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May 18, 2015

The Honorable Commissioners Ackerman, Bloom and Savage
Oregon Public Utility Commission
Attention: Joan Grindeland, Tariff Coordinator
3930 Fairview Industrial Drive SE
Salem, OR 97302-1166

RE: Advice No. OR15-03A for United Telephone Company of the Northwest

Dear Members of the Commission:

Pursuant to United Telephone's Price Plan under ORS 759.255, United Telephone Company of the Northwest d/b/a CenturyLink is filing notice of revisions to the sheets listed on Attachment A.

As described in the attached narrative ("Description of Methodology"), this filing is the fourth step in implementing the "Transitional Intrastate Access Service" reductions mandated by the Federal Communications Commission's November 18, 2011 Report and Order and Further Notice of Proposed Rulemaking in WC Docket Nos. 10-90, etc. (FCC 11-161). Also enclosed is CenturyLink's certification that the company is not seeking duplicative recovery in the state jurisdiction for any Eligible Recovery subject to the recovery mechanism established by the Transformation Order. The proposed effective date is July 1, 2015.

Paper copies of the current Access Service Tariff sheets will be provided with the confirmation email and the filing. The calculations supporting this rate change are being filed as confidential and are being sent in a separate letter marked confidential.

Please contact me should you have questions regarding this filing.

Sincerely,

A handwritten signature in blue ink that reads "Christy V. Londerholm".

Christy V. Londerholm
Director – Price Cap Modeling
CenturyLink
Attachments

ACCESS SERVICE TARIFF
P.U.C. OR No. 6

<u>SECTION</u>	<u>PAGE</u>	<u>REVISION</u>
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6	248	Eighth
6	252	Sixth

Description of Methodology

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the process of reducing terminating switched end office rates by two-thirds of the differential between end office rates and \$0.0007 as required by 47 C.F.R. §51.907(e) which addresses changes beginning July 2015. CenturyLink's supporting calculations utilize the "Access Reduction Spreadsheet" template released by the Federal Communications Commission ("FCC") on April 15, 2015, for calculating the July 1, 2015 intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate changes and identifies in detail the interstate access rates that are required to be changed consistent with the rules. Step 4 of the USF ICC Transformation Order adjusts Interstate Terminating End Office Access rates down by two-thirds of the difference between the 2011 baseline composite rate and the target composite rate of \$0.0007. The interstate rates will then be mirrored on the intrastate side so that rates will remain in parity.

Section 51.907(e) of the FCC Rules required the Access Reduction Spreadsheet to be modified to reflect rate reductions for July 1, 2015. For Price Cap carriers that file interstate tariffs assessing a single rate applicable in different states, the interstate demand used shall be the sum of the demand for all of the states included in the tariff, rather than making separate state-by-state calculations. For companies with a single rate in multiple states, the calculations are done at the regional level and the regional rates are mirrored in each study area¹. For individual study areas, the calculations are done at the study area level. An overview of the methodologies necessary for reducing terminating end office access rates is as follows:

1. Establish the 2011 Baseline Composite Terminating End Office Access Rates, which reflects interstate rates and demand.
2. Calculate the 2015 Target Composite Terminating End Office Access Rate by reducing the 2011 Baseline Composite Terminating End Office Access Rate by two-thirds of the difference between the 2011 Baseline Composite Terminating End Office Access Rate and \$0.0007.
3. Calculate the individual Interstate Terminating End Office Access rate levels so that the reduced rates and demand will equal to the 2015 Target Composite Terminating End Office Access Rate.
4. Set Intrastate Terminating End Office Access rates equal to their functionally equivalent interstate rates.
5. Prepare intrastate and interstate tariff filing documents as required by each tariff jurisdiction.

¹ See footnote No. 27 in clarification order: Connect America Fund, et al., DA 14-434, WC Docket No. 10-90 et al.

CERTIFICATION

I am Vice President – Regulatory Operations for CenturyLink. I hereby certify that I have overall responsibility for supervision of the personnel who prepare all of the data supporting the CenturyLink Operating Companies– July 1, 2015 Annual Access Charge Tariff Filing bearing Tariff F.C.C. Nos. 1, 2, 3, 6, 7, 8, 9 and 11 for all issuing carriers and that I am authorized to execute this certification. Based upon the information provided to me by employees responsible for the preparation of, or for the supervision of the preparation of, the data submitted in support of the Tariff Review Plan information contained herewith, I hereby certify that the data has been examined and reviewed and is true, correct and complete to the best of my knowledge and belief.

Further, based upon the information provided to me by employees responsible for the preparation of, or for the supervision of the preparation of, the data submitted in support of the Eligible Recovery for Price Cap Carriers and Access Recovery Charge information contained herewith, I hereby certify that the data has been examined and reviewed and is true, correct and complete to the best of my knowledge and belief, that the CenturyLink Operating Companies are not seeking duplicative recovery in the state jurisdiction for any Eligible Recovery subject to the recovery mechanism, and that CenturyLink Operating Companies have complied with sections 51.915(d), 51.915(e) and 51.915 (f) of the Commission's rules.

May 18, 2015



Jeff Glover
Vice President – Regulatory Operations

Contact Person: Gary Kepley
Director, Regulatory Operations
Telephone Number: (913) 353-7080

ACCESS SERVICE

- 6. Switched Access Service (Cont'd)
- 6.8 Rates and Charges (Cont'd)
- 6.8.2 Switched Transport (Cont'd)
- (C) Tandem-Switched Transport (Cont'd)

(2) Tandem Switching

	Rates Per Access Minute
Zone 1	\$0.000150
Zone 2	0.000160

(3) Common Transport Multiplexing

	Rates Per Access Minute
Zone 1	\$0.000225
Zone 2	0.000240

(4) Common Trunk Port

Rate Per
Access Minute
\$0.000174 R)

(5) Dedicated Trunk Port

	Monthly Rate
DS0	\$4.83
DS1	100.00

(6) Dedicated Multiplexing

DS3 to DS1	Monthly Rate	Nonrecurring
Zone 1	\$350.00	\$180.50
Zone 2	410.00	180.50

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.3 Local Switching

<u>Premium Rates</u>	<u>Rate Per Access Minute</u>
LS1 - Feature	
Group A and B	
Originating	\$0.003866
Terminating	0.001533 (R)
LS2 - Feature	
Group C and D	
Originating	\$0.003866
Terminating	0.001533 (R)
Non-Premium Rates	
LS Transitional	
Originating	\$0.001801
Terminating	0.001697

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.3 Local Switching (Cont'd)

(D) Carrier Selection Parameter Charge[1]

A nonrecurring charge(s) as specified below will apply when a customer requests the Carrier Selection parameter optional feature described in 6.3(FF) preceding. This charge does not apply if the feature is installed coincident with the initial installation of a service.

- Per end office Equipped

Nonrecurring
Charge

\$23.00

(E) Dedicated Trunk Port[2]

Monthly Rate

DS0	\$3.40 (R)
DS1	70.34 (R)

[1] If both the Carrier Selection Parameter and Calling Party Number Parameter optional feature described in (C) preceding are requested on the same access order, only one nonrecurring parameter charge will apply.

[2] The End Office Dedicated Trunk Port rate was calculated assuming a 50/50 split of the originating and terminating traffic using this flat-rated port. The FCC in their FCC 11-161 ICC Transformation order in section 51.907(d)(1) allowed Price Cap Carriers to use an equal split to divide the charge between originating and terminating elements. When the terminating portion of the rate is reduced and then combined with the originating portion of the rate a single flat rate is generated for billing purposes. The Originating portion of the DS0 charge is \$2.42 and the Originating portion of the DS1 charge is \$50.00.

Advice No. **OR 15-03A**

Issued: **May 18, 2015**

Issued By United Telephone Company of the Northwest d/b/a CenturyLink
By: Ron Trullinger, Director - Oregon

Effective: **July 1, 2015**