

April 2, 2014

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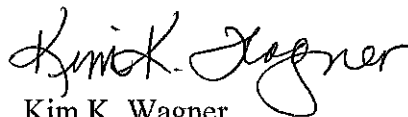
Traci Kirkpatrick  
Administrative Law Judge  
PUC Administrative Hearings Division  
550 Capitol Street NE, Suite 215  
Salem, OR 97301

RE: In the Matter of QWEST CORPORATION, Petition for Approval of Price Plan  
Pursuant to ORS 759.255.  
Docket No. UM 1354

Dear Judge Kirkpatrick:

Enclosed for filing are the original and five copies of the Opening Testimony of Douglas Denney on behalf of Integra, in connection with the above-referenced docket. Also enclosed is a Certificate of Service.

Sincerely,



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Enclosures

cc: Service List

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

DOCKET NO. UM 1354

In the Matter of  
QWEST CORPORATION,  
Petition for Approval of Price Plan  
Pursuant to ORS 759.255.

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of April, 2014, I served the foregoing **OPENING TESTIMONY OF DOUGLAS DENNEY ON BEHALF OF INTEGRA**, in the above-entitled docket, on the parties listed below, via means of e-mail transmission. No paper copies will follow.

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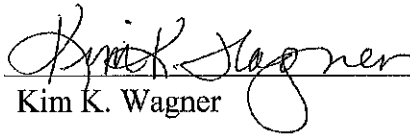
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DATED: April 2, 2014.

  
\_\_\_\_\_  
Kim K. Wagner

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

**UM 1354**

In the Matter of the Petition of )  
QWEST CORPORATION for )  
Approval of Price Plan Pursuant to )  
ORS 759.255 )  
\_\_\_\_\_ )

**OPENING TESTIMONY**

**OF**

**DOUGLAS DENNEY**

**ON BEHALF OF**

**INTEGRA TELECOM**

**April 2, 2014**

1       **I.       INTRODUCTION**

2       **Q.       PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3       A.       My name is Douglas Denney. I work at 1201 Lloyd Blvd, Suite 500 in Portland,  
4               Oregon.

5       **Q.       BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6       A.       I am employed by Integra Telecom Holdings, Inc., as Integra's Vice President of  
7               Costs and Policy. My job responsibilities include state and federal regulatory  
8               advocacy and compliance; negotiating interconnection agreements, including  
9               wholesale performance assurance plans; and monitoring, reviewing and analyzing  
10              the wholesale costs Integra or its subsidiaries pay to carriers such as CenturyLink.

11             Integra Telecom Holdings, Inc. has seven affiliated companies in Oregon. These  
12             companies are: Electric Lightwave, LLC, Eschelon Telecom of Oregon, Inc.,  
13             Advanced TelCom, Inc., Integra Telecom of Oregon, Inc., Shared  
14             Communications Services, Inc., Oregon Telecom Inc., and United  
15             Communications, Inc. For convenience, I will generally refer to Integra Telecom  
16             Holdings, Inc. and its affiliates as Integra.

17       **Q.       PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL**  
18       **BACKGROUND.**

19       A.       I received a B.S. degree in Business Management from Phillips University in  
20               1988. I spent three years doing graduate work at the University of Arizona in  
21               Economics, and then I transferred to Oregon State University where I completed  
22               all the requirements for a Ph.D. except my dissertation. My field of study was

1 Industrial Organization, and I focused on cost models and the measurement of  
2 market power. I taught a variety of economics courses at the University of  
3 Arizona and Oregon State University. I was hired by AT&T in December 1996  
4 and spent most of my time with AT&T analyzing cost models. In December  
5 2004, I was hired by Eschelon Telecom, Inc. (“Eschelon”). Eschelon was  
6 purchased by Integra in August 2007. I am presently employed by Integra.

7 I have participated in numerous regulatory proceedings before state commissions  
8 in the Integra operating territory. Much of my prior testimony involved economic  
9 cost models — including the HAI Model, BCPM, GTE’s ICM, U S WEST’s UNE  
10 cost models, and the FCC’s Synthesis Model. In addition, I testified on universal  
11 service funding, unbundled network element pricing, geographic de-averaging,  
12 and intercarrier compensation. I also testified on a number of issues in the  
13 Eschelon / Qwest arbitrations,<sup>1</sup> Qwest and Verizon “non-impaired” wire center  
14 lists and related issues, wholesale performance assurance plans, Frontier and  
15 CenturyLink merger dockets, and recent price plan proceedings.

16 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN OREGON?**

17 A. Yes. I have been involved in numerous dockets in Oregon over the years while  
18 working for AT&T, Eschelon, and Integra.

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<sup>1</sup> The docket numbers for the Qwest-Eschelon ICA arbitrations are, for Arizona, T-03406A-06-0572; T-01051B-06-0572 (“Arizona arbitration”); for Colorado, 06B-497T (“Colorado arbitration”); for Minnesota, P-5340, 421/IC-06-768 (“Minnesota arbitration”); for Oregon, ARB 775 (“Oregon arbitration”); for Utah, 07-2263-03 (“Utah arbitration”); and for Washington, UT-063061 (“Washington arbitration”).

1 I testified in multiple phases of the universal service docket UM 731 and am  
2 monitoring the current universal service docket UM 1481. I was also involved in  
3 multiple dockets regarding unbundled network elements such as UT 148,  
4 UT138/139 and UM 1025. I filed testimony in UM 1100, the original Triennial  
5 Review Order (“TRO”) docket, which was halted after the D.C. Circuit Court  
6 remanded parts of the TRO to the FCC. I’ve also been involved in the subsequent  
7 Triennial Review Remand Order (“TRRO”) dockets such as UM 1251, UM 1326  
8 and UM 1486. In addition, I testified in dockets UX 29 regarding Qwest’s  
9 petition for deregulation of business services, ARB 775 regarding the  
10 interconnection agreement arbitration between Eschelon and Qwest, UM 1431  
11 regarding the Frontier and Verizon transaction and UM 1484 regarding the  
12 CenturyLink and Qwest transaction. I was also involved in all aspects of the 2007  
13 and 2013 stipulations regarding changes to Qwest, now CenturyLink,  
14 Performance Assurance Plan and docket UM 1516 regarding Frontier’s wholesale  
15 service quality. Most recently, besides this docket, I’ve been involved in AR 566  
16 regarding rural call completion, AR 575 regarding repair clearing times, and UM  
17 1677 regarding Frontier’s price plan.

18 **Q. PLEASE DESCRIBE HOW YOUR TESTIMONY IS ORGANIZED.**

19 A. The first section of my testimony introduces this testimony, describes my  
20 background and describes Integra. The second section of my testimony describes  
21 the purpose of this testimony and the concerns that CenturyLink’s price plan  
22 petition raises with Integra. This section also describes how CenturyLink has the  
23 opportunity to leverage its dual role in the wholesale and retail market to

1           disadvantage competitors such as Integra. The third section of my testimony  
2           discusses the four areas of CenturyLink’s price plan with which Integra is  
3           concerned (Mergers and Acquisitions, Privilege Tax, Service Quality and  
4           Affiliate Transactions). The final section concludes my testimony.

5   **Q.    ARE THERE ANY EXHIBITS TO YOUR TESTIMONY?**

6   A.    Yes. As part of my testimony, I have included the following exhibits:

- 7           • Exhibit Integra/101: a recent CenturyLink announcement regarding activities of  
8           its CLEC affiliate that alters the reciprocal compensation arrangements between  
9           CenturyLink and its competitors.
- 10          • Exhibit Integra/102: an interconnection agreement amendment between Electric  
11          Lightwave, LLC (an Integra entity) and CenturyLink QC detailing the transition  
12          of reciprocal compensation rates to bill and keep.
- 13          • Exhibit Integra/103: excerpt from CenturyLink Service Performance Indicator  
14          Definitions.

15

16   **Q.    PLEASE PROVIDE AN OVERVIEW OF INTEGRATION AND ITS BUSINESS?**

17   A.    Integra is a competitive local exchange carrier (“CLEC”) providing  
18          communications services across 33 metropolitan areas in 11 states of the Western  
19          United States. We own (directly or under indefeasible rights to use) and operate  
20          backbone fiber networks. These backbone networks connect to our intercity and  
21          interstate data networks for a combined 5,000 fiber route-mile network in the  
22          Western U.S. We provide a comprehensive suite of high-quality data, broadband  
23          and voice services to more than 85,000 small-to-medium-sized business  
24          customers and enterprise customers.

25          Our network is designed to deliver products such as Ethernet over a variety of  
26          delivery technologies tailored to the unique applications of our



1 small-to-medium-sized businesses, enterprise and wholesale customers, including  
2 Ethernet over direct fiber access and Ethernet over leased copper facilities. We  
3 have 230 unique collocations, 34 of which are in Oregon, positioned across our  
4 markets. We provide services to our customers primarily over our owned  
5 switching and transport facilities, which allows us to control the quality and  
6 reliability of our service offerings and efficiently innovate and provide advanced  
7 products and services. At the same time, we cannot be successful without access  
8 to the last-mile facilities, and CenturyLink is essentially the only supplier of last-  
9 mile facilities within its territory.

10 While we continue to make large investments in expanding and upgrading our  
11 network, we remain almost entirely dependent upon incumbent local exchange  
12 carriers, such as CenturyLink, for last mile connections to our customers. As a  
13 result, if incumbent local exchange carriers are able to eliminate or hamper  
14 Integra through actions related to their role as our wholesale supplier, Integra's  
15 ability to compete in retail markets at competitive rates, terms, and conditions  
16 could be thwarted.

17 **Q. HOW DOES THE SIZE OF INTEGRA COMPARE TO CENTURYLINK?**

18 A. CenturyLink is Integra's largest competitor, but Integra is relatively small when  
19 compared to CenturyLink. CenturyLink operates in in 37 states,<sup>2</sup> compared to 11  
20 for Integra.<sup>3</sup> Further, CenturyLink has 47,000 employees,<sup>4</sup> compared to 1,800 for

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<sup>2</sup> See CenturyLink's 10K for the year ending 2013 (<http://ir.centurylink.com/docs.aspx?iid=4057179>).

<sup>3</sup> See <http://www.integratelecom.com/about/Pages/default.aspx?link=www-top>.

<sup>4</sup> See CenturyLink's 10K for the year ending 2013 (<http://ir.centurylink.com/docs.aspx?iid=4057179>).

1 Integra<sup>5</sup> and CenturyLink's 2013 revenue was \$18.095 billion in 2013,<sup>6</sup> compared  
2 to \$591.2 million for Integra.<sup>7</sup> To put these differences into perspective, a  
3 combined CenturyLink has 26 employees for each Integra employee and nearly  
4 \$31 dollars of revenue for each Integra dollar of revenue. CenturyLink will earn  
5 more revenue by the second week in January than Integra will obtain in a year.

6 **II. PURPOSE OF THIS TESTIMONY**

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

8 A. The purpose of this testimony is to discuss four areas of CenturyLink's proposed  
9 price plan (Mergers and Acquisitions, Privilege Tax, Service Quality and Affiliate  
10 Transactions) that could have a negative impact upon CenturyLink's wholesale  
11 customers, such as Integra.

12 **Q. DOES INTEGRA TAKE A POSITION ON WHETHER THE**  
13 **COMMISSION SHOULD GRANT OR DENY CENTURYLINK'S**  
14 **PETITION FOR APPROVAL OF THIS PRICE PLAN?**

15 A. To the extent the Commission plans to approve CenturyLink's price plan, Integra  
16 recommends the Commission make the changes and clarifications to  
17 CenturyLink's price plan as discussed in this testimony.

18 As described above, besides serving customers solely over its own facilities,  
19 Integra purchases wholesale services from CenturyLink, which Integra relies

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<sup>5</sup> See <http://www.integratelecom.com/about/Pages/default.aspx?link=www-top>.

<sup>6</sup> See CenturyLink's 10K for the year ending 2013 (<http://ir.centurylink.com/docs.aspx?iid=4057179>).

<sup>7</sup> See <http://www.integratelecom.com/resources/Assets/q4-annual-2013-earnings-supplement-ir-integra.pdf>.

1 upon, along with its own network investments, to provision final products to end  
2 user customers within the CenturyLink service territory.<sup>8</sup> Integra's concerns in  
3 this docket surround CenturyLink's dual role as both Integra's largest wholesale  
4 provider and largest competitor in the CenturyLink service territory. Integra is  
5 concerned that without proper changes and clarifications to CenturyLink's Price  
6 Plan, the plan could potentially hamper competition by providing CenturyLink a  
7 greater opportunity to exploit its position as both a wholesale provider and retail  
8 competitor, especially in the face of reduced regulatory oversight.

9 Integra does not take a position on the numerous claims made by CenturyLink  
10 regarding the extent and vitality of retail competition in Oregon.<sup>9</sup>

11 **Q. DOES CENTURYLINK CLAIM THAT ITS PROPOSED PRICE PLAN**  
12 **WILL NOT IMPACT ITS WHOLESALE OBLIGATIONS AND**  
13 **RELATIONSHIPS?**

14 A. No. While CenturyLink's testimony is focused on retail competition,<sup>10</sup> the only  
15 assurances regarding its wholesale obligations surround service quality  
16 obligations.<sup>11</sup> CenturyLink's price plan should not impact CenturyLink's legal  
17 requirements with respect to its wholesale obligations. However, as is explained  
18 in this testimony, CenturyLink's price plan could negatively impact the wholesale  
19 relationship between CenturyLink and competitors. CenturyLink's dual role as  
20 both a dominant wholesale provider and large retail competitor puts it in a

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<sup>8</sup> See CTL/100 Felz/5, lines 1-4 and CTL/100 Felz/24, lines 13-16.

<sup>9</sup> e.g. CTL/100 Felz/2, lines 12-14; CTL/100 Felz/3, line 31; CTL/100 Felz/4, line 5; and CTL/100 Felz/45, line 18.

<sup>10</sup> CTL/100, Felz/2, lines 10-14.

<sup>11</sup> CTL/100, Felz/46, lines 16-18.

1 position to leverage this position at the expense of competitors, such as Integra, in  
2 Oregon.

3 **Q. CAN YOU PROVIDE A RECENT EXAMPLE OF HOW CENTURYLINK**  
4 **IS ABLE TO LEVERAGE ITS ROLE AS A WHOLESALE PROVIDER IN**  
5 **OREGON?**

6 A. Yes. On February 21, 2014, CenturyLink announced that, CenturyLink QCC  
7 “will begin exchanging traffic in its certificated capacity as a voice/VOIP  
8 provider” in the metropolitan Portland area.<sup>12</sup> CenturyLink further explained that  
9 the CenturyLink voice/VOIP provider<sup>13</sup> (“CenturyLink – CLEC”) would offer  
10 service in the CenturyLink QC (“CenturyLink – ILEC”) territory<sup>14</sup> and exchange  
11 local calls with other carriers on a bill and keep basis. In addition, CenturyLink –  
12 CLEC would exchange traffic through CenturyLink – ILEC tandem switches.<sup>15</sup>  
13 This announcement has the potential to upend the dynamic by which traffic is  
14 exchanged with CenturyLink today.

15 Today, most local traffic is exchanged with CenturyLink - ILEC either on a bill  
16 and keep or a reciprocal compensation arrangement governed by the  
17 interconnection agreement between CenturyLink -- ILEC and the competitive  
18 carrier. Under bill and keep, neither carrier bills each other for the termination of

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<sup>12</sup> Exhibit Integra/101, Denney/2.

<sup>13</sup> Exhibit Integra/101, Denney/18, where CenturyLink confirms that, “QCC is operating as a certified, facilities based CLEC in Washington and Oregon.”

<sup>14</sup> Exhibit Integra/101, Denney/11.

<sup>15</sup> Exhibit Integra/101 Denney/2.

1 traffic. Under reciprocal compensation each carrier bills a symmetrical rate for  
2 each minute terminated to the other carrier's network. Under the FCC's  
3 Intercarrier Compensation order, reciprocal compensation arrangements will be  
4 transitioned to bill and keep as terminating access rates are transitioned to zero.  
5 CenturyLink – ILEC and Integra entity Electric Lightwave, LLC formalized this  
6 transition with an amendment to their interconnection agreement.<sup>16</sup>

7 As CenturyLink – CLEC takes customers from CenturyLink – ILEC, two things  
8 will happen to the compensation for traffic exchanged. First, carriers who are  
9 under a reciprocal compensation arrangement will stop receiving compensation  
10 for traffic that CenturyLink – CLEC sends to the competitive provider. Second,  
11 all competitive providers sending traffic to CenturyLink – CLEC will pay  
12 CenturyLink – ILEC transiting charges. Transit traffic is traffic that is originated  
13 by one provider, carried by a second provider and terminated to a third provider.  
14 Because CenturyLink – CLEC and CenturyLink – ILEC are separate entities,  
15 CenturyLink – ILEC will begin charging transiting charges to calls destined for  
16 CenturyLink – CLEC, even though the customer may have just switched from one  
17 CenturyLink company to another.

18 This means that the cost of exchanging traffic will no longer symmetrical.  
19 Though the FCC required reciprocal compensation arrangements to transition to  
20 bill and keep, the FCC did not transition the rates for transit traffic.<sup>17</sup> This is also

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<sup>16</sup> Exhibit Integra/102. The other Integra entities have bill and keep arrangements in their interconnection agreements.

<sup>17</sup> Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, In the Matter of

1 reflected in the interconnection agreement amendment mentioned previously.<sup>18</sup>

2 The end result is that over time CenturyLink, as a collective, will be able to  
3 collect from competitors revenue on calls terminated to CenturyLink – CLEC,  
4 while not having to reciprocate payment to the competitor for calls it sends to the  
5 competitor.

6 While the competitor has the opportunity to attempt to negotiate an  
7 interconnection agreement with CenturyLink – CLEC and establish a direct  
8 connection, there is no assurance that this interconnection agreement will contain  
9 similar terms and conditions as those contained in the already existing  
10 interconnection agreement between the competitor and CenturyLink – ILEC.<sup>19</sup>

11 There is also no assurance that these connections, which already exist between  
12 CenturyLink – ILEC and the competitor, can be established in a cost-effective  
13 manner. Further, if direct connection is not feasible, and the competitor wants to  
14 avoid transiting charges, it must attempt to re-negotiate its agreement with  
15 CenturyLink – ILEC since the transiting relationship is between the competitor  
16 and CenturyLink – ILEC.

17 The result is that, by virtue of assigning an end user customer from CenturyLink –  
18 ILEC to CenturyLink – CLEC, CenturyLink overall can reduce its costs  
19 (eliminate reciprocal compensation terminating charges) and increase its revenue

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Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92, November 18, 2011, ¶ 1313.

<sup>18</sup> See Exhibit Integra/102, Denney/4.

<sup>19</sup> Exhibit Integra/101, Denney/17-18 describes some of the unnecessary terms and conditions contained in CenturyLink – CLEC’s proposed agreement.

1 (implement transiting charges) and establish costly, complex and time-consuming  
2 hurdles to the competitor to negotiate replacement agreements.

3 **Q. WILL ANY OF THE CHANGES INTEGRA HAS PROPOSED TO**  
4 **CENTURYLINK'S PRICE PLAN HELP TO RESOLVE THE CONCERN**  
5 **DESCRIBED ABOVE?**

6 A. No. The above description is simply an example of how CenturyLink has the  
7 ability to leverage its wholesale relationship with competitors and impact retail  
8 competition. Integra's proposed changes and clarifications to CenturyLink's price  
9 plan are an attempt to assure that CenturyLink's price plan does not provide  
10 increased opportunity to leverage its wholesale relationship with their  
11 competitors.

12 **III. INTEGRA ISSUES**

13 **Q. PLEASE BROADLY DESCRIBE INTEGRA'S CONCERNS WITH**  
14 **CENTURYLINK'S PRICE PLAN PROPOSAL.**

15 A. Integra is concerned that certain of CenturyLink's price plan proposals are either  
16 unclear or have the potential to harm competition in markets where CenturyLink  
17 is the dominant wholesale provider. Integra has concerns with four provisions in  
18 CenturyLink's price plan, and has proposed changes and/or clarifications to  
19 assure that the price plan does not impact the wholesale relationship between  
20 CenturyLink and Integra.

1 1) Integra proposes the Commission retain authority over mergers, acquisitions,  
2 and sales of exchanges, and reject CenturyLink's proposal to eliminate the  
3 applicability of these rules and statutes.<sup>20</sup>

4 2) Integra proposes that to the extent the Commission grants CenturyLink a  
5 waiver on the limits associated with the city privilege tax pass through, the  
6 Commission exclude wholesale services from being impacted by this change.<sup>21</sup>

7 3) Integra proposes that to the extent the Commission allows for relaxation of  
8 service quality reporting, the Commission clarify that the relaxation in no way  
9 impacts wholesale service quality reporting obligations governed by carriers'  
10 interconnection agreements.<sup>22</sup>

11 4) Integra proposes the Commission deny CenturyLink's request to eliminate  
12 affiliate transaction reporting or clarify that agreements between CenturyLink  
13 affiliates that impact the competitive landscape continue to be filed.<sup>23</sup>

14 **A. THE COMMISSION SHOULD RETAIN AUTHORITY OVER**  
15 **MERGERS AND ACQUISITIONS**

16 **Q. SHOULD THE COMMISSION GRANT CENTURYLINK'S REQUEST**  
17 **FOR AN EXEMPTION FROM THE STATUTE AND RULES**  
18 **ASSOCIATED WITH MERGERS AND ACQUISITIONS?**

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<sup>20</sup> See Exhibit CTL/109 Felz/6 and Exhibit CTL/109 Felz/7.

<sup>21</sup> See Exhibit CTL/109 Felz/7.

<sup>22</sup> See Exhibit CTL/109 Felz/4.

<sup>23</sup> See Exhibit CTL/109 Felz/7.



1 A. No. CenturyLink seeks exemption from ORS 759.375 and ORS 759.380 and  
2 OAR 860-027-0025,<sup>24</sup> but provided no basis or support for this request.  
3 CenturyLink was previously granted a waiver from these provisions in the  
4 original price plan,<sup>25</sup> but the Commission correctly rescinded the exemption in the  
5 CenturyLink-Qwest merger docket.<sup>26</sup> The Commission found that the merger  
6 conditions, “contribute to a finding by the Commission that the transaction is  
7 expected to cause no harm to the Applicants’ customers and competitors and will  
8 further the public interest.”<sup>27</sup> Condition 18 of the Merger Order stated:

9           After the close of the merger, both CenturyLink and Qwest agree  
10           to the removal of the Qwest price plan exemption from the  
11           requirements of ORS 759.380 and ORS 759.375. However, the  
12           parties agree that for property sales where the sales price is less  
13           than \$10 million the Qwest Price Plan exemption from ORS  
14           759.375(1)(a) applies, except that the sale of any Qwest exchange  
15           will be subject to Commission approval under ORS 759.375.<sup>28</sup>

16 CenturyLink has provided no reason for lifting this condition that the Commission  
17 previously found necessary. As part of the Merger Order the Commission  
18 ordered 55 total conditions in order to protect competitors, customers and the  
19 public interest.<sup>29</sup> In order to demonstrate why condition 18 is no longer  
20 necessary, CenturyLink should be required to show that the other 54 merger  
21 conditions would no longer be necessary in today’s environment. Many of these

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<sup>24</sup> Exhibit CTL/108 Felz/2 (first and eighth rows of matrix).

<sup>25</sup> Docket UM 1354, Order No. 08-408, August 8, 2008.

<sup>26</sup> In the Matter of CenturyLink, Inc., Application for Approval of Merger between CenturyTel, Inc., and Qwest Communications International, Inc., Order 11-095, UM 1484, March 24, 2011 (“Merger Order”), p. 6.

<sup>27</sup> Merger Order, p. 6.

<sup>28</sup> Merger Order, Appendix A, p. 3.

<sup>29</sup> Merger Order, Appendix A.

1 conditions centered on CenturyLink’s role as the dominant wholesale provider.<sup>30</sup>  
2 Since CenturyLink has provided no evidence or testimony in this docket  
3 regarding competition in the wholesale market, it would be inappropriate to  
4 remove Commission oversight of merger, acquisitions and sales of exchanges as  
5 part of this price plan.

6 **Q. HOW DID CENTURYLINK HANDLE THIS ISSUE IN THE RECENT**  
7 **WASHINGTON AFOR PROCEEDING?**<sup>31</sup>

8 A. CenturyLink amended its application so that the Washington Commission  
9 retained authority over mergers, acquisitions, and sales of exchanges stating:

10 The waiver of the Transfer of Property provisions in Chapter 80.12  
11 RCW and Chapter 480-143 WAC does not apply to the sale of  
12 exchanges or access lines, and does not apply to a transaction  
13 involving the merger or acquisition of the parent company or any  
14 of the LEC operating companies by an unaffiliated entity.<sup>32</sup>

15 This was approved by the Washington Commission.<sup>33</sup>

16 **B. CHANGES TO THE PRIVILEGE TAX PASS THROUGH SHOULD**  
17 **NOT IMPACT WHOLESALE SERVICES**

18 **Q. HOW DOES CENTURYLINK’S REQUEST FOR WAIVER OF OAR 860-**  
19 **022-0042(4) REGARDING PASS THROUGH OF THE PRIVILEGE TAX**

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<sup>30</sup> *i.e.* “Wholesale Conditions,” Merger Order, p. 3.  
<sup>31</sup> In the Matter of the Petition of The CenturyLink Companies – Qwest Corporation; CenturyTel of Washington; CenturyTel of Interisland; CenturyTel of Cowiche; and United Telephone Company of the Northwest To be Regulated Under and Alternative Form of Regulation Pursuant to RCW 80.36.135, Plan for Alternative Form of Regulation, Amended May 8, 2013 (“WA AFOR Petition Docket”).  
<sup>32</sup> WA AFOR Petition Docket, p. 4.  
<sup>33</sup> WA AFOR Petition Docket, Order 4, January 9, 2014.

1           **IMPACT WHOLESALE SERVICES CENTURYLINK PROVIDES TO**  
2           **CARRIERS SUCH AS INTEGRA?**

3    A.     This is unclear. CenturyLink states that the purpose of its price plan proposal is  
4           “to provide additional regulatory flexibility to meet the intense and increasing  
5           competition CenturyLink QC is facing in its **retail markets**.”<sup>34</sup> However, its  
6           request for a waiver of OAR 860-022-0042(4) is not limited to retail services.

7           Because a competitive market for wholesale services, such as unbundled loops,<sup>35</sup>  
8           does not exist, rates for these wholesale services are set based upon the federal  
9           forward-looking economic cost standard rather than by the market. Today  
10          CenturyLink passes through city privilege taxes, in excess of 4%, on certain  
11          wholesale products including unbundled loops.

12          Integra is concerned that if the pass through limit is removed, CenturyLink will  
13          raise the privilege tax pass through on wholesale elements, which will raise the  
14          overall rates it charges for last mile facilities. This would be inappropriate. Rates  
15          for most wholesale elements are set in a generic cost docket with the participation  
16          of multiple impacted parties. During these dockets, there are detailed cost studies  
17          used to establish rates. These cost studies include numerous calculations to make  
18          rates specific to Oregon and may include taxes specific to the state, if not charged  
19          separately. As a result, the interplay between a tax surcharge and a tax already

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<sup>34</sup> CTL/100 Felz/2, lines 12-14 (emphasis added).

<sup>35</sup> Unbundled loops are “last mile” facilities that CenturyLink leases to carriers, such as Integra, that connect an end user customer to a frame in a CenturyLink central office. A carrier can then connect the loop to its own facilities in order to provide services to an end user customer.

1 included within a Commission-approved rate would need to be closely examined  
2 before changes to the tax surcharge are allowed.

3 A waiver of the pass through limit and a subsequent increase on wholesale rates,  
4 without adjustments to the established underlying rates, could result in carriers  
5 paying effective taxes in excess of the actual tax burden, which would put  
6 carriers, such as Integra, at a competitive disadvantage in offering retail services.

7 To the extent the Commission approves CenturyLink's request to remove the pass  
8 through limit, the Commission should limit this waiver to retail rates and maintain  
9 the limit for wholesale rates.

10 **Q. DOES CENTURYLINK'S TESTIMONY SUPPORT THE REMOVAL OF**  
11 **THE PASS THROUGH LIMIT FOR WHOLESALE SERVICES?**

12 A. No. This is only mentioned briefly in CenturyLink's testimony with very little  
13 support.<sup>36</sup> CenturyLink claims that "CenturyLink QC is disadvantaged in relation  
14 to its competitors who have freedom to fully pass through government imposed  
15 privilege taxes."<sup>37</sup> Since CenturyLink's testimony does not address the degree of  
16 competition in wholesale markets, CenturyLink has no basis to claim that it is  
17 disadvantaged in this respect. Further, as discussed above, CenturyLink has not  
18 demonstrated that the 4% tax, currently passed through as a separate line item on  
19 wholesale services, is not already included in wholesale rates.

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<sup>36</sup> Exhibit CTL/108 Felz/2, (row 4 of matrix), and Exhibit CTL/109 Felz/7 (the price plan).

<sup>37</sup> Exhibit CTL/108 Felz/2, (row 4 of matrix).

1           C.     *CHANGES TO SERVICE QUALITY REPORTING SHOULD HAVE*  
2                     *NO IMPACT ON WHOLESALE SERVICE QUALITY REPORTS.*

3     Q.     WILL CENTURLINK’S PROPOSAL TO LIMIT RETAIL SERVICE  
4           QUALITY REPORTING HAVE ANY IMPACT UPON WHOLESALE  
5           SERVICE QUALITY REPORTING?

6     A.     This is unclear, but it should not. CenturyLink states,

7                     Nothing in CenturyLink QC’s modified Price Plan affects its current retail  
8                     or wholesale service quality obligations, **with the exception of the**  
9                     **proposed modifications** to simplify CenturyLink QC’s service quality  
10                    reporting requirements.<sup>38</sup>

11           CenturyLink proposes to provide retail service quality reports on a quarterly,  
12           rather than monthly basis, and in addition provide “only exception information for  
13           any measures that did not meet the established standard during the quarter.”<sup>39</sup> It  
14           is unclear from CenturyLink’s testimony whether its proposed modifications  
15           would impact wholesale service quality reporting. CenturyLink’s wording of its  
16           request could be read to imply that the “proposed modifications” would apply to  
17           both retail and wholesale service quality obligations.

18           Changes to the wholesale service quality plan associated with interconnection  
19           agreements, CenturyLink Performance Assurance Plan (“CPAP”), should be

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<sup>38</sup> CTL/100, Felz/46, lines 16-18 (emphasis added).

<sup>39</sup> CTL/100 Felz/43, lines 7-9, and Exhibit CTL/109 Felz/4 (the price plan).

1 governed by the interconnection agreements and associated CPAP document.<sup>40</sup>

2 CenturyLink reports wholesale service quality results monthly.<sup>41</sup>

3 CenturyLink's proposal raises additional concerns because some of the wholesale  
4 measures within the CPAP are measured against CenturyLink's retail  
5 performance. Integra opposes changes in retail reporting that would impact  
6 wholesale performance reports. For example, Mean Time to Restore (MR-6) for  
7 unbundled loops is measured in comparison to retail residential and business  
8 POTS and comparable results are reported on a monthly basis whether or not  
9 CenturyLink meets the standard.<sup>42</sup>

10 Wholesale reporting should continue unaltered, including the incorporated  
11 reporting of retail results, regardless of what the Commission decides with respect  
12 to retail service quality reports.

13 **D. THE COMMISSION SHOULD DENY OR CLARIFY**  
14 **CENTURYLINK'S PROPOSAL TO ELIMINATE AFFILIATE**  
15 **TRANSACTION REPORTING**

16 **Q. DID CENTURYLINK OFFER SUFFICIENT SUPPORT FOR REMOVAL**  
17 **OF AFFILIATE TRANSACTION OBLIGATIONS?**

18 A. No. CenturyLink asks for a waiver of OAR 860-027-0100, Reporting of  
19 Affiliated Transactions, stating, "Commission regulation of accounting

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<sup>40</sup> The Commission recently approved changes to the CPAP in docket UM 1674, Order No. 13-473, December 17, 2013.

<sup>41</sup> See <http://www.centurylinkapps.com/wholesale/results/roc.cfm>.

<sup>42</sup> Exhibit Integra/103.

1 requirements should not be required of [a] company that is no longer rate-of-  
2 return regulated.”<sup>43</sup> This explanation is insufficient.

3 CenturyLink’s entire testimony relies upon a discussion of competition in Oregon  
4 for CenturyLink QC and specifically the loss in voice lines and voice market  
5 share experienced by CenturyLink QC.<sup>44</sup> However, it would be difficult to  
6 evaluate CenturyLink’s petition in its entirety without understanding the role that  
7 CenturyLink’s affiliates have played or are playing in this regard. In evaluating  
8 CenturyLink’s proposed price plan it may be appropriate to review the entirety of  
9 CenturyLink operations within the CenturyLink QC service territory when  
10 evaluating CenturyLink’s claims regarding the extent of competition.

11 CenturyLink also fails to explain why it believes the affiliate transaction rules are  
12 solely of value with regard to “accounting requirements,” and if limited in that  
13 respect why these requirements are no longer meaningful under “rate-of-return”  
14 regulation.<sup>45</sup>

15 **Q. WHAT IS INTEGRAS CONCERN WITH A WAIVER OF OAR 860-027-**  
16 **0100, REPORTING OF AFFILIATE TRANSACTION?**

17 A. Integra is concerned that CenturyLink will be able to leverage the relationship  
18 between its multiple entities in order to disadvantage competitors, such as Integra,

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<sup>43</sup> Exhibit CTL/108 Felz/2 (row 6 of matrix).

<sup>44</sup> CTL/100 Felz/5-15.

<sup>45</sup> Exhibit CTL/108 Felz/2 (row 6 of matrix).

1 that rely upon interconnection obligations and last mile facilities from  
2 CenturyLink to exchange traffic and provide services to end user customers.

3 Certain transactions between CenturyLink affiliates should be transparent such as,  
4 interconnection agreements, traffic exchange agreements, number portability  
5 agreements and other wholesale arrangements between CenturyLink entities.  
6 Because these agreements are regulated, CenturyLink should not be able to enter  
7 into agreements that thwart competition or provide preferential treatment to itself  
8 over its competitors. To the extent these agreements are covered by OAR 860-  
9 027-0100 this rule should not be waived.

10 **IV. CONCLUSION**

11 **Q. WHAT DOES INTEGRA RECOMMEND TO THIS COMMISSION?**

12 A. If the Commission approves CenturyLink's price plan, it would provide  
13 CenturyLink with significant flexibility with respect to prices, terms and  
14 conditions that it offers its retail end user customers. CenturyLink has testified  
15 that approval of its petition will provide them with a greater opportunity to  
16 compete.<sup>46</sup> Competitive carriers, such as Integra, are by definition competitors of  
17 CenturyLink in the markets they serve.<sup>47</sup> While Integra has not taken a position  
18 on most provisions within CenturyLink's petition, it does not oppose  
19 CenturyLink's petition, subject to the modifications and clarifications discussed in  
20 this testimony. If the petition is granted CenturyLink will be a stronger  
21 competitor, and as a result, bring a degree of uncertainty to the markets which

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<sup>46</sup> CTL/100 Felz/2, lines 10-14.

<sup>47</sup> CTL/100 Felz/25, lines 2-18.



1 competitors serve. This uncertainty can be minimized by adopting the  
2 recommendations of Integra, which help protect wholesale markets and  
3 obligations. CenturyLink's efforts should be focused on winning (or losing) in  
4 the marketplace based on the services and prices it can offer, which benefits end  
5 user customers. The modifications proposed by Integra do not hinder  
6 CenturyLink's ability to compete.

7 **Q. WHAT DOES INTEGRA RECOMMEND TO THIS COMMISSION?**

8 A. Integra recommends that if the Commission approves CenturyLink's price plan,  
9 that it make the following modifications to the plan:

10 1) The Commission should retain authority over mergers, acquisitions, and sales  
11 of exchanges and reject CenturyLink's proposal to eliminate applicability of these  
12 rules and statutes.<sup>48</sup>

13 2) To the extent the Commission allows for a waiver of the limits associated with  
14 the city privilege tax pass through, the Commission should rule that the waiver  
15 does not apply to wholesale services.<sup>49</sup>

16 3) To the extent the Commission allows for relaxation of service quality  
17 reporting, the Commission should clarify that the relaxation in no way impacts

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<sup>48</sup> See Exhibit CTL/109 Felz/6 and Exhibit CTL/109 Felz/7.

<sup>49</sup> See Exhibit CTL/109 Felz/7.

1 wholesale service quality reporting obligations, including the incorporated  
2 reporting of retail results, contained in carriers' interconnection agreements.<sup>50</sup>

3 4) The Commission should deny CenturyLink's request to eliminate affiliate  
4 transaction reporting or clarify that agreements between CenturyLink affiliates  
5 that impact the competitive landscape continue to be filed.<sup>51</sup>

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 A. Yes.

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<sup>50</sup> See Exhibit CTL/109 Felz/4.

<sup>51</sup> See CTL/109 Felz/7.

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

**UM 1354**

In the Matter of the Petition of )  
QWEST CORPORATION for )  
Approval of Price Plan Pursuant to )  
ORS 759.255 )  
\_\_\_\_\_ )

**EXHIBIT DD-101**

**OPENING TESTIMONY**

**OF DOUGLAS DENNEY**

**ON BEHALF OF**

**INTEGRA TELECOM**

**April 2, 2014**



February 21, 2014

Kim Isaacs  
Eschelon Telecom  
Eschelon Telecom of Arizona Inc.  
Eschelon Telecom of Colorado Inc.  
Eschelon Telecom of Minnesota Inc.  
Eschelon Telecom of Oregon Inc.  
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TO:Kim Isaacs

**Announcement Date:** February 21, 2014  
**Effective Date:** February 19, 2014  
**Notification Number:** GENL.ANNC.02.21.14.F.12078.Local\_Access\_Transport\_Area\_672  
**Notification Category:** General Notification  
**Target Audience:** CenturyLink Wholesale Customers  
**Subject:** CenturyLink QCC ("CenturyLink"), will begin exchanging traffic in its certificated capacity as a voice/VOIP provider for that part of the State of Oregon within Local Access Transport Area (LATA) 672

On February 19, 2014, CenturyLink Qwest Communications Company, d/b/a CenturyLink QCC ("CenturyLink"), will begin exchanging traffic in its certificated capacity as a voice/VOIP provider for that part of the State of Oregon within Local Access Transport Area (LATA) 672. CenturyLink expects to terminate calls to and receive calls from customers in the metropolitan Portland area. Some of the calls being terminated will be transit traffic to customers served by LECs other than primary tandem providers listed in the Local Exchange Routing Guide ("LERG") for the applicable area(s). Pursuant to applicable law, this transit traffic will be exchanged on a bill-and-keep basis, without a traffic specific agreement codifying the terms of the exchange unless specifically requested otherwise. Any LEC that requests a written Traffic Exchange agreement to set out the terms and conditions of the exchange of this transit traffic from CenturyLink should contact CenturyLink by e-mail at the following address: [ICA-Request@centurylink.com](mailto:ICA-Request@centurylink.com)

The CenturyLink QCC LRNs and associated Tandems for LATA 672 are as follows:

LRN	LOC STATE	RC ABBR	1K BLOCK	Local/Intralata Tandem CLLI
9712747999	OR	KNAPPA	503-386-6	PTLDOR1350T
9712747999	OR	ASTORIA	971-704-7	PTLDOR1350T
9712747999	OR	WESTPORT	503-966-6	LAGRORXB02T
9712747999	WA	KLICKITAT	509-369-7	THDLORXA01T
9712747999	WA	GOLDENDALE	509-250-7	THDLORXA01T
9712747999	OR	FOSSIL	541-651-1	PTLDOR1350T
9712747999	OR	SPRAY	541-634-6	PTLDOR1350T
9712747999	OR	DAYTON	971-545-6	PTLDOR1350T
9712747999	OR	MCMINNVL	971-261-5	BVTNORXB03T
9712747999	OR	JOHN DAY	541-628-6	PTLDOR1350T
9712747999	OR	GRESHAM	971-274-7	PTLDOR1350T
9712747999	OR	AURORA	503-776-1	PTLDOR1350T
9712747999	OR	BEAVERTON	971-317-7	BVTNORXB03T
9712747999	OR	CARLTON	503-852-8	SHRDORXA03T
9712747999	OR	CHARBONNEU	503-770-2	PTLDOR1350T
9712747999	OR	GOVENTCAMP	503-272-4	PTLDOR1350T
9712747999	OR	HOOD LAND	971-333-5	PTLDOR1350T
9712747999	OR	NEWBERG	971-281-7	BVTNORXB03T
9712747999	OR	NORTH PL	503-773-7	PTLDOR1350T
9712747999	OR	SCAPPOOSE	503-987-6	PTLDOR1350T
9712747999	OR	STFRD-SNDY	503-558-7	BVTNORXB03T
9712747999	OR	VERNONIA	971-314-7	LAGRORXB02T
9712747999	OR	YAMHILL	971-999-6	LAGRORXB02T
9712747999	OR	BEAVER	503-664-5	SHRDORXA03T
9712747999	OR	CLOVERDALE	971-257-7	SHRDORXA03T
9712747999	OR	PACIFIC CY	503-483-7	SHRDORXA03T
9712747999	OR	TILLAMOOK	503-374-7	SHRDORXA03T
9712747999	OR	CASCADELKS	458-200-7	THDLORXA01T
9712747999	OR	CANNON BCH	971-308-6	PTLDOR1350T
9712747999	OR	LONG CREEK	541-939-6	PTLDOR1350T
9712747999	OR	MONUMENT	541-721-6	PTLDOR1350T
9712747999	WA	LONG BEACH	360-214-7	PTLDOR1350T
9712747999	OR	HOOD RIVER	541-380-7	SHRDORXA03T
9712747999	OR	GILCHRIST	541-931-1	PTLDOR1350T
9712747999	OR	DURKEE	541-470-4	PTLDOR1350T
9712747999	OR	BAKER	541-403-7	PTLDOR1350T
9712747999	OR	JOSEPH	541-577-7	PTLDOR1350T
9712747999	OR	LOSTINE	541-569-6	PTLDOR1350T
9712747999	OR	WALLOWA	541-886-7	LAGRORXB02T

9712747999	OR	DALLAS	503-831-7	PTLDOR1350T
9712747999	OR	FALLS CITY	971-307-5	PTLDOR1350T
9712747999	OR	THE DALLES	541-370-7	THDLORXA01T
9712747999	WA	DALLESPORT	509-748-7	THDLORXA01T
9712747999	OR	BLACKBUTTE	541-638-7	PTLDOR1350T
9712747999	OR	CULVER	541-803-4	PTLDOR1350T
9712747999	OR	MADRAS	541-777-5	PTLDOR1350T
9712747999	OR	PRINEVILLE	541-903-7	PTLDOR1350T
9712747999	OR	SILVERLAKE	541-576-6	PTLDOR1350T
9712747999	OR	LEXINGTON	541-940-6	PTLDOR1350T
9712747999	OR	HEPPNER	541-256-7	PTLDOR1350T
9712747999	OR	IONE	541-422-5	PTLDOR1350T
9712747999	OR	MOSIER	541-578-7	THDLORXA01T
9712747999	OR	ODELL	541-354-8	THDLORXA01T
9712747999	OR	PARKDALE	541-402-7	THDLORXA01T
9712747999	OR	COVE	541-568-3	PTLDOR1350T
9712747999	OR	LA GRANDE	541-605-7	PTLDOR1350T
9712747999	OR	UNION	541-562-0	LAGRORXB02T
9712747999	OR	DEPOE BAY	541-765-1	PTLDOR1350T
9712747999	OR	LINCOLN CY	541-364-7	SHRDORXA03T
9712747999	OR	DETROIT	503-854-8	PTLDOR1350T
9712747999	OR	MILL CITY	971-800-7	BVTNORXB03T
9712747999	OR	ECHO	541-376-9	PTLDOR1350T
9712747999	OR	HERMISTON	541-303-7	PTLDOR1350T
9712747999	WA	GLENWOOD	509-364-7	THDLORXA01T
9712747999	WA	WH SALMON	509-281-7	THDLORXA01T
9712747999	OR	JEWELL	503-755-3	PTLDOR1350T
9712747999	OR	WARRENTON	503-994-7	LAGRORXB02T
9712747999	OR	CLATSKANIE	971-260-5	PTLDOR1350T
9712747999	OR	BOARDMAN	541-945-4	PTLDOR1350T
9712747999	WA	RIDGEFIELD	360-857-2	THDLORXA01T
9712747999	WA	YACOLT	360-686-6	PTLDOR1350T
9712747999	OR	ELGIN	541-960-5	PTLDOR1350T
9712747999	OR	IMBLER	541-534-9	PTLDOR1350T
9712747999	OR	NO POWDER	541-794-6	PTLDOR1350T
9712747999	OR	ARLINGTON	541-454-8	THDLORXA01T
9712747999	WA	CASTLEROCK	360-967-7	PTLDOR1350T
9712747999	WA	CATHLAMET	360-849-6	PTLDOR1350T
9712747999	WA	VADER	360-295-5	PTLDOR1350T
9712747999	OR	HUNTINGTON	541-697-7	PTLDOR1350T
9712747999	OR	GARIBALDI	971-265-7	SHRDORXA03T
9712747999	OR	BAY CITY	503-300-7	SHRDORXA03T
9712747999	OR	ROCKAWAY	971-306-7	SHRDORXA03T

9712747999	OR	GRANDRONDE	503-879-8	SHRDORXA03T
9712747999	OR	SHERIDAN	971-802-7	SHRDORXA03T
9712747999	OR	WILLAMINA	971-309-7	SHRDORXA03T
9712747999	OR	BURNS	541-413-6	PTLDOR1350T
9712747999	OR	NO HARNEY	541-781-6	PTLDOR1350T
9712747999	OR	SO HARNEY	541-722-6	PTLDOR1350T
9712747999	WA	ROOSEVELT	509-384-7	THDLORXA01T
9712747999	OR	SENECA	541-873-6	PTLDOR1350T
9712747999	OR	GRASS VLY	541-394-7	THDLORXA01T
9712747999	OR	MORO	541-565-7	THDLORXA01T
9712747999	WA	LYLE	509-365-7	THDLORXA01T
9712747999	WA	TROUT LAKE	509-395-7	THDLORXA01T
9712747999	WA	WILLARD	509-538-7	THDLORXA01T
9712747999	OR	MITCHELL	541-627-6	PTLDOR1350T
9712747999	OR	RUFUS	541-739-7	THDLORXA01T
9712747999	OR	WASCO	541-442-7	THDLORXA01T
9712747999	OR	TYGHVALLEY	541-985-4	PTLDOR1350T
9712747999	OR	MAUPIN	541-395-5	PTLDOR1350T
9712747999	OR	WAMIC	541-695-6	PTLDOR1350T
9712747999	OR	PINE GROVE	541-834-6	PTLDOR1350T
9712747999	WA	STEVENSON	509-219-7	THDLORXA01T
9712747999	OR	PILOT ROCK	541-532-6	PTLDOR1350T
9712747999	OR	UKIAH	541-427-7	PTLDOR1350T
9712747999	OR	PAULINA	541-748-6	PTLDOR1350T

CenturyLink, Inc., on behalf of itself and its subsidiaries

If you have any questions or concerns regarding this notice please contact your CenturyLink Service Manager, Rita Urevig on (218) 723-5801 or at Rita.Urevig@CenturyLink.com. CenturyLink appreciates your business and we look forward to our continued relationship.

Sincerely,

CenturyLink Inc., on behalf of itself and its subsidiaries

Note: To view your CenturyLink Wholesale notifications online, please log into our ANR (Accessible Notices Repository) at : <http://notices.centurylinkapps.com>.

If you would like to subscribe, unsubscribe or change your current profile to CenturyLink Wholesale mailouts please go to the 'Subscribe/Unsubscribe' web site and follow the subscription instructions. The site is located at:  
<http://www.centurylink.com/wholesale/notices/cnla/maillist.html>

cc: Rita Urevig  
Ryan Hinkins  
Judy Rixe

CenturyLink Inc. – 930 15th Street 7th Floor, Denver CO 80202





February 24, 2014

Kim Isaacs  
Integra Telecom of Arizona Inc.  
Integra Telecom of Colorado Inc  
Integra Telecom of Idaho Inc.  
Integra Telecom of Iowa Inc.  
Integra Telecom of Minnesota Inc.  
Integra Telecom of Nebraska Inc.  
Integra Telecom of New Mexico Inc  
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TO:Kim Isaacs

<b>Announcement Date:</b>	<b>February 24, 2014</b>
<b>Effective Date:</b>	<b>February 5, 2014</b>
<b>Notification Number:</b>	<b>GENL.ANNC.02.24.14.F.12079.Local_Access_Transport_Area_674</b>
<b>Notification Category:</b>	<b>General Notification</b>
<b>Target Audience:</b>	<b>CenturyLink Wholesale Customers</b>
<b>Subject:</b>	<b>CenturyLink QCC ("CenturyLink"), will begin exchanging traffic in its certificated capacity as a voice/VOIP provider for that part of the State of Washington within Local Access Transport Area (LATA) 674</b>

On February 5, 2014, CenturyLink Qwest Communications Company, d/b/a CenturyLink QCC ("CenturyLink"), will begin exchanging traffic in its certificated capacity as a voice/VOIP provider for that part of the State of Washington within Local Access Transport Area (LATA) 674. CenturyLink expects to terminate calls to and receive calls from customers in the metropolitan Seattle area. Some of the calls being terminated will be transit traffic to customers served by LECs other than primary tandem providers listed in the Local Exchange Routing Guide ("LERG") for the applicable area(s). Pursuant to applicable law, this transit traffic will be exchanged on a bill-and-keep basis, without a traffic specific agreement codifying the terms of the exchange unless specifically requested otherwise. Any LEC that requests a written Traffic Exchange agreement to set out the terms and conditions of the exchange of this transit traffic from CenturyLink should contact CenturyLink by e-mail at the following address: [ICA-Request@centurylink.com](mailto:ICA-Request@centurylink.com)

The CenturyLink QCC LRNs and associated Tandems for LATA 674 are as follows:

<b>LRN</b>	<b>LOC STATE</b>	<b>RC ABBR</b>	<b>1K BLOCK</b>	<b>Local/Intralata Tandem CLLI</b>
2064307999	WA	CURTIS	360-245-5	STTLWA0355T
2064307999	WA	KIRKLAND	425-406-5	EVRTWAXA03T
2064307999	WA	CARNATION	425-549-6	STTLWA0355T
2064307999	WA	FALL CITY	425-441-2	STTLWA0355T
2064307999	WA	NORTH BEND	425-363-7	STTLWA0355T
2064307999	WA	SEATTLE	206-430-7	STTLWA0355T
2064307999	WA	GIG HARBOR	253-432-7	STTLWA0355T
2064307999	WA	POULSBO	360-994-7	PLSBWAXX02T
2064307999	WA	ORTING	360-872-4	STTLWA0355T
2064307999	WA	SO PRAIRIE	360-889-6	STTLWA0355T
2064307999	WA	SNOQUMPASS	425-434-4	STTLWA0355T
2064307999	WA	EVERETT	425-610-2	EVRTWAXA03T
2064307999	WA	BOTHELL	425-471-6	EVRTWAXA03T
2064307999	WA	HALLS LAKE	425-697-1	EVRTWAXA03T
2064307999	WA	MARYSVILLE	360-965-7	EVRTWAXA03T
2064307999	WA	SNOHOMISH	360-467-7	EVRTWAXA03T
2064307999	WA	AMES LAKE	425-880-1	STTLWA0355T
2064307999	WA	HOOD CANAL	360-796-7	PLSBWAXX02T
2064307999	WA	CHIMACMCTR	360-732-2	PLSBWAXX02T
2064307999	WA	PTTOWNSEND	360-381-7	STTLWA0355T
2064307999	WA	SHELTON	360-549-7	STTLWA0355T
2064307999	WA	PACIFICBCH	360-276-7	STTLWA0355T
2064307999	WA	LKQUINAULT	360-288-3	STTLWA0355T
2064307999	WA	MONTESANO	360-964-7	STTLWA0355T
2064307999	WA	OCOSTA	360-648-6	STTLWA0355T
2064307999	WA	ASHFORD	360-569-9	STTLWA0355T
2064307999	WA	FORKS	360-327-7	STTLWA0355T
2064307999	WA	ELMA	360-495-6	STTLWA0355T
2064307999	WA	KINGSTON	360-638-4	STTLWA0355T
2064307999	WA	SAN JUAN	360-472-7	STTLWA0355T
2064307999	WA	VASHON	206-408-5	STTLWA0355T
2064307999	WA	MORTON	360-492-6	STTLWA0355T
2064307999	WA	MT VERNON	360-445-7	MTVRWAXX05T
2064307999	WA	OAK HARBOR	360-499-7	EVRTWAXA03T
2064307999	WA	SOUTH BEND	360-208-5	STTLWA0355T

CenturyLink, Inc., on behalf of itself and its subsidiaries

If you have any questions or concerns regarding this notice please contact your CenturyLink Service Manager, Rita Urevig on (218) 723-5801 or at

Rita.Urevig@CenturyLink.com. CenturyLink appreciates your business and we look forward to our continued relationship.

Sincerely,

CenturyLink Inc., on behalf of itself and its subsidiaries

Note: To view your CenturyLink Wholesale notifications online, please log into our ANR (Accessible Notices Repository) at : <http://notices.centurylinkapps.com>.

If you would like to subscribe, unsubscribe or change your current profile to CenturyLink Wholesale mailouts please go to the 'Subscribe/Unsubscribe' web site and follow the subscription instructions. The site is located at:  
<http://www.centurylink.com/wholesale/notices/cnla/maillist.html>

cc: Rita Urevig  
Ryan Hinkins  
Judy Rixe

**From:** Isaacs, Kimberly D.  
**Sent:** Monday, February 24, 2014 12:31 PM  
**To:** Urevig, Rita ([Rita.Urevig@CenturyLink.com](mailto:Rita.Urevig@CenturyLink.com))  
**Cc:** Roberson, Laurie  
**Subject:** FW: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674

Hello Rita,

Integra has some question regarding notices  
GENL.ANNC.02.21.14.F.12078.Local\_Access\_Transport\_Area\_672  
and GENL.ANNC.02.24.14.F.12079.Local\_Access\_Transport\_Area\_674.

1. Is CenturyLink QCC offering this VoIP service inside or outside of CenturyLink's Qwest ILEC service territory?
2. Is this traffic Local only or a combination of Local and Toll traffic?
3. The notices says "Pursuant to applicable law..." Please provide the cite to the applicable law.

Thank you and let me know if you have any questions.

**Kim Isaacs** | Director Carrier Relations | 763.745.8463  
Integra

**From:** Isaacs, Kimberly D. [<mailto:kdisaacs@integratelecom.com>]  
**Sent:** Wednesday, February 26, 2014 10:15 AM  
**To:** Urevig, Rita M  
**Cc:** Roberson, Laurie  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674

Hi Rita,

Could you confirm you received this request? I will be out of the office next week so please copy Laurie on any response you receive. Thanks and have a wonderful day!

**Kim Isaacs** | Director Carrier Relations | 763.745.8463  
Integra

**From:** Urevig, Rita M  
**Sent:** Wednesday, February 26, 2014 10:22 AM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Kim,

My apologies – I am behind on my responses. Yes, I did receive this and have reached out internally. As soon as I have a response I will get back with you.

Thank you for your patience.

*Rita M. Urevig*

Service Manager  
Wholesale Operations  
Office 218-723-5801



**From:** Urevig, Rita M [<mailto:Rita.Urevig@CenturyLink.com>]  
**Sent:** Wednesday, February 26, 2014 10:44 AM  
**To:** Urevig, Rita M; Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Kim,I have some answers for you – see below in green:

1. Is CenturyLink QCC offering this VoIP service inside or outside of CenturyLink's Qwest ILEC service territory? **CenturyLink QCC is offering Hosted VoIP and SIP services inside and outside the CenturyLink Qwest ILEC service territories.**
2. Is this traffic Local only or a combination of Local and Toll traffic?  
**The traffic that will be passed to Integra will be predominantly local.**
3. The notices says "Pursuant to applicable law...." Please provide the cite to the applicable law.  
**The applicable law question has been referred to Legal**

*Rita M. Urevig*

Service Manager  
Wholesale Operations  
Office 218-723-5801



**From:** Isaacs, Kimberly D. [<mailto:kdisaacs@integratelecom.com>]  
**Sent:** Thursday, February 27, 2014 2:30 PM  
**To:** Urevig, Rita M  
**Cc:** Roberson, Laurie  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Hi Rita,

Integra is concerned that this is going to increase our cost for terminating calls to the CenturyLink QCC Hosted VoIP and SIP end users. Are the tandem providers going to charge Integra transit to terminate these calls? If not, please explain how CenturyLink Qwest and QCC can ensure that the tandem providers will not bill Integra for transit. Thank you.

Just a reminder, I will be out of the office next week so please copy Laurie on the response. Thanks again.

**Kim Isaacs** | Director Carrier Relations | 763.745.8463

Integra

**From:** Hinkins, Ryan [<mailto:Ryan.Hinkins@CenturyLink.com>]  
**Sent:** Tuesday, March 04, 2014 10:21 AM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Kim,

Rita asked me to check into your issue with regards to this mailout.

QCC, based on this announcement, is acting as a CLEC for the LRN noted. CTL, as the ILEC and transit provider, treats QCC's PSTN traffic as any other CLEC. So, if Integra, as a CLEC, chooses to send transit (PSTN originated) calls through a CTL/Q tandem to reach QCC's VoIP customers (again via PSTN and to QCC as a CLEC), then Integra, as the call originator, will be charged the appropriate transit charge.

**Ryan Hinkins**

Manager - Account Administration

250 East 200 South, Room 507A, Salt Lake City, UT, 84111

Mailstop: UTQ0460500-D05.24

tel: 801.239.4382 cell: 801.259.2084 fax: 801.239.4070

[email. ryan.hinkins@centurylink.com](mailto:ryan.hinkins@centurylink.com)





**From:** Isaacs, Kimberly D.  
**Sent:** Monday, March 10, 2014 3:25 PM  
**To:** 'Hinkins, Ryan'  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Thank you Ryan,

Could you provide Integra with a forecast of the traffic? Thanks again for your assistance.

**Kim Isaacs** | Director Carrier Relations | 763.745.8463

Integra

**From:** Hinkins, Ryan [<mailto:Ryan.Hinkins@CenturyLink.com>]  
**Sent:** Tuesday, March 11, 2014 11:51 AM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Hello Kim,

QCC's forecast like all CLECs forecasts are considered confidential and are not shared.

### Ryan Hinkins

Manager - Account Administration

250 East 200 South, Room 507A, Salt Lake City, UT, 84111

Mailstop: UTQ0460500-D05.24

tel: 801.239.4382 cell: 801.259.2084 fax: 801.239.4070

[email. ryan.hinkins@centurylink.com](mailto:ryan.hinkins@centurylink.com)



**From:** Isaacs, Kimberly D.  
**Sent:** Tuesday, March 11, 2014 1:47 PM  
**To:** 'Hinkins, Ryan'  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Hi Ryan,

Are you responding as CenturyLink QCC or CenturyLink QC? I am assuming if you were responding as QCC, the forecast could be shared with us under a non-disclosure or similar arrangement so you must be responding as QC. How can Integra gain access to the forecasts of the transit traffic we can expect as a result of these notifications? Integra needs this information to determine whether a traffic exchange agreement with QCC is in order. Thank you.

**Kim Isaacs** | Director Carrier Relations | 763.745.8463

Integra

**From:** Hinkins, Ryan [mailto:Ryan.Hinkins@CenturyLink.com]  
**Sent:** Tuesday, March 11, 2014 2:46 PM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

I am responding as CenturyLink legacy QC. Rita and I have reached out internally with regards to your request.

Thank you,

**Ryan Hinkins**

Manager - Account Administration

250 East 200 South, Room 507A, Salt Lake City, UT, 84111

Mailstop: UTQ0460500-D05.24

tel: 801.239.4382 cell: 801.259.2084 fax: 801.239.4070

[email. ryan.hinkins@centurylink.com](mailto:ryan.hinkins@centurylink.com)



**From:** Isaacs, Kimberly D.  
**Sent:** Tuesday, March 18, 2014 10:54 AM  
**To:** 'Hinkins, Ryan'  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Hi Ryan,

Have you received a response from your internal contacts? In addition to the traffic forecasts, could you send me a electronic copy (not in DocuSign) of the CenturyLink/QCC traffic exchange agreement referenced in these notices?

**Kim Isaacs** | Director Carrier Relations | 763.745.8463

Integra

**From:** Urevig, Rita M [mailto:Rita.Urevig@CenturyLink.com]  
**Sent:** Tuesday, March 18, 2014 11:49 AM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Kim,

Here is the standard TEA template that we use.

*Rita M. Urevig*

Service Manager  
Wholesale Operations  
Office 218-723-5801



**From:** Isaacs, Kimberly D.  
**Sent:** Tuesday, March 18, 2014 4:19 PM  
**To:** 'Urevig, Rita M'  
**Cc:** Roberson, Laurie  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Hi Rita,

Is this the correct agreement? It has language on Poles, Ducts and Rights of Way, E911 and Directory Services – I don't see how these elements would be applicable to an agreement with QCC in its roles as certificated voice/VOIP provider. There are rate sheets that don't appear to be applicable to a traffic exchange agreement either.

Additionally there are terms related to LNP, I didn't think that VoIP providers had direct access to numbering resources yet. I know the FCC was conducting trials but I don't recall seeing an order. I double check the NPAC and it appears the telephone number exchanges listed in notices GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 are assigned to QCC OCN 7575. Based on this, I assume QCC is operating as a certified CLEC in Oregon and Washington. Could you confirm?

Thanks.

**Kim Isaacs** | Director Carrier Relations | 763.745.8463

Integra

**From:** Urevig, Rita M [mailto:Rita.Urevig@CenturyLink.com]  
**Sent:** Thursday, March 20, 2014 10:21 AM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Kim,

Yes, this is the correct agreement (it is generic agreement).

QCC is operating as a certified, facilities based CLEC in Washington and Oregon.

I hope this helps.

*Rita M. Urevig*

**Service Manager**  
**Wholesale Operations**  
**Office 218-723-5801**



**From:** Isaacs, Kimberly D.  
**Sent:** Thursday, March 20, 2014 3:23 PM  
**To:** 'Urevig, Rita M'; Hinkins, Ryan (Ryan.Hinkins@CenturyLink.com)  
**Cc:** Roberson, Laurie  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Thank you Rita –

Could you let me know when you anticipate responding to our request for a forecast?

**Kim Isaacs** | Director Carrier Relations | 763.745.8463

Integra

**From:** Urevig, Rita M [mailto:Rita.Urevig@CenturyLink.com]  
**Sent:** Thursday, March 20, 2014 4:20 PM  
**To:** Isaacs, Kimberly D.  
**Cc:** Roberson, Laurie; Urevig, Rita M; Hinkins, Ryan  
**Subject:** RE: GENL: ANNC: Traffic Exchange for Local Access Transport Area (LATA) 672 and 674 #00116937

Kim,

I have been advised that the demand impact is less than a T1s worth of traffic.

I hope that helps.

*Rita M. Urevig*

Service Manager  
Wholesale Operations  
Office 218-723-5801



**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

**UM 1354**

In the Matter of the Petition of )  
QWEST CORPORATION for )  
Approval of Price Plan Pursuant to )  
ORS 759.255 )  
\_\_\_\_\_ )

**EXHIBIT DD-102**

**OPENING TESTIMONY**

**OF DOUGLAS DENNEY**

**ON BEHALF OF**

**INTEGRA TELECOM**

**April 2, 2014**

**ICC Reciprocal Compensation Amendment  
to the Interconnection Agreement between  
Qwest Corporation dba CenturyLink QC  
and  
Electric Lightwave LLC  
for the State of Oregon**

This Amendment ("Amendment") is to the Interconnection Agreement between Qwest Corporation dba CenturyLink QC ("CenturyLink"), a Colorado corporation, and Electric Lightwave LLC ("CLEC") (collectively, the "Parties").

**RECITALS**

WHEREAS, the Parties entered into an Interconnection Agreement in the State of Oregon, that was approved by the Commission; and

WHEREAS, the Federal Communications Commission in Docket No. 01-92, *In the Matter of Developing a Unified Intercarrier Compensation Regime*, issued an order that affects the Parties rights and obligations with respect to the exchange of traffic between CLECs and LECs effective July 1, 2012, and is currently under appeal in, *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform - Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 26 FCC Rcd 1766 ("FCC Order" or "Order"); and

WHEREAS, CenturyLink has requested to amend the Agreement based on the Commission FCC Order; and

WHEREAS, the Parties agree to amend the Agreement based on the FCC order with the terms and conditions contained herein.

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual terms, covenants and conditions contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**Amendment Terms**

The following sections are added:

1. Signaling Parameters: CenturyLink and CLEC are required to provide each other the proper signaling information (e.g., originating Calling Party Number (CPN), Charge Number (ChN) and called party number) as required by Applicable Law and further clarified by the FCC Order in CC Docket No. 01-92 to enable each Party to issue bills in a complete and timely fashion. All CCS signaling parameters will be provided unchanged including CPN, calling party category and ChN on all calls. All privacy indicators will be honored. Unless the FCC has approved a waiver petition



regarding specific technical restrictions, the ChN is to be passed unaltered in SS7 signaling fields where it is different from CPN, and ChN must not be populated with a number associated with an intermediate switch, platform, or gateway, or other number that designates anything other than a calling party's charge number. Where SS7 connections exist, each Party shall pass all CCS signaling parameters, where available, on each call carried over Interconnection trunks. If either Party fails to provide valid originating information such traffic will be billed at the applicable terminating interstate switched access rates when the calls traverse an interconnection trunk. The Parties will coordinate and exchange data as necessary to determine the cause of the CPN/ChN failure and to assist its correction.

2. Changes to the FCC Order: To the extent a court overturns or modifies the FCC Order with respect to its decisions regarding reciprocal compensation rates, CenturyLink and CLEC agree to amend this agreement using the change of law provisions contained in the underlying Interconnection Agreement.

This Amendment hereby amends the Agreement to incorporate the rates set forth in the revised Exhibit A, attached to this Amendment, for which the Parties will charge each other for, "End Office Call Termination," "Tandem Switched Transport" and "Tandem Transmission."

In addition, the specific rates applicable for local Transit Traffic and intraLATA Transit Traffic have been included in the revised Exhibit A attached to this Amendment in order to eliminate the references in the previous Exhibit A.

By signature on this Amendment, the Parties have elected to modify existing contract terms in order to implement certain provisions of the above mentioned Order.

#### **Effective Date**

This Amendment shall be deemed effective upon approval by the Commission; however, the Parties agree to implement the provisions of this Amendment upon execution.

#### **Further Amendments**

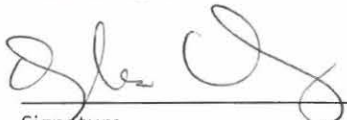
Except as modified herein, the provisions of the Agreement shall remain in full force and effect. Except as provided in the Agreement, this Amendment may not be further amended or altered, and no waiver of any provision thereof shall be effective, except by written instrument executed by an authorized representative of both Parties.

#### **Entire Agreement**

Other than the publicly filed Agreement and its Amendments, CenturyLink and CLEC have no agreement or understanding, written or oral, relating to the terms and conditions for interconnection.

The Parties intending to be legally bound have executed this Amendment as of the dates set forth below, which may be in multiple counterparts, each of which is deemed an original, but all of which shall constitute one and the same instrument.

**Electric Lightwave LLC**

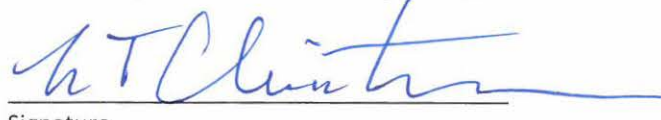
  
\_\_\_\_\_  
Signature

Douglas Denney  
Name Printed/Typed

Vice President, Costs & Policy  
Title

October 21, 2013  
Date

**Qwest Corporation dba CenturyLink QC**

  
\_\_\_\_\_  
Signature

L. T. Christensen  
Name Printed/Typed

Director – Wholesale Contracts  
Title

10/22/13  
Date

		Recurring	Recurring Per Mile	Non-Recurring	REC	REC per Mile	NRC
<b>7.6 Exchange Service (EAS / Local) Traffic</b>							
<b>7.6.3 ICA Amendment - June 30, 2014</b>							
7.6.3.1	End Office Call Termination, per Minute of Use	\$0.001330			A		
7.6.3.2	Tandem Switched Transport, Tandem Switching, per Minute of Use	\$0.000690			#		
7.6.3.3	Tandem Transmission, per Minute of Use (Recurring Fixed & per Mile)						
7.6.3.3.1	Over 0 to 8 Miles	\$0.000240	\$0.000005		H	H	
7.6.3.3.2	Over 8 to 25 Miles	\$0.000240	\$0.000007		H	H	
7.6.3.3.3	Over 25 to 50 Miles	\$0.000240	\$0.000008		H	H	
7.6.3.3.4	Over 50 Miles	\$0.000240	\$0.000012		H	H	
<b>7.6.4 July 1, 2014 - June 30, 2015</b>							
7.6.4.1	End Office Call Termination, per Minute of Use	\$0.001330			A		
7.6.4.2	Tandem Switched Transport, Tandem Switching, per Minute of Use	\$0.000690			#		
7.6.4.3	Tandem Transmission, per Minute of Use (Recurring Fixed & per Mile)						
7.6.4.3.1	Over 0 to 8 Miles	\$0.000240	\$0.000005		H	H	
7.6.4.3.2	Over 8 to 25 Miles	\$0.000240	\$0.000007		H	H	
7.6.4.3.3	Over 25 to 50 Miles	\$0.000240	\$0.000008		H	H	
7.6.4.3.4	Over 50 Miles	\$0.000240	\$0.000012		H	H	
<b>7.6.5 July 1, 2015 - June 30, 2016</b>							
7.6.5.1	End Office Call Termination, per Minute of Use	\$0.001125			H		
7.6.5.2	Tandem Switched Transport, Tandem Switching, per Minute of Use	\$0.000690			#		
7.6.5.3	Tandem Transmission, per Minute of Use (Recurring Fixed & per Mile)						
7.6.5.3.1	Over 0 to 8 Miles	\$0.000240	\$0.000005		H	H	
7.6.5.3.2	Over 8 to 25 Miles	\$0.000240	\$0.000007		H	H	
7.6.5.3.3	Over 25 to 50 Miles	\$0.000240	\$0.000008		H	H	
7.6.5.3.4	Over 50 Miles	\$0.000240	\$0.000012		H	H	
<b>7.6.6 July 1, 2016 - June 30, 2017</b>							
7.6.6.1	End Office Call Termination, per Minute of Use	\$0.000700			H		
7.6.6.2	Tandem Switched Transport, Tandem Switching, per Minute of Use	\$0.000690			#		
7.6.6.3	Tandem Transmission, per Minute of Use (Recurring Fixed & per Mile)						
7.6.6.3.1	Over 0 to 8 Miles	\$0.000240	\$0.000005		H	H	
7.6.6.3.2	Over 8 to 25 Miles	\$0.000240	\$0.000007		H	H	
7.6.6.3.3	Over 25 to 50 Miles	\$0.000240	\$0.000008		H	H	
7.6.6.3.4	Over 50 Miles	\$0.000240	\$0.000012		H	H	
<b>7.6.7 July 1, 2017 - June 30, 2018</b>							
7.6.7.1	End Office Call Termination, per Minute of Use	\$0.000000			H		
7.6.7.2	Tandem Switched Transport, Tandem Switching, per Minute of Use	\$0.000700			#		
7.6.7.3	Tandem Transmission, per Minute of Use (Recurring Fixed & per Mile)						
7.6.7.3.1	Over 0 to 8 Miles	\$0.000000	\$0.000000		H	H	
7.6.7.3.2	Over 8 to 25 Miles	\$0.000000	\$0.000000		H	H	
7.6.7.3.3	Over 25 to 50 Miles	\$0.000000	\$0.000000		H	H	
7.6.7.3.4	Over 50 Miles	\$0.000000	\$0.000000		H	H	
<b>7.6.8 July 1, 2018 - June 30, 2019</b>							
7.6.8.1	End Office Call Termination, per Minute of Use	\$0.000000			H		
7.6.8.2	Tandem Switched Transport, Tandem Switching, per Minute of Use	\$0.000000			H		
7.6.8.3	Tandem Transmission, per Minute of Use (Recurring Fixed & per Mile)						
7.6.8.3.1	Over 0 to 8 Miles	\$0.000000	\$0.000000		H	H	
7.6.8.3.2	Over 8 to 25 Miles	\$0.000000	\$0.000000		H	H	
7.6.8.3.3	Over 25 to 50 Miles	\$0.000000	\$0.000000		H	H	
7.6.8.3.4	Over 50 Miles	\$0.000000	\$0.000000		H	H	
<b>7.9 Transit Traffic</b>							
7.9.1	Local Transit, per Minute of Use (Local Transit Assumed Mileage = 9 Miles)	\$0.001125			#, A		
7.9.2	IntraLATA Toll Transit, per Minute of Use (Toll Transit Assumed Mileage = 9 Miles)	\$0.002798					

**NOTES:**

- A UM 844 (Order No. 97.239)
- # Voluntary Rate Reduction Docket UM 973. Reductions reflected in the 12/3/02 Exhibit A.
- H FCC Docket No. 01-92 Effective 12-29-11

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

**UM 1354**

In the Matter of the Petition of )  
QWEST CORPORATION for )  
Approval of Price Plan Pursuant to )  
ORS 759.255 )  
\_\_\_\_\_ )

**EXHIBIT DD-103**

**OPENING TESTIMONY**

**OF DOUGLAS DENNEY**

**ON BEHALF OF**

**INTEGRA TELECOM**

**April 2, 2014**



**Service Performance Indicator Definitions (PID)**

CenturyLink QC

**ICA Exhibit B – PID Version 10.0**

# **QWEST CORPORATION DBA CENTURYLINK QC'S ("CENTURYLINK QC'S") SERVICE PERFORMANCE INDICATOR DEFINITIONS (PID)**

## **PID Version 10.0**

### **Introduction**

CenturyLink QC will report performance results for the service performance indicators defined herein. CenturyLink QC will report separate performance results associated with the services it provides to Competitive Local Exchange Carriers (CLECs) in aggregate (except as noted herein), to CLECs individually and, as applicable, to CenturyLink QC's retail customers in aggregate. Within these categories, performance results related to service provisioning and repair will be reported for the products listed in each definition. Reports for CLECs individually will be subject to agreements of confidentiality and/or nondisclosure.

**MR-7 – Repair Repeat Report Rate (Continued)**

<ul style="list-style-type: none"> <li>• Subsequent trouble reports of any trouble before the original trouble report is closed.</li> <li>• Information tickets generated for internal CenturyLink QC system/network monitoring purposes.</li> <li>• Trouble reports on the day of installation before the installation work is reported by the technician/installer as complete.</li> <li>• Records involving official company services.</li> <li>• Records with invalid trouble receipt dates.</li> <li>• Records with invalid cleared or closed dates.</li> <li>• Records with invalid product codes.</li> <li>• Records missing data essential to the calculation of the measurement per the PID.</li> </ul>	
<b>Product Reporting:</b>	<b>Standards:</b>
<b>MSA-Type Disaggregation -</b>	
• Resale Residential single line service	Parity with retail service
• Sub-Loop Unbundling	Retail DS1 Private Line
<b>Zone-Type Disaggregation -</b>	
• LIS Trunks	Parity with Feature Group D (aggregate)
• Unbundled Loops:	
Analog Loop	Parity with retail Res and Bus POTS
2-Wire Non-Loaded Loop	Parity with retail ISDN BRI (designed)
DS1-Capable Loop	Parity with retail DS1 Private Line
xDSL-I Capable Loop	Parity with retail DS1 Private Line
ADSL-Compatible Loop	Parity with retail ISDN BRI (designed)
• Enhanced Extended Loops-DS1 (EEL-DS1)	Parity with retail DS1 Private Line
<b>Availability:</b> Available	<b>Notes:</b>

## MR-8 – Trouble Rate

<b>Purpose:</b> Evaluates the overall rate of trouble reports as a percentage of the total installed base of the service or element.	
<b>Description:</b> Measures trouble reports by product and compares them to the number of lines in service. <ul style="list-style-type: none"> <li>• Includes all trouble reports closed during the reporting period, subject to exclusions specified below.</li> <li>• Includes all applicable trouble reports, including those that are out of service and those that are only service-affecting.</li> </ul>	
<b>Reporting Period:</b> One month	<b>Unit of Measure:</b> Percent
<b>Reporting Comparisons:</b> CLEC aggregate, individual CLEC, and CenturyLink QC Retail results	<b>Disaggregation Reporting:</b> Statewide level
<b>Formula:</b> $\left[ \frac{\text{Total number of trouble reports closed in the reporting period involving the specified service grouping}}{\text{Total number of the specified services that are in service in the reporting period}} \right] \times 100$	
<b>Exclusions:</b> <ul style="list-style-type: none"> <li>• Trouble reports coded to non-CenturyLink QC causes or dispositions, e.g., Customer Action, Non-Telco Plant, Trouble Beyond the Network Interface, Miscellaneous – Non-Dispatch, non-CenturyLink QC, CPE, Customer Instruction, Carrier, Alternate Provider, and Carrier Action (IEC).</li> <li>• Subsequent trouble reports of any trouble before the original trouble report is closed.</li> <li>• Information tickets generated for internal CenturyLink QC system/network monitoring purposes.</li> <li>• Trouble reports on the day of installation before the installation work is reported by the technician/installer as complete.</li> <li>• Records involving official company services.</li> <li>• Records with invalid trouble receipt dates.</li> <li>• Records with invalid cleared or closed dates.</li> <li>• Records with invalid product codes.</li> <li>• Records missing data essential to the calculation of the measurement per the PID.</li> </ul>	
<b>Product Reporting:</b>	<b>Standards:</b>
• Resale Residential single line service	Parity with retail service
• Sub-Loop Unbundling	Parity with Retail DS1 Private Line
• LIS Trunks	Parity with Feature Group D (aggregate)
• Unbundled Loops:	
Analog Loop	Parity with retail Res and Bus POTS
2-Wire Non-Loaded Loop	Parity with retail ISDN-BRI
DS1-Capable Loop	Parity with retail DS1 Private Line, except Colorado <sup>NOTE 1</sup>
xDSL-I Capable Loop	Parity with retail DS1 Private Line
ADSL-Compatible Loop	Parity with retail ISDN-BRI
• Enhanced Extended Loops-DS1 (EEL-DS1)	Parity with retail DS1 Private Line, except Colorado <sup>NOTE 1</sup>