

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 17, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE _____ NA _____

DATE: February 27, 2014

TO: Public Utility Commission

FROM: Kathy Shepherd *KS*

THROUGH: Jason Eisdorfer, Bryan Conway, and Kay Marinos *JE BC KM*

SUBJECT: QWEST COMMUNICATIONS COMPANY LLC, ET AL:
(Docket Nos. CP 582, CP 767, CP 1041, CP 1106, CP 1301, CP 1394)
Request for waivers of OAR 860-032-0005(2) and OAR 860-032-0020(11).

STAFF RECOMMENDATION:

The Commission should grant the request filed by Qwest Communications Company, LLC d/b/a CenturyLink QCC (QCC), et al. (Applicants), for waivers of the certificate transfer form requirement (OAR 860-032-0005[2]) and the 90-day time period for customer notification of abandonment of service (OAR 860-032-0020[11]).

DISCUSSION:

Applicants filed a Joint Application to Transfer Certificates of Authority and Request for Waivers on February 25, 2014, requesting that the certificates of authority of certain of QCC's Competitive Local Exchange Carrier (CLEC) and Interexchange Carrier (IXC) affiliates be transferred to QCC. QCC will be the surviving entity, whose name will be changed to CenturyLink Communications, LLC after the transfers. The transferring entities will no longer have authority to provide telecommunications service in Oregon. The transfers are necessary to effectuate an internal corporate reorganization of Applicants' CLEC and IXC affiliates, expected to occur on or about April 1, 2014. The proposed reorganization will reduce the number of internal corporate CLEC and IXC entities, will simplify operations, and will be completely transparent to Applicants' customers. There will be no change in the rates or terms and conditions for any of the Applicants' services as a result of the internal corporate transactions. CLEC and IXC services will continue to be provided pursuant to the same contract or price lists currently in place.

OAR 860-032-0005(2) requires that competitive providers use a form prescribed by the Commission to transfer certificates of authority. Applicants filed their Joint Application in lieu of the transfer application form that would have had to be submitted for each of the certificate holders involved. Therefore, pursuant to OAR 860-032-0000, Applicants requested a waiver of the requirement to use the transfer application form. Staff supports this waiver request as the Joint Application provided a more efficient and informative vehicle to accomplish the purpose at hand in this particular case.

OAR 860-032-0020(11)(a) requires that a competitive provider that intends to abandon any or all services in Oregon notify customers of its intent at least 90 days prior to the actual abandonment. OAR 860-032-0020(16) allows the Commission to grant a request to waive any time period or requirement of the rules for good and sufficient reason.

In discussions regarding the transfer of certificates, Commission Staff indicated to CenturyLink that the requirements in OAR 860-032-0020(11) apply to the reorganization, as customers will be transferred between certificated entities. The rule basically requires that certificated entities planning to transfer customers give notification to the affected customers 90 days in advance of the actual transfer of customers. Applicants are able to meet the notification requirement, but not before the required 90-day period. Some customer notifications have been made through bill messages starting January 20, but due to billing cycle variations, other customers will be notified at various times, and the last date is expected to be March 20. Therefore a waiver of the 90-day notice requirement is needed to enable Applicants to meet the planned April date for reorganization.

Applicants did not initially interpret this rule to apply to the reorganization. However, in an abundance of caution should the rule apply, Applicants request a waiver of the 90-day notification period required by OAR 860-032-0020(11)(a). While such an advance notice period would be important to consumers in cases where their service provider was going out of business or selling its customer base to another provider, those concerns are not relevant in Applicants' case. The consolidation of the affiliated entities into QCC will not affect customers' services or rates in the near term. The affected customers will be able to continue their current services at the same rates, terms, and conditions. They will not be forced to, nor would they have cause to, find a different provider as a result of the transfer. Applicants are committed to ensuring that the internal reorganization has no detrimental impact on customers. Although each of the certificate holders is a separate entity, they are known under the same brand name of CenturyLink. For these reasons, Staff also supports this waiver request.

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PROPOSED COMMISSION MOTION:

Qwest Communications Company, LLC d/b/a CenturyLink QCC's request for waivers of the transfer form requirement (OAR 860-032-0005[2]) and 90-day time period for customer notification of abandonment of service (OAR 860-032-0020[11]) be granted.

CAX-QCC Request for Waivers