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September 24, 2012

*Via E-Filing and USPS Overnight*

Oregon Public Utility Commission

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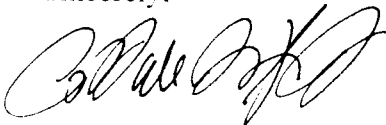
**Re: IC 16**

Dear Sir/Madam:

Enclosed for filing in the above-listed docket is North County Communications Corporation of Oregon's Reply to CenturyLink's Affirmative Defenses and Answer to CenturyLink's Counterclaims and related Certificate of Service (originals and five copies).

Please contact me if you have questions about this submission.

Sincerely,



R. Dale Dixon, Jr.

Encl(s)

cc: Service List (Certificate of Service)

**CERTIFICATE OF SERVICE**

**IC 16**

I hereby certify that on September 24, 2012, I served the foregoing

**NCC'S REPLY TO CENTURYLINK'S AFFIRMATIVE DEFENSES; and  
NCC'S ANSWER TO CENTURYLINK'S COUNTERCLAIMS**

in the above-listed docket on the following persons via electronic mail to the email addresses listed below, as they have waived paper service, and via facsimile, email and UPS Next Day Delivery to Mr. Charles Best.

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DATED this 24<sup>th</sup> day of September, 2012.

LAW OFFICES OF DALE DIXON

By   
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Attorneys for North County  
Communications Corporation of  
Oregon

1 **BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

2 **IC 16**

3 In the Matter of

4 NORTH COUNTY COMMUNICATIONS  
5 CORPORATION OF OREGON.

6 Complainant.

7 v.

8 QWEST CORPORATION d/b/a  
9 CENTURYLINK QC.

10 Defendant.

NCC OF OREGON'S REPLY TO  
CENTURYLINK'S AFFIRMATIVE  
DEFENSES

11  
12 Pursuant to OAR 860-016-0050(6), North County Communications Corporation of  
13 Oregon ("NCC") submits the following Reply to the Affirmative Defenses of CenturyLink  
14 ("CTL" or "Defendant") in this proceeding. CTL's counterclaims are set forth in paragraphs 46  
15 through 50 of its Answer.

16 **REPLY**

17 1. NCC denies the affirmative defense in paragraph 46.

18 2. NCC denies the affirmative defense in paragraph 47. The Commission has full  
19 authority to determine the rights and obligations of the parties to an interconnection agreement  
20 separate from the issue of damages. As NCC alleges in its Complaint, the parties sought to  
21 negotiate resolution of the issues, and NCC withheld its invoicing during those settlement  
22 discussions. Complaint, ¶¶15-17. Furthermore, Defendant agreed to pursue these issues before  
23 the Commission in order to induce NCC to dismiss its complaint previously filed in Multnomah  
24 County Circuit Court. Complaint, ¶¶8-9. Moreover, Defendant was fully aware of NCC's  
25 pending claims because the parties entered into a tolling agreement in 2010. Complaint, ¶18.

26 3. NCC denies the affirmative defense in paragraph 48. The Commission has full  
27 authority to determine the rights and obligations of the parties to an interconnection agreement  
28 separate from the issue of damages. As NCC alleges in its Complaint, the parties sought to

1 negotiate resolution of the issues, and NCC withheld its invoicing during those settlement  
2 discussions. Complaint, ¶¶15-17. Furthermore, Defendant agreed to pursue these issues before  
3 the Commission in order to induce NCC to dismiss its complaint previously filed in Multnomah  
4 County Circuit Court. Complaint, ¶¶8-9. Moreover, Defendant was fully aware of NCC's  
5 pending claims because the parties entered into a tolling agreement in 2010. Complaint, ¶18

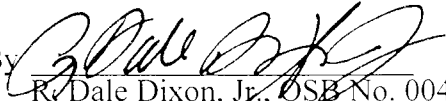
6 4. NCC denies the affirmative defense in paragraph 49. The Commission has full  
7 authority to determine the rights and obligations of the parties to an interconnection agreement  
8 separate from the issue of damages. As NCC alleges in its Complaint, the parties sought to  
9 negotiate resolution of the issues, and NCC withheld its invoicing during those settlement  
10 discussions. Complaint, ¶¶15-17. Furthermore, Defendant agreed to pursue these issues before  
11 the Commission in order to induce NCC to dismiss its complaint previously filed in Multnomah  
12 County Circuit Court. Complaint, ¶¶8-9. Moreover, Defendant was fully aware of NCC's  
13 pending claims because the parties entered into a tolling agreement in 2010. Complaint, ¶18. To  
14 the extent Defendant destroyed or otherwise allowed evidence to disappear, Defendant has only  
15 itself to blame.

16 5. NCC denies the affirmative defense in paragraph 50. The Commission has full  
17 authority to determine the rights and obligations of the parties to an interconnection agreement  
18 separate from the issue of damages. As NCC alleges in its Complaint, the parties sought to  
19 negotiate resolution of the issues, and NCC withheld its invoicing during those settlement  
20 discussions. Complaint, ¶¶15-17. Furthermore, Defendant agreed to pursue these issues before  
21 the Commission in order to induce NCC to dismiss its complaint previously filed in Multnomah  
22 County Circuit Court. Complaint, ¶¶8-9. Moreover, Defendant was fully aware of NCC's  
23 pending claims because the parties entered into a tolling agreement in 2010. Complaint, ¶18.

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Respectfully submitted this 24<sup>th</sup> day of September, 2012.

By   
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Corporation of Oregon

1 **BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

2 **IC 16**

3 In the Matter of

4 NORTH COUNTY COMMUNICATIONS  
5 CORPORATION OF OREGON,

NCC OF OREGON'S ANSWER TO  
CENTURYLINK'S COUNTERCLAIMS

6 Complainant,

7 v.

8 QWEST CORPORATION d/b/a  
9 CENTURYLINK QC.

10 Defendant.

11  
12 Pursuant to OAR 860-016-0050(7), North County Communications Corporation of  
13 Oregon ("NCC") submits the following Answer to the Counterclaims of CenturyLink ("CTL" or  
14 "Defendant") in this proceeding. CTL's counterclaims are set forth in paragraphs 51 through 58  
15 of its Answer and Counterclaims.

16 **ANSWER TO COUNTERCLAIMS**

17 Unless specifically admitted, NCC denies each and every allegation in Defendant's  
18 Answer and Counterclaims. Each and every factual assertion and/or statement of applicable law  
19 made in any response stated below shall be and hereby is incorporated by reference into every  
20 other response stated below. NCC answers the allegations in the Counterclaims as follows:

- 21 1. NCC denies the allegations in paragraph 51.  
22 2. NCC denies the allegations incorporated by reference in paragraph 52.

23 Furthermore, NCC objects to Defendant's blanket incorporation by reference because it fails to  
24 inform NCC which allegations in the preceding 51 paragraphs of Defendant's Answer are  
25 germane to its counterclaims.

- 26 3. NCC denies the allegations in paragraph 53.  
27 4. NCC denies the allegations in paragraph 54 and denies further the lawfulness of  
28 the methodology imposed by Defendant.

1 5. NCC denies the allegations in paragraph 55.

2 6. NCC cannot determine the phrase or date missing in the first sentence after the  
3 word "since;" however. NCC denies that it owes Defendant for local interconnection services and  
4 otherwise denies the remaining allegations in paragraph 56.

5 7. NCC denies that it owes Defendant for transiting records and otherwise denies the  
6 remaining allegations in paragraph 57.

7 8. NCC denies the allegations in paragraph 58.

8 9. NCC denies that the relief requested by Defendant is appropriate.

9 **AFFIRMATIVE DEFENSES TO COUNTERCLAIMS**

10 10. Defendant has failed to state a claim for relief upon which relief can be granted.

11 11. Defendant's claims are barred by applicable statutes of limitations.

12 12. Defendant's claims are barred and the underlying contracts are void because the  
13 contracts were obtained by Defendant's fraudulent representations to the Commission (*see*  
14 *Complaint, ¶¶19, 22-26*).

15 13. Defendant's claims are barred by the doctrine of unclean hands and due to  
16 Defendant's failure to mitigate because Defendant refused to allow Complainant to submit  
17 change orders that would have reduced any amounts Defendant now claims to be owed (*see*  
18 *Complaint, ¶32*).

19 14. Defendant's claims are subject to setoff by those amounts Defendant owes  
20 Complainant.

21 Respectfully submitted this 24<sup>th</sup> day of September, 2012.

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