



February 11, 2019

Public Utility Commission of Oregon  
201 High Street, SE, Suite 100  
Salem, Oregon 97301-3398

RE: Advice No. 2149 for Qwest Corporation d/b/a CenturyLink QC P.U.C. Oregon No. 33 Exchange and Network Services Tariff

Dear Commissioners:

Attached for electronic filing are revised sheets for the Qwest Corporation d/b/a CenturyLink QC P.U.C. Oregon No. 33 Exchange and Network Services Tariff. The following revisions are being submitted with a proposed effective date of March 14, 2019.

<u>Section</u>	<u>Page</u>	<u>Revision</u>
2	21	2nd
2	42	2nd
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This filing adds terms to describe the Company's process for establishing a residential customer's credit utilizing a credit scoring system. CenturyLink requests that the Commission approve these terms as compliant with Oregon Administrative Rule (OAR) 860-021-0200 1(b), which requires Commission approval for the use of a credit scoring system by a large telecommunications utility. Alternatively, pursuant to OAR 860-021-0005, CenturyLink respectfully requests that the Commission waive, to the extent necessary, the approval requirements of OAR 860-021-0200 1(b).

OAR 860-021-0005 provides: "Upon request or its own motion, the Commission may waive any of the Division 021 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission." Please consider this Advice such written request. A discussion of the good cause for which the Company makes this request follows.

The Company follows the Fair Credit Reporting Act in the collection and use of consumer credit information. The Company's credit scoring process utilizes our own custom credit scoring model to predict customer non-payment behavior. The Company's custom credit scoring model was developed and maintained by its Credit Risk organization within Finance and is highly proprietary to The Company. The Company receives up to 4,000 data attributes from the credit bureau vendor and currently utilizes a small subset of those attributes to feed its credit scoring model.

The Company's custom credit scoring utilizes a logistic regression model to develop a credit score. The Company does not make public the specific attributes utilized in the credit scoring model or the weightings that are assigned to each of the selected attributes.

Similar to The Company, credit bureaus and other providers of credit scores such as FICO and VantageScore do not make public the specific credit data attributes and credit scoring model calculations used to develop a credit score.

(Continued on Page 2)

In most cases, if a deposit is warranted based on the customer's credit history, The Company requests a very modest amount for basic telephone service – between \$25 and \$50 for a customer requesting voice service. Deposits may also be applicable for other Company provided services such as high-speed Internet or video.

Customers who do not want to pay a deposit can still subscribe to a restricted line that provides a toll restricted line and optional features of the customer's choice.

The Company uses the same credit scoring process in all 37 states where it operates as an ILEC. If the Company were required to utilize a different process in Oregon, it would create additional costs for the Company and possibly lead to a less than efficient process for signing up new customers for service.

If the Commission had to approve changes to the credit scoring model it could result in an administrative burden for the Commission and the Company.

The Company is in vigorous competition with many other carriers (wireless, cable, VoIP, fixed wireless, satellite) to gain and retain customers. However, all those competitors have the freedom to determine the best method for assessing a customer's credit worthiness and protecting themselves from credit risk and they use credit scoring models to accomplish this objective. None of the other 36 states where The Company is an ILEC regulate credit scoring.

If you have any questions regarding this filing, please contact Phil Grate at (206) 345-6224 or me at the contact information provided below.

Sincerely,



Robyn Crichton

cc: Phil Grate, CenturyLink

OR 2019-004

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**Qwest Corporation d/b/a CenturyLink QC**

**P.U.C. OREGON No. 33  
EXCHANGE AND  
NETWORK SERVICES**

**SECTION 2  
2nd Revised Sheet 21  
Cancels 1st Revised Sheet 21**

**2. GENERAL REGULATIONS - CONDITIONS OF OFFERING**

**2.2 ESTABLISHING AND FURNISHING SERVICE**

**2.2.1 APPLICATION FOR SERVICE**

**A. General (Cont'd)**

4. The Company may refuse to accept an application for service if the service is not to be established within a reasonable time.
5. A customer's application is merely a request for service. It does not bind the Company to provide, nor does it bind the applicant to accept service.
6. **An application for service shall not be accepted until the applicant satisfies the credit criteria set forth in these regulations and pays a deposit, if deemed necessary. This requirement is in accordance with the 2013 Fair and Accurate Credit Transaction Act Red Flag Rules.**

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(C)

**B. Cancellations and Deferments**

These cancellation and deferment provisions apply to all Private Line and Design Services and also apply to requests for 5 or more analog or digital exchange access lines, or 1 or more DS1 facilities with common equipment, such as Digital Switched Service, ISDN Primary Rate Service, Integrated T-1 Service, or Uniform Access Solution Service.

**Qwest Corporation d/b/a CenturyLink QC**

**P.U.C. OREGON NO. 33  
EXCHANGE AND  
NETWORK SERVICES**

**SECTION 2  
2nd Revised Sheet 42  
Cancels 1st Revised Sheet 42**

**2. GENERAL REGULATIONS - CONDITIONS OF OFFERING**

**2.3 PAYMENT FOR SERVICE (Cont'd)**

**2.3.3 ADVANCE PAYMENTS AND DEPOSITS**

A. Deposits

1. Establishing Credit

a. Residential applicants and customers may establish credit as follows:

(1) A deposit may be required from applicants and customers at the time of application for new or continued service when the applicant or customer:

(a) Is unable to establish **credit** as defined in **2.3.3.A.1.a.(2)** or **2.3.3.A.1.a.(3)**. (C)

(b) Received telecommunications service within the preceding 24 months from Qwest or any Oregon regulated company and, at the time service was terminated, an outstanding account balance was not paid according to its terms; or

(c) Was previously terminated for theft of service or otherwise diverted services.

(2) No deposit shall be required from an applicant who was served within the preceding two years, who voluntarily terminated service in good standing, and whose final bill was paid in full by its due date.

(a) Qualifying applicants for the Oregon Telephone Assistance Program (OTAP) may initiate service without paying a deposit if they voluntarily elect to have Toll Restriction of their line. Toll Restriction will be provided at no charge to qualifying OTAP customers.

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# Qwest Corporation d/b/a CenturyLink QC

P.U.C. OREGON No. 33  
EXCHANGE AND  
NETWORK SERVICES

SECTION 2  
2nd Revised Sheet 44  
Cancels 1st Revised Sheet 44

## 2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

### 2.3 PAYMENT FOR SERVICE

#### 2.3.3 ADVANCE PAYMENTS AND DEPOSITS

##### A. Deposits

##### 1. Establishing Credit

a. Residential applicants and customers may establish credit as follows: (Cont'd)

- (4) Payment of a deposit or submission of any other form of credit verification does not relieve the applicant or customer from compliance with Company regulations concerning prompt payment of bills, nor does it change the conditions regarding termination of service when bills are not paid.
- (5) **Third party credit check processes that calculate an applicant's telecommunications risk score may be utilized to determine deposit requirements. The telecommunications risk score predicts an applicant's credit risk by applying a model that includes consumer credit data, telecommunications industry data, and proven analytics.**
- (6) **A hierarchy credit verification approach is applied to applicants. First, Company or affiliated company payment history; second, National Consumer Telecom and Utilities Exchange members payment history; third, third-party model applied that includes financial institution information and telecommunications risk score.**
- (7) **Applicants are informed when a credit check is performed.**

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