

Mark Brinton
Manager, Regulatory Operations
Mark.Brinton@CenturyLink.com
1801 California St 10th Floor
Denver, CO 80202
Voice: (303) 992-5832



November 18, 2015

Advice No. C43-2015

The Honorable Susan Ackerman, Stephen Bloom and John Savage, Commissioners
Oregon Public Utility Commission
P. O. Box 1088
Salem, Oregon 97308-1088

Attention: Vikie Bailey-Goggins, Administrator,
Tariffs and Data Analysis

Dear Commissioners Ackerman, Bloom and Savage:

Pursuant to ORS 759.250, Qwest Corporation d/b/a CenturyLink QC (CenturyLink) is filing notification of a thirty-six (36) month Contract for Metro Optical Ethernet Service (MOE). The Contract became effective, October 27, 2015. A financial/cost analysis is provided as part of the filing.

CenturyLink believes these services are competitive and that the Special Contract Pricing is in accordance with the provisions of ORS 759.250. Supporting documentation is attached.

Due to the competitive nature of this Special Contract, the information provided in Attachment B contains commercially valuable information and/or trade secrets and is submitted to Staff in confidence pursuant to ORS 192.501 and ORS 192.502. We understand that you will notify us prior to release of any such information in sufficient time to seek a protective order from the Commission or to otherwise preserve its confidentiality.

Enclosed is one complete copy of the contract which contains confidential information for Staff review. As provided by the provisions of ORS 759.250(6), CenturyLink requests this information not be publicly disclosed. Confidential information has been removed from the additional copies included in this filing for public disclosure.

Questions concerning this filing may be directed to me by phone or by e-mail.

Sincerely,

A handwritten signature in blue ink that reads "Mark Brinton".

Mark Brinton
Manager Regulatory Operations
Office: (303) 992-5832
e-mail: Mark.Brinton@CenturyLink.com

Metro Optical Ethernet Service (MOE)
CONTRACT NO. N146274
CONTRACT SUMMARY

Service Description:

Metro Optical Ethernet (MOE) Service is a flexible, easy-to-use transport service that uses established Ethernet transport technology. MOE allows customers to connect multiple enterprise locations within a service area using native Ethernet protocol. MOE supports transmission speeds as low as 1 Mbps and up to 1 Gbps in increments of 10 Mbps from 10 to 100 Mbps and 100 Mbps from 100 to 1,000 Mbps.

Description of Offer:

Provides a service discount for MOE for 36 months.

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Type Of Agreement: New Request: Renewal: Addition:

Term Of Agreement: 36 months

Effective Date: October 27, 2015

Number of Facilities: 2 10 Mbps (36 months)

Unit Price:

Service: MOE

Number of Arrangements: 2 10 Mbps

Monthly Unit Price: \$455.00

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I. CONTRACT ANALYSIS

- a. Please provide the rationale and justification for creating a special class of service. The rationale must include a discussion as to why no previously approved class of service (contract or tariff) is acceptable to the Customer for whom the utility proposes a special class of service. Determination of a special class of service must be based on the following: The quantity of service used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, or any other reasonable consideration.

Answer:

CenturyLink was engaged in a highly competitive market and was forced to offer discounted pricing.

- b. The number of similarly situated Customers who should receive the same terms and conditions. Also, include the number of billing units for those Customers.

Answer:

All similarly situated customers should receive the same terms and conditions.

- c. If there are other similarly situated Customers who should not receive the same terms and conditions, explain the differences between those Customers and the special contract Customer.

Answer:

Not applicable; all similarly situated customers should receive the same offer.

- d. Summarize termination clause in the contract that protects CenturyLink if the customer stops the service early and CenturyLink does not recover initial costs.

Answer:

Paragraph 6. of the Agreement states: "Customer will remain liable for charges accrued but unpaid as of the termination date. If, prior to the conclusion of the Term, Service and/or this Service Exhibit is terminated either by CenturyLink for Cause or by Customer for any reason other than Cause, then Customer will also be liable for any termination charges ("Termination Charge"). Prior to the conclusion of the Term, if service and/or this Service Agreement is terminated or bandwidth is decreased below the original contracted level (decreased bandwidth"), either by CenturyLink for Cause or by customer for any reason other than Cause, then Customer will also be liable for and pay CenturyLink the following Termination Charge: (a) all accrued and unpaid charges for the terminated Service or decreased bandwidth provided through the effective date of such termination or decrease;

plus (b) a termination charge of 100% of the balance of the MRCs for the unexpired portion of the Minimum Service Period for the terminated Service and/or a charge of 100% of the difference between the original bandwidth MRC and the decreased bandwidth MRC; plus (c) 40% of the balance of the MRCs due for the unexpired portion of the Term in excess of the Minimum Service Period for the terminated Service and/or 40% of the difference between the original bandwidth MRC and the decreased bandwidth MRC; plus (d) any and all third party costs and expenses incurred by CenturyLink in so terminating such Service or decreasing bandwidth and all applicable non-recurring charges that may have been waived.

- e. Was there a Request for Proposal? Please describe.

Answer:

CenturyLink negotiated with this customer for the service.

- f. Are there competitive alternatives? If yes, who are the competitive providers and what services do they offer?

Answer:

Yes. Almost all Competitive Local Exchange Companies offer business service arrangements.