keep the phone and internet up and working now, what would change to the better if they go unregulated and competitive? Having kept track last year of the days I was out of service completely and the days when the service was sort of working, but with issues, came to 160 days. That is equal to 5 ¼ months out of 12. CenturyLink was charging their customers their normal monthly charges plus new rate increases even though they knew there were outages and problems.

- * CenturyLink will not automatically give their customers a credit to their accounts even when they know they have an outage.. In order to get a credit of any kind, one must call them and report the problem or have it show up when troubleshooting their service issues. They used to give an “inconvenience fee” of \$25 and a credit to your account. Their “inconvenience fee” of late has been \$5.00. (I have been having unreliable service with issues since the 26th of February 2024 when I submitted a request for a tech visit, to date 12 May 2024) – a part of an outage according to CenturyLink – they are offering a whopping \$6.1184 billing credit for time without service. As of Saturday 11 May 2024 when I checked, my Repair Ticket for a tech visit back in February was still open. I called Customer Service regarding this and was told it would go away when the current outage problems were fixed. I checked again today, 13 May 2024, and it showed that it was closed 28 February 2024. So, CenturyLink is doctoring their paperwork to fit their needs I guess, because there are still issues with my service.
- * They have given me some credit, but they won't tell you for what days. They said they either don't have it or they can't give me that information. I asked them how then did they figure what the credit was that they gave – they didn't answer.
- * I asked them that question because in 2023 I was out of service for 2 months straight (13 August 2023 to 13 October 2023). When I talked with one of their representatives at the time I was told I would have a \$362.00 credit toward my bill, then he noticed there was a credit balance of - \$178.00 on my bill and said I already had a credit. I explained to him that the credit balance was a payment I had sent in early to the due date (the amount was the same as I had been sending in every month had he looked closer). Long story short, they used my credit balance payment as part of their credit to me. This is the reason I will not let them take ACH payments from my bank account.
- * I have to have a land line. I do not have an unobstructed line of site to be able to get Starlink satellite or Hugh's Net satellite, Fiber is not available and I'm in a dead zone so I don't get cell service either. I am surrounded by tall trees. When there is no phone and internet service I am completely without communication of any kind. I can't call out and nobody can call in.
- * I am responsible for my 100 ½ yr old mother-in-law, who lives in an Assisted Living Community. When the phone and internet are not working it becomes a problem of the Assisted Living facility not being able to contact me should an emergency situation arise, or me being able to contact my mother-in-law or facility staff. It makes for really anxious feeling days.
- * Now days everybody wants to do business online, banking, get paperless bills, making payments – everything. Well, that is not possible when you don't have an affordable and reliable phone and internet provider that can keep those services up and running. I'm afraid that if CenturyLink is not regulated in any way, I'll be stuck with them and at their mercy as to pricing and quality of service.
- * There are so many more issues regarding this subject , I just can't print them all. (The list is too long and I am getting tired of writing. You should get the gist of things from what's here.

* I know I am not the only one who is dealing with these problems. There are a lot of folks in the Tahuya, WA 98588 area that are affected by all these types of issues and have been putting up with them for a long time .

Please do not let CenturyLink go unregulated. The only thing CenturyLink is concerned about is how much more money can they squeeze out of their remaining customers in hopes they will all eventually cancel their service and rid themselves of a non-money-making thorn in their side.

Patricia Thurston

3672 NE Belfair Tahuya Rd

Tahuya, WA 98588

tahuyaeagle@q.com

360-275-5628

COMMENTS OF PENNY RUBY

Hartman, Brice C (ATG)

From: emailago2@atg.wa.gov
Sent: Tuesday, June 4, 2024 6:24 PM
To: ATG WWW E-mail Public Counsel
Subject: Thank You for Contacting the AGO

[EXTERNAL]

The following message has been submitted to staff at the Attorney General's Office. While we make every effort to respond promptly, depending on the complexity of your request and the volume of messages received, it may take more time for our staff to respond. We appreciate your patience. Please do not respond directly to this message as the ATG WWW Email AGO mailbox is unmonitored. If you need to reach us again, please return to this form: <https://fortress.wa.gov/atg/formhandler/ago/ContactForm.aspx>

From:	Ruby, Penny		
Email Address:	utility@atg.wa.gov		
Address:	P.O. Box 3921 292 Kitfox Lane		
	Sequim WA 98382		
Address Type:	Home		
Phone:	360 683 1020	Phone Type:	Home
Subject:	Docket UT-240029		
Message:	<p>Removing requirement for Century Link to obtain WUTC approval to discontinue or sell service in and area in the city of Sequim and surrounding Clallam County will put the many land line users service at risk. Sequim is an established retirement community and many retirement age persons do not have the background and/or resources to develop alternatives to their existing equipment and current levels of service through this company. I personally have maintained a landline on the Olympic Peninsula, in the Sequim area for more than 40 years and do not have an IT Department in my home to keep track of the "free market" pace of developments in telecommunications, nor the resources to purchase new equipment and pay for the attendant services, updates, downloads, etc. that further deregulation will bring. I know there are many others in this community similarly situated. The systems for delivery of land services have developed over many years, and once allowed to erode, will be near, if not impossible to replace. This infrastructure can be considered to be essential as a public utility that delivers electricity, water, or waste management services. Please do not grant this request for further deregulation.</p>		
Previous Contact:	No	Date:	
Regarding:			
Declared By Name and Date:			
Name:	Penny Ruby	Date:	06/04/2024
Submitted on: 6/4/2024 6:23:56 PM			

Consumer protection issues constantly change, with new scams and threats emerging every week. To be automatically notified, please consider [signing up](#) for one or more of our newsletters to keep up-to-date on the latest AGO news, opinions, consumer alerts, Ask the AG columns, and blog posts.

You can also follow us on the social networking sites [Twitter](#), [YouTube](#) and [Facebook](#).

COMMENTS OF PKKRIBY

Hartman, Brice C (ATG)

From: pkkirby@comcast.net
Sent: Friday, May 31, 2024 11:44 AM
To: comments@utc.wa.gov
Cc: ATG WWW E-mail Public Counsel
Subject: Docket UT-240029

[EXTERNAL]

I am writing to oppose CenturyLink's petition to be classified as Competitive Telecommunication Companies. Washington's landline utility is divided into areas served by a single company with a captive customer base. I disagree with CenturyLink's position that there are reasonable alternatives to landlines. Landlines are an older technology, but still have some definite differences and advantages over cellular/digital technologies including their role in landline-based security systems. Allowing CenturyLink to discontinue service without WUTC approval would create a hardship for affected customers.

As a longtime CenturyLink landline customer, I believe that their customer service is the worst I have ever experienced from any company. I currently have a landline in Seattle which has been out of service for more than 5 months. CenturyLink diagnosed a fault in the line some distance from my residence, but have not repaired it. They have scheduled over 15 "repair appointments" and sent multiple reminders with each one that I must wait on-site for their technicians to arrive, but none have ever come. I have waited for a total of over 100 hours and my line is still broken. I have attempted to work with CenturyLink customer service (customers are not permitted to contact the Repair Team directly) and got some helpful information from the Customer Advocacy Group, but CenturyLink has now discontinued the Customer Advocacy service. I learned that repair services are "extremely backed-up" and that they would get to my repair when they can, with no possible time line of when that might be. CenturyLink has allowed their repair schedule to become so backlogged that a routine repair cannot be done in 5 months while still nominally being regulated by WUTC. Further reducing WUTC regulatory oversight will almost certainly be bad for Washington landline customers.

COMMENTS OF TRACY MCCUNE

From: [Dreyer, Jean Marie \(ATG\)](#)
To: [Hartman, Brice C \(ATG\)](#)
Subject: FW: hearing May 16 2024
Date: Wednesday, July 24, 2024 10:14:31 AM
Attachments: [image002.png](#)
[052024_Agenda Packet.pdf](#)
[image001.png](#)

Email and documents from Tracy McCune for the AFOR docket.

Jean Marie Dreyer

Regulatory Analyst—Public Counsel Unit
Washington State Office of the Attorney General
800 5th Avenue, Suite 2000, Seattle, Washington 98104
Direct: 206-389-3040 | Cell: 206-948-4573 | [Pronouns: She/Her/Hers](#)

From: Dreyer, Jean Marie (ATG)
Sent: Wednesday, May 29, 2024 3:19 PM
To: O'Neill, Tad Guy (ATG) <Tad.ONEill@atg.wa.gov>; David Brevitz <dbrevitz@gmail.com>
Subject: FW: hearing May 16 2024

FYI – email and documents I received from Tracy McCune yesterday regarding the CenturyLink case. Tracy was one of the attendees at the public hearing a couple of weeks ago.

Jean Marie Dreyer

Regulatory Analyst—Public Counsel Unit
Washington State Office of the Attorney General
800 5th Avenue, Suite 2000
Seattle, Washington 98104
Direct: 206-389-3040
Jeanmarie.dreyer@atg.wa.gov
Pronouns: She/Her/Hers

From: Tracy mccune <gorgewindsnow@icloud.com>
Sent: Tuesday, May 28, 2024 1:45 PM
To: Dreyer, Jean Marie (ATG) <jeanmarie.dreyer@atg.wa.gov>
Subject: Fwd: hearing May 16 2024

[EXTERNAL]

Jean Marie

It was nice talking to you today.
I am forwarding you the mail I sent to Melissa (UTC)

I attached a few more documents to this email and the RCW 80.36.700

State universal communications services program—Program expiration.
(Expires July 1, 2025.)

(1) The universal communications services program established in RCW [80.36.630](#) through [80.36.690](#) terminates on June 30, 2024.

(2) This section expires July 1, 2025

WA IPAWS Participating National (PN) Monitoring Matrix Sept 14 2021

Columbia Gorge/ Skamania and Klickitat County are part of the Columbia Gorge Operational area and is administrated by the Oregon SECC

All Stations used are in Oregon

SRN and location 155.475 Stacker Butte Klickitat Co

LRN and location 166.250 Portland OR

NWR and location 162.550 Portland

Clark County is part of the Portland Operational area and is administrird by the Oregon SECC

SRN and location Stacker Butte

Columbia river Gorge Commission Directors Decision - C22-0006_Decision_Packet.pdfC19-0017

COLUMBIA RIVER GORGE COMMISSION DIRECTOR'S DECISION

The Columbia River Gorge Commission received an application for modifications to

an existing cell tower including adding antennas and remote radio units (RRUs).

United states Department of Agriculture, Office oif the chief information Officer
Lands Minerals and Geology

License Agreement number 0622COMM0001

**LICENSE AGGREEMENT FOR CO-LOCATION OF FOREST SERVICE
COMMUNICATIONS EQUIPMENT IN OR ON PRIVATELY OWNED
COMMUNICATION FACILITIES**

This license agreement by and between the JOINT COMMUNICATIONS

CONSORTIUM consisting of MID-COLUMBIA FIRE AND RESCUE (MCFR) OREGON DERPARTMENT OF FORESTRY (ODF) The Dalles Unit, and COLUMBIA INTER-TRIBAL FISH COMMISSION (CRITFC hereinafter "the licensee. is for the purpose of installation, operation, maintenance, and removal of Federally owned communication equipment as described in Appenix A in or on one or more privately owned communications gacilities at the Stacker Butte Communications Site in the County Ogf 'Klickitat State of Washinhgton.

The following lat / long of the following coordinates when looked up in the fcc website shows the tower is a United Telephone Company of the Northwest built in 1980.

Latitude 45 42' 42" N

Longitude 121 07 02 W

ASRN 1300201 distance 1.3km Asmuth 84.3 site elevation 972.6 ground level elevation 9.1 sea level 981.7 NAD 45' 42' 46.20 N 121 06' 02.20 W 2016-anm-2279-OE

Registration number 1300201 File # A1062698 constructed 12/04/1990

LTower Lattice Tower

FRN 0026120717 Corporation

Assigner FRN 0001566694 Assigner ID L00121088

United Telephone Company of the Northwest Leslie West 100 centurylink Dr
Mailstop 3TCNO85.2 Monroe LA 71203 318 330 6883
Federalpermitting@centurylink.com

Applicationsigned 12/27/2016 Assigner TIN R00121088

Tin to which application is registered R02070796

At the bottom of the email I talk about Klickitat, Skamania and Clark county
RCW [80.36.700](#)

From: "Castaneda-Kerson, Melissa (UTC)" <melissa.castaneda-kerson@utc.wa.gov>
Subject: RE: hearing May 16 2024
Date: May 17, 2024 at 10:10 AM
To: "gorgewindsnow@icloud.com" <gorgewindsnow@icloud.com>

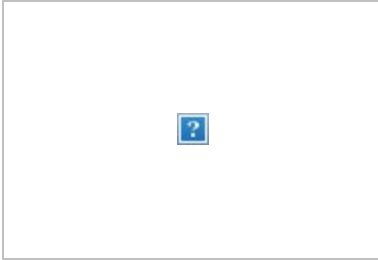
Tracy,

I am following up on our recent phone call. You asked how CenturyLink can operate

in the State of Washington under and Alternate form of regulation. I checked with Telecommunication Commission Staff and was provided with the Legislative Revised Code of Washington (RCW). I've included the link to the State Statute below.

<https://app.leg.wa.gov/RCW/default.aspx?cite=80.36&full=true#80.36.135>

Melissa Castaneda-Kerson (she/her)
Public Involvement Coordinator, Consumer Protection
(360) 664-1142
Melissa.castaneda-kerson@utc.wa.gov
www.utc.wa.gov



This email/letter states the informal opinions of commission staff, offered as technical assistance and are not intended as legal advice. We reserve the right to amend these opinions should the circumstances change, or additional information be brought to our attention. Staff's opinions are not binding on the commission.

From: gorgewindsnow@icloud.com <gorgewindsnow@icloud.com>
Sent: Wednesday, May 15, 2024 1:45 PM
To: telecom@utc.com; Public Involvement (UTC) <PubInvolve@utc.wa.gov>
Subject: hearing May 16 2024

External Email

[United Telephone Co. v. Department of Revenue, 307 Or. 428 | Casetext Search + Citator](#)
casetext.com



10 OTR 333, 334 n. 2 (1986).
to lower United's 1984 valuation in anticipation of certain negative consequences to United expected to result from deregulation of long

distance telephone service.

United is a public telephone company with its main offices in Hood River, Oregon. It is a wholly owned subsidiary of United Telecommunications, Inc., a large nonregulated and diversified company. United does business in Oregon and Washington. The business is integrated interstate, thus requiring that all taxable property, wherever located, first be valued before the Oregon portion, representing the taxable property located in Oregon, can be allocated. [ORS 308.550 \(2\)](#); 308.555

large integrated public utilities like United rarely are sold

This is not to suggest that we are persuaded by United's claims that it is unreasonable to expect it to grow in the near term due to the unsettling effects of telecommunications industry deregulation. While one might conclude intuitively that there eventually will be some income fluctuations as a result of this ongoing process, no one's prognostications on this record rise much above what one might divine from the entrails of an owl. This is not a criticism of the experts — it is simply clear from their own testimony that it is much too soon to tell what the ramifications of deregulation will be for United.

Noting that the record does contain evidence to the effect that United could anticipate *losing* income due to the decrease in subsidies that the company had been receiving from ATT the breakup of the American Telephone Telegraph Corporation.

Pacific Power & Light Co. v. Department of Revenue

OTC 2192; SC S34075

Argued and submitted March 3, 1988

Modified and remanded May 31, 1989 This is an *ad valorem* tax case involving the electrical generating facilities of Pacificorp, a Maine corporation doing business as Pacific Power Light Company (Pacific). The evidence, including testimony from several expert witnesses and over one hundred exhibits, is extensive and complex. The Tax Court found the appropriate true cash value of Pacific for Oregon *ad valorem* tax assessment purposes to be \$2,545,951,100. *PPL v. Dept. of Rev.*, [10 OTR 417](#) (1987). From that determination both Pacific and the Department of Revenue (Department) appeal. On *de novo* review, *see* [ORS 305.445](#), 19.125, we find that the true cash value of Pacific is \$2,611,385,650.

The evidence suggests that Pacific is one of the most diversified electric utilities

in the United States. It engages not only in electrical generation in six northwest states but also in coal mining, telecommunications, and other ventures. The electrical generation activity, which constitutes roughly half of Pacific's business, is closely regulated by the public utility commissions of each of the six states in which Pacific does business as well as by the Federal Energy Regulatory Commission (FERC).

Ad valorem taxes are levied on the true cash value of the Oregon property of Pacific. [ORS 308.515 \(1\)\(a\)](#); 308.540. Because Pacific's electricity generation and distribution is integrated throughout its six-state service area, Pacific's entire system is first valued as a unit, a portion of which then is allocated to Oregon. [ORS 308.550](#); 308.555; *see also United Telephone Co. v. Dept. of Rev.*, [307 Or. 428, 430, 770 P.2d 43](#) (1989) (describing similar process for valuation of assets of telecommunications company).

By regulation, Pacific's property is appraised using three different approaches to valuation. *See* OAR 150-308.205-A. The results then are weighted to produce a final, composite valuation. These three approaches are the comparable sales approach, the cost approach, and the income approach. OAR 150-308.205 (2); *see also United Telephone Co. v. Dept. of Rev.*, *supra*, [307 Or at 432](#). Much of the record in this case is taken up with testimony concerning the way the parties' appraisal experts carried out their valuation tasks under each of these approaches, including critiques by each side of the other's methodology, analysis, and results. Many of the issues involved at that trial stage survive in this appeal. Those issues will be examined below in connection with our discussion of each of the three approaches to value.

Before we can deal with those questions, however, two preliminary matters must be considered. These involve establishing a brief glossary of terms pertinent to the balance of the opinion and answering certain procedural arguments advanced by the parties. We deal first with the glossary.

A. Glossary of Terms

Our glossary of terms is derived primarily from a portion of the opinion of the Tax Court in this case. *See PPL v. Dept. of Rev.*, [10 OTR 417, 421-23](#) (1987).

As a general proposition, electric utilities hold franchises from states to provide electric service to specified areas within the states. Within these areas, the utilities have a monopoly. In return for the monopoly, the utilities are permitted to charge for their products no more than is authorized by the state regulators. The regulators establish rates sufficiently high to permit investors in the utilities to realize a reasonable return on their investment, *i.e.*, a return sufficient to attract continued investment in the utilities. The return is calculated by multiplying the value of the portion of a utility's property that is devoted to providing electric service (a figure called the "rate base") by a figure called the "rate of return," expressed as a percentage. The utility is permitted to earn its return only on property devoted to providing electric service and, in certain cases, not even all of that property (as we will explain below).

Utilities must file periodic reports with their regulators detailing the property

owned or leased by the utility and the purposes to which that property is put. [ORS 308.520](#); 308.525. Commonly, such reports will show that a utility owns property that it is not currently devoting to electric service. In addition, special regulatory accounting is required for the following types of property:

1. *"Zero capital cost" property.* A basic premise of regulatory philosophy is that utilities are allowed to earn a reasonable rate of return on invested capital. If property has no capital cost, however, no return is allowed. There are three types of properties pertinent to this case that are treated by the regulators as having no capital cost. First, there is property purchased with funds held for "deferred income taxes" (DIT). Federal tax laws permit depreciation of certain kinds of property to be reported at a rate accelerated more than that actually experienced by such property. Thus, the utility creates an account for DIT. The savings may be invested in many ways, including in property to produce and transmit electricity. From the point of view of the regulators, however, property purchased in this way actually costs the utility nothing, so no return needs to be earned on that property.

A second tax-related phenomenon treated the same way as is DIT for regulatory purposes is investment tax credits (ITC). These are credits given under the Internal Revenue Code for the purchase of certain kinds of property for business use. Where funds derived from such credits are used to purchase electrical generating property, regulators again keep such property out of the rate base for the same reason property purchased with DIT is excluded.

The third category of zero capital cost property is known as "contributions in aid of construction" (CIAC). Pacific is required to furnish service to any customer within its service area. But where, for example, putting in new lines to a remote customer would cost more than any conceivable income to be derived from the service provided, the customer may be required to pay for a portion of the capital cost associated with bringing the service to the customer. The regulators do not allow Pacific to earn a return on that portion of the capital cost paid by the customer.

2. *"Property not in service."* A second basic premise of utility regulation is that a utility should be permitted to earn a return only on property that is reasonably necessary to and actually providing utility service. See [ORS 757.355](#). The largest type of property in the property-not-in-service category is construction work in progress (CWIP). When a utility constructs new property, such as a generating facility, that property is not included in the utility's rate base until it actually is placed in service and, even then, the regulators may not allow it in the rate base until the utility establishes that the property is reasonably necessary to provision of electrical service.

[ORS 757.355](#) provides:

"No public utility shall, directly or indirectly, by any device, charge, demand, collect or receive from any customer rates which are derived from a rate base which includes within it any construction, building, installation or real or personal property not presently used for providing utility service to the customer."

Another significant type of property in this category is property held for future use (PHFU). This is property — usually unimproved realty — which the utility anticipates it will need in the future but which it is not presently using to provide electric service. As long as such property is not used, the regulators will not allow the utility to earn a return on it.

3. "*Leased property.*" This category is the most straightforward. Because leased property used to provide electrical service is not owned by the utility, it is not included in the rate base. (Instead, the lease expense is treated as an allowable operating expense that should be recovered under the utility's rate of return.) Nonetheless, [ORS 308.517 \(1\)](#) specifically provides that such leased property shall be assessed "to the property user," *i.e.*, to the utility, for *ad valorem* tax purposes. Thus, the property is treated as the utility's for tax purposes although it is not so treated for regulatory purposes.

All the foregoing terms play a role in the parties' — and this court's — analysis of the true cash value of Pacific. We turn next to the parties' procedural arguments.

B. Procedural Arguments

Pacific contends that this court should disregard the appraisal submitted by the Department's expert, Mr. Roger Maude, because Maude failed to specify how much weight he would give to his valuation under each of the three required valuation approaches in formulating his final, composite valuation. We reject this contention. Maude's failure to indicate what weight he gave each approach may cause us to disregard his ultimate composite valuation, but it does not affect the relevance of the analysis he conducted or the results he obtained under each of the three approaches.

Pacific next argues that the Tax Court erred in not requiring the Department to carry the burden of proving that its appraisal, which suggested a value significantly greater than that found by the Director of the Department of Revenue at an earlier, administrative step in this case, should be adopted. Pacific cites no binding authority for this proposition, which contradicts the basic idea that the burden in an appeal by a taxpayer to the Tax Court is on the taxpayer. [ORS 305.427](#). The Tax Court did not err. To the extent that Pacific is also asking that this court impose such a burden on the Department in this court, the request is denied. The burden is the same "upon appeal" from the Tax Court. [ORS 305.427](#).

Finally, Pacific argues that the Tax Court failed to give appropriate precedential weight to prior decisions of this court concerning appropriate methods of valuing privately owned utility property. We considered and rejected precisely the same contention in *United Telephone Co. v. Dept. of Rev.*, *supra*, [307 Or at 431-32](#). The decisions upon which Pacific relies, and which this court fully considered in *United Telephone*, did not establish the rule or rules of law Pacific now claims for them. They involved explanations of how this court, as a trier of fact on *de novo* review, found the facts in particular cases. The Tax Court properly rejected this contention. None of Pacific's procedural arguments is well taken.

For its part, the Department argues that the Tax Court erred in denying its motions

to reconsider and to reopen the record with respect to a particular issue under the cost approach to valuation. We find no error in the Tax Court's discretionary refusal to reopen the proceedings. To the extent that the Department's arguments also touch on the merits of the Tax Court's factual determination of value under the cost approach, we shall deal with them under that heading below. The Department's procedural argument is not well taken. We turn to the merits.

C. The Comparable Sales Approach to Valuation

While there was some dispute between the parties in the Tax Court concerning this approach, the dispute has not survived in this appeal. The parties recognize that, strictly speaking, it is not possible to value a large, integrated, privately owned electric utility like Pacific by the use of sales of comparable companies because comparable companies are not sold. Both Maude and Pacific's expert, Dr. John Davis, offered a substitute technique, the "stock and debt approach." The Tax Court accepted Davis's result, *viz.*, \$2,539,000,000. The evidence establishes that this figure is reasonable, and the Department does not challenge it before us. We find that the value of Pacific as indicated by the stock and debt approach is \$2,539,000,000.

Use of the "stock and debt approach" as a substitute technique is authorized by OAR 150-308.205-(A)(2)(d), and is discussed in *United Telephone Co. v. Dept. of Rev.*, [307 Or. 428, 432-33, 770 P.2d 43](#) (1989).

D. The Cost Approach to Valuation

Davis found that Pacific's value under the cost approach was \$2,429,000,000. Maude found it to be \$2,583,368,000. Both parties adopted Pacific's historic cost less depreciation (HCLD), derived from Pacific's annual report to the FERC, as the basis for their calculations of value under the cost approach. The difference arose primarily as a result of a deduction that Davis made for the amount of DIT and ITC. Davis called these two accounting entries a measure of "obsolescence," because they represented an amount of plant that Pacific had but was not allowed to earn on — a situation essentially equivalent to having an inefficient plant that can only utilize a portion of its capacity to produce goods.

The Tax Court rejected the "obsolescence" label as "misleading" but nonetheless agreed that there should be deductions for both DIT and ITC because Pacific was not able to earn on them. The Tax Court explained:

"In the court's view, the overriding principle or test is market value. If the market would not pay for property because the PUC will not allow that property to earn a return, no taxable value can be assessed to the regulated owner. The Department's position [to the contrary] does not comport with reality. A purchaser would not pay the full price for the unit on a *cost* basis when the amounts for DIT and ITC will never be allowed to earn a return. By comparison, property in the CWIP and PHFU categories do have market value because they can become part of the recognized earning rate base. A buyer would undoubtedly discount the value of those properties from their cost

based upon anticipated delays and perceived risks in getting them operating and into rate base. However, because of regulation, DIT and ITC property will not become part of the rate base. The court can see no reason why a buyer would pay *cost* for assets upon which he cannot earn a return.

"It is true that the tangible property represented by the amounts in DIT and ITC are part of the plaintiff's operational system. Those properties may in fact produce or deliver electricity. However, if they have any market value, it will have to be reflected as a part of the total system value when measured by the other approaches to value. It is probably misleading to speak of these circumstances as a form of 'obsolescence.' It would be more accurate to view such property as not having any value in the marketplace because government regulation has shifted the economic benefit to the public."

PPL v. Dept. of Rev., supra, [10 OTR at 427](#) (emphasis in original). The Tax Court therefore excluded DIT and ITC from HCLD. It found, consistent with Davis's testimony, that Pacific's value under the cost approach was \$2,433,053,000. *Id.* at 428.

The Department argues that this analysis results in a portion of the tangible assets of Pacific inappropriately being exempted from taxation. We agree. Accepting (as the Tax Court and the parties apparently did) the idea that what we are searching for is what a hypothetical willing buyer of this property would pay to a hypothetical willing seller, it seems clear to us that a willing buyer of the plant and equipment would be agreeable to paying a figure close to HCLD, because the buyer could then earn off all that expenditure.

We say "close," because there is much evidence in this record to the effect that regulation to some extent diminishes the earning potential of regulated property and, therefore, a willing buyer would wish to discount the property to some degree. Thus, Pacific's property may be affected by a measure of obsolescence. But — as the Tax Court recognized — DIT and ITC are no measure of (or surrogate for) that obsolescence. Both are property purchased through tax allowances for certain capital investments.

Both DIT and ITC are property and have intrinsic value. Even Davis recognizes this. His exclusion of both items from HCLD is an attempt to find some surrogate for the obsolescence he insists is present, not a denial that they have value. Absent any satisfactory evidence establishing an appropriate measure of obsolescence, it is inappropriate to make any deduction for it by subtracting *in toto* the values for DIT and ITC — the only deduction for which Pacific argues. We agree with the Department that the Tax Court erred in making the deduction. Adding the deduction to the Tax Court's finding, we find that the value of Pacific under the cost approach is \$2,578,463,000.

I apologize for this very unorganized email.

I attempted to write it on my computer, put it on an USB drive then email it from the employment office, however the format did not stay the same and this is wrote when I am in a hurry.

You should have three attachments on this email.

More to come

Thank you
Tracy Mccune