



May 31, 2017

Oregon Public Utility Commission
Attention: Joan Grindeland, Tariff Coordinator
201 High St. SE
Salem, OR 97301-3612

RE: Advice No. OR17-06A for United Telephone Company of the Northwest

Dear Members of the Commission:

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

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

A paper copy of this filing including confidential calculations supporting the rate changes is being sent in a separate letter marked confidential.

The proposed effective date is July 1, 2017.

Yours very truly,

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

Enclosures

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

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Description of Methodology

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the process of reducing terminating switched end office rates to bill-and-keep (not to exceed \$0.0000/MOU) and terminating traffic traversing a tandem switch. When a CenturyLink Price Cap ILEC owns the tandem and a CenturyLink Price Cap ILEC owns the terminating End Office Switch, the tandem switched rates will be considered “Tandem-to-End Office” and will transition to \$0.0007/MOU as required by 47 C.F.R. §51.907(g)¹, which addresses changes beginning July 1, 2017. All other tandem traffic that traverses a CenturyLink Price Cap ILEC-owned tandem and does not terminate to an end user served by a CenturyLink Price Cap ILEC end office will be considered “Tandem-to- 3rd Party” and will continue to be billed at the current Interstate rates, including tandem traffic traversing a CenturyLink Price-Cap ILEC-owned tandem to an affiliated CenturyLink CLEC end office. Tandem-Switched Transport charges associated with traffic traversing a non-CenturyLink Price Cap ILEC-owned tandem, but terminating to a CenturyLink-owned end office will also remain at current Interstate rates. CenturyLink’s supporting calculations utilize the “Access Reduction Spreadsheet” template released by the Federal Communications Commission (“FCC”) on April 24, 2017 for calculating the July 1, 2017 Interstate and Intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate changes and identifies, in detail, the Interstate access rates that are required to be changed consistent with the FCC rules. Step 6 of the USF ICC Transformation Order adjusts Interstate Terminating End Office Access rates down to the target composite rate of \$0.0000/MOU and Tandem-Switched Transport to the target composite rates as discussed above. The Interstate rates will be mirrored on the Intrastate side so that rates will remain in parity.

Section 51.907(g) of the FCC rules required the Access Reduction Spreadsheet to be modified to reflect rate reductions for July 1, 2017. For Price Cap carriers that file Interstate tariffs assessing a single rate applicable in different states, the Interstate demand utilized shall be the sum of the demand for all of the states included in the tariff, rather than making separate state-by-state calculations. For companies with a single rate in multiple states, the calculations are done at the regional level and the regional rates are mirrored in each study area². For individual study areas, the calculations are done at the study area level. An overview of the steps and methodology used to reduce terminating End Office and Tandem-Switched Transport access rates are as follows:

1. Lower the terminating End Office Switched Access Rates to bring the 2017 composite rate to zero.

¹ Per guidance from FCC Staff.

² See footnote No. 27 in clarification order: Connect America Fund, et al., DA 14-434, WC Docket No. 10-90 et al.

2. Establish the 2011 Baseline Composite Terminating Tandem-Switched Transport Access Rate by splitting the Tandem- Switched Transport demand between various traffic scenarios. Tandem-to-End Office traffic is the affiliate-terminated traffic that the Order requires for further transitions/reductions. This traffic was identified by using a relationship of 2016 traffic and applied to the demand already loaded in the model. Dedicated Tandem Trunk Ports are not part of the transition per Rule 51.903(i) that expressly excludes rate elements in Part 69.111.
3. Calculate the 2017 Target Composite Terminating Tandem-Switched Transport Access Rate for Tandem-to-End Office by reducing the 2011 Baseline Composite Terminating Tandem-Switched Rate to not exceed \$0.0007/MOU.
4. Calculate the individual Interstate Terminating Tandem-Switched Access Tandem-to-End Office rate levels such that the reduced rates and demand will equal the 2017 Target Composite Terminating Tandem-Switched Access Rate.
5. Set Intrastate Terminating End Office and Tandem-Switched Transport Access rates equal to their functionally equivalent Interstate rates.
6. Prepare Intrastate and Interstate tariff documents as required by each tariff jurisdiction.

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering Rating and Billing of Access Services where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(B) Multiple Company (Interconnection Point) Billing (Cont'd)

(8) The rate for the Switched Access Direct-Trunked Transport and Tandem-Switched Transport or Special Access Channel Mileage per mile element for services provided as set forth in (1) through (7) preceding is determined as follows: When Terminating Tandem Switched Transport is provided through a CenturyLink Operating Company (CLOC) ILEC Access Tandem and the Terminating End Office is not owned by a CLOC ILEC or through an ILEC Access Tandem not owned by a CLOC ILEC and the Terminating End Office is owned by a CLOC ILEC, Terminating – Tandem 3rd Party rates are applicable; otherwise, Terminating – Tandem End Office rates are applicable. When originating Tandem Switched Transport is provided, Originating rates are applicable.

(N)

(a) Determine the appropriate switched transport or channel mileage by computing the airline mileage between the two ends of the switched transport or channel mileage element. Determine the airline mileage for the Tandem Switched Transport per mile element using the V & H method as set forth in 6.7.13 following. Determine the airline mileage for the Direct-Trunked Transport and channel mileage per mile element using the V & H method as set forth in 7.4.6 following.

(b) Determine the rate for the airline mileage determined in (a) preceding using the Telephone Company's tariff. Multiply such rate by the Telephone Company's billing percentage factor and divide by 100 to obtain the switched transport or channel mileage per mile element charges.

(9) The interconnection points will be determined by the Exchange Telephone Companies involved.

(N)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(D) Example 1: Originating Switched Access
 (See Diagram 1)

(C)
 (N)

(1) Layout

(a) Feature Group C Switched Access is ordered to End Office

(T)

(b) Originating End Office and Access Tandem are in the operating territory of a Telephone Company (TC-A).

(C)

(c) Customer Designated Premises is in the operating territory of a Telephone Company (TC-B).

(C)

- Assumptions:

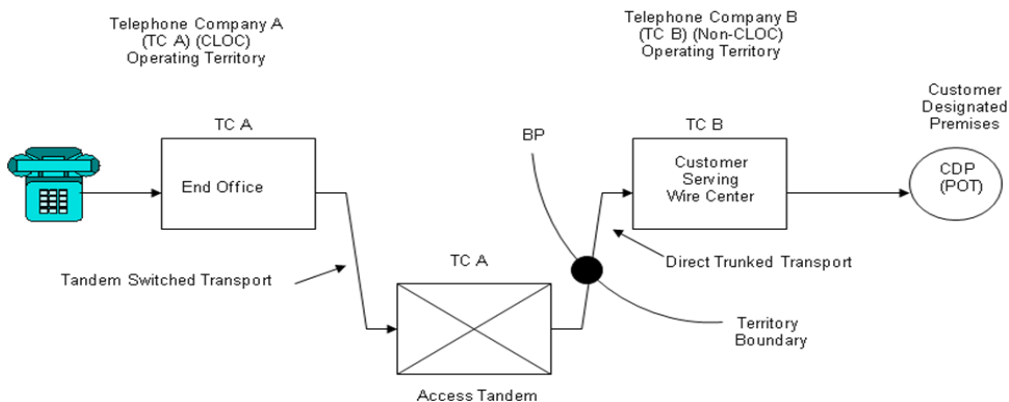
(N)

- o TC-A Direct Trunk Transport BP = 40%
- o TC-B Direct Trunk Transport BP = 60%
- o Direct Trunked Transport mileage = 26 mi.
- o Tandem Switched Transport mileage = 23 mi.

(N)

Diagram 1

(C)



(C)

(T)
 (T)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(D) Example 1: Originating Switched Access (Cont'd)
(See Diagram 1)

(C)

Telephone Company A charges are:

End Office charges = 9,000 min. x EO rate

Tandem Switched Facility charge
= 9,000 min. x 23 mi. x TSF rate

Tandem Switched Termination charge
= 2 terminations x 9,000 min. x TST rate

Tandem Switching charge
= 9,000 min x TS rate

Direct Trunked Facility charge
= 26 miles x DTF rate x 40%

Direct Trunked Termination charge
= 1 termination x DTT rate

Common Transport Multiplexing charge
= 9,000 min x CTM rate

(C)

(D)

(T)
(T)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(E) Example 2: Terminating Switched Access Tandem 3rd Party
(See Diagram 2A and 2B)

- Feature Group D Switched Access is ordered to End Office.
- Terminating Access Tandem is owned by CLOC ILEC carrier (TC-A) and End Office is owned by a non-CLOC ILEC carrier (TC-B)
- Assumptions:
 - o TC-A Direct Trunk Transport BP = 40% (where applicable Diagram 2A)
 - o TC-B Direct Trunk Transport BP = 60% (where applicable Diagram 2A)
 - o Direct Trunk Transport mileage = 26 mi.
 - o TC-A Tandem Switched Transport BP = 20%
 - o TC-B Tandem Switched Transport BP = 80%
 - o Tandem Switched Transport mileage = 23 mi.

(N)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

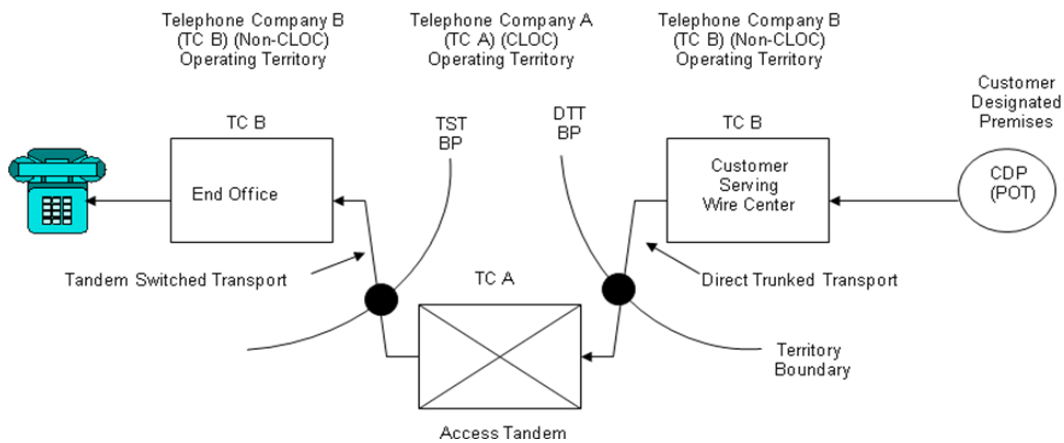
2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

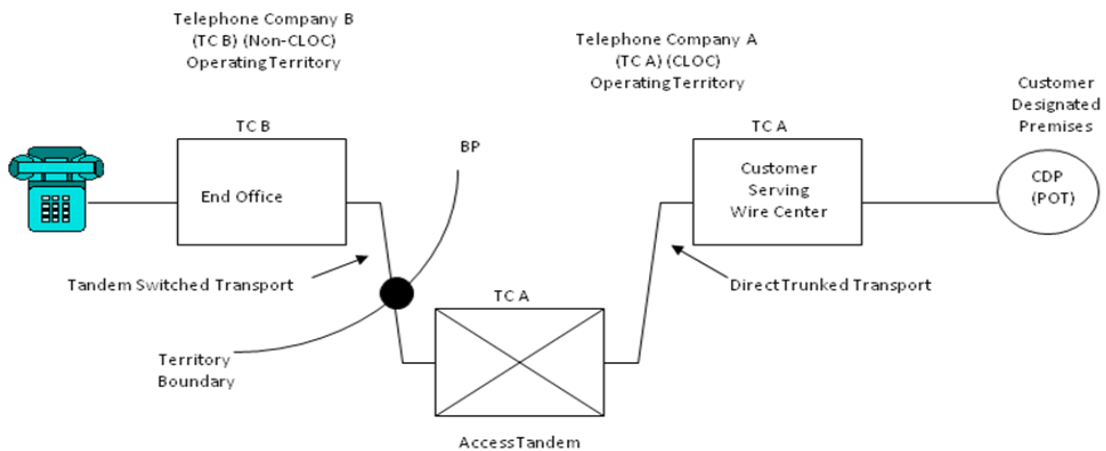
(E) Example 2: Terminating Switched Access – Tandem 3rd Party (Cont'd)
 (See Diagram 2A and 2B)

(N)

- Diagram 2A



- Diagram 2B



BP = Billing Percentage

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(E) Example 2: Terminating Switched Access – Tandem 3rd Party (Cont'd)
(See Diagram 2A and 2B)

(N)

Example 2 Telephone Company A charges are:

Tandem Switched Facility – 3rd Party charge
= 9,000 min. x 23 mi. x TSF-3rd Party rate x 20%

Tandem Switched Termination – 3rd Party charge
= 1 termination x 9,000 min. x TST-3rd Party rate

Tandem Switching – 3rd Party charge
= 9,000 min. x TS-3rd Party rate

Direct Trunked Facility charge
2A = 26 miles x DTF rate x 40%
2B = 26 miles x DTF rate

Direct Trunked Termination charge
2A = 1 termination x DTT rate
2B = 2 termination x DTT rate

Common Transport Multiplexing – 3rd Party charge
= 9,000 min x CTM-3rd Party rate

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

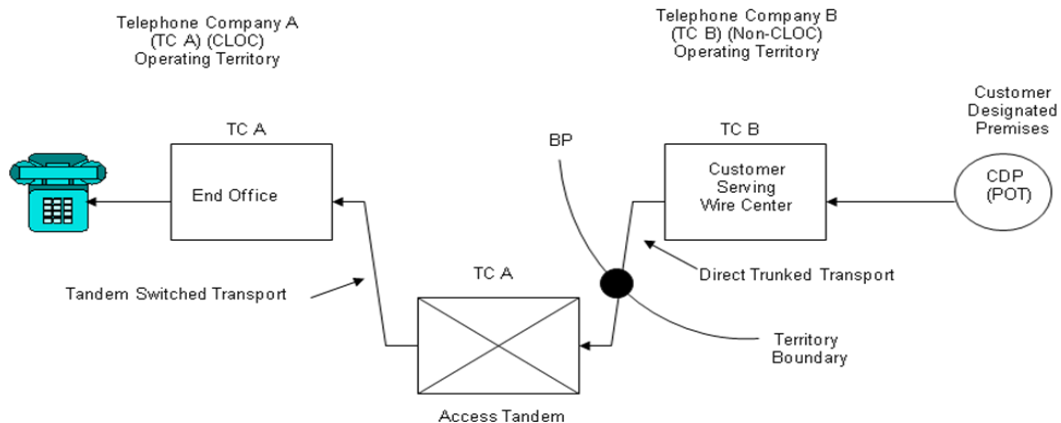
2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(F) Example 3: Terminating Switched Access – Tandem End Office
(See Diagram 3)

- Feature Group D Switched Access is ordered to End Office.
- Terminating End Office and Access Tandem are both owned by a CLOC ILEC (TC-A)
- Assumptions:
 - o TC-A Direct Trunk Transport BP = 40%
 - o TC-B Direct Trunk Transport BP = 60%
 - o Direct Trunk Transport mileage = 26 mi.
 - o Tandem Switched Transport mileage = 23 mi.

(N)

Diagram 3



(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(F) Example 3: Terminating Switched Access – Tandem End Office (Cont'd)
(See Diagram 3)

- Telephone Company A charges are:

End Office Charges = 9,000 min. x EO rate

Tandem Switched Facility – End Office charge
= 9,000 min. x 23 mi. x TSF-End Office rate

Tandem Switched Termination – End Office charge
= 2 terminations x 9,000 min. x TST-End Office rate

Tandem Switching – End Office charge
= 9,000 min. x TS-End Office rate

Direct Trunked Facility Charge
= 26 miles x DTF rate x 40%

Direct Trunked Termination charge
= 1 termination x DTT rate

Common Transport Multiplexing – End Office charge
= 9,000 min x CTM-End Office rate

(N)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

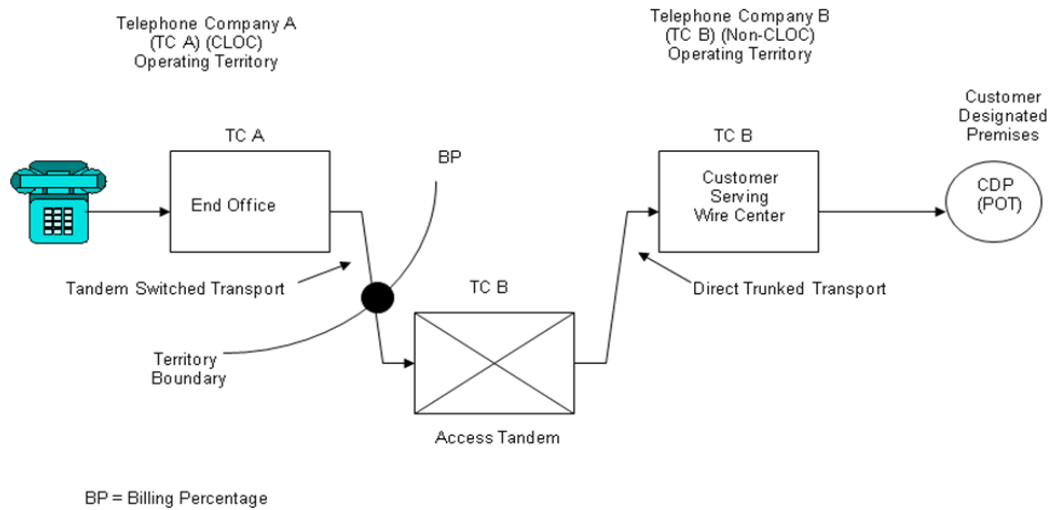
2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(G) Example 4: Originating Switched Access – CLOC owns only the End Office (See Diagram 4)

- Feature Group D Switched Access is ordered to End Office
- End Office is owned by CLOC (TC-A)
- Access Tandem is owned by a non-CLOC ILEC (TC-B)
- Assumptions:
 - o Direct Trunk Transport mileage = 26 mi.
 - o TC-A Tandem Switched Transport BP = 80%
 - o TC-B Tandem Switched Transport BP = 20%
 - o Tandem Switched Transport mileage = 23 mi.

(N)

Diagram 4



(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(G) Example 4: Originating Switched Access – CLOC owns only the End Office
(Cont')
(See Diagram 4)

- Telephone Company A charges are:
 - End Office charges = 9,000 min. x EO rate
 - Tandem Switched Facility charge
=9,000 min. x 23 mi. x TSF rate x 80%
 - Tandem Switched Termination charge
= 1 termination x 9,000 min. x TST rate

(N)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

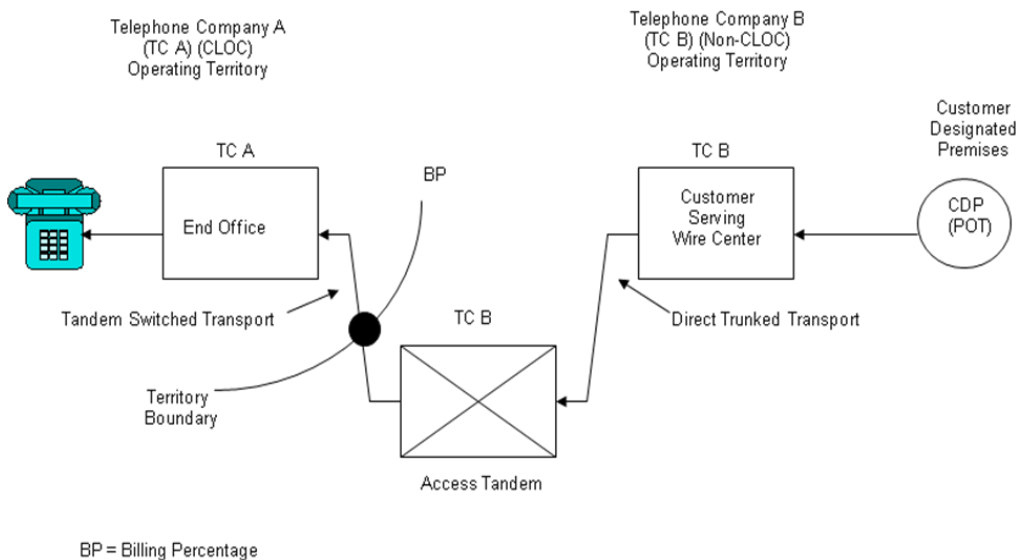
2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(H) Example 5: Terminating Switched Access – Tandem 3rd Party (See Diagram 5)

- Feature Group D Switched Access is ordered to End Office
- End Office is owned by Telephone Company (CLOC) (TC-A)
- Access Tandem is owned by a non-CLOC ILEC (TC-B)

Diagram 5



(N)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.8 Ordering, Rating and Billing of Access Services Where More Than One Exchange Telephone Company or Rate Schedule is Involved (Cont'd)

(H) Example 5: Terminating Switched Access – Tandem 3rd Party (Cont'd)
(See Diagram 5)

- Telephone Company A charges are:

End Office charges = 9,000 min. x EO rate

Tandem Switched Facility 3rd Party charge
= 9,000 min. x 23 mi. x TSF-3rd Party rate x 80%

Tandem Switched Termination 3rd Party charge
= 1 termination x 9,000 min. x TST-3rd Party rate

(N)

(N)

(N)

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.1 General (Cont'd)

6.1.3 Rate Categories (Cont'd)

(B) Switched Transport (Cont'd)

(3) Tandem-Switched Transport

Tandem-Switched Transport provides the communication path between the serving wire center of a customer's premises and an end office, and includes tandem switching functions. Tandem-Switched Transport also includes circuits dedicated to the use of a single customer (from the serving wire center to the access tandem) and circuits provided for the common use of all customers who have requested tandem switching (from the access tandem to the end office). Tandem-Switched Transport is available for use with all trunk side Switched Access services. Tandem-Switched Transport is not available for use with line side Switched Access services. For examples of Tandem Switched Transport see Section 2.4.8 preceding.

(N)
(N)

Tandem-Switched Transport provides for the transmission facilities between the Telephone Company's serving wire center and an end office that is switched through a tandem. Tandem-Switched Transport is composed of two subelements:

(M) Material moved to Page 200.3

(T)
(T)

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.2 Switched Transport (Cont'd)

(C) Tandem-Switched Transport

		RATES PER ACCESS MINUTE		
		Termination <u>Fixed</u>	Facility <u>Per Mile</u>	
(1)	Tandem-Switched Transmission			
	Zone 1			
	Originating	\$0.000912	\$0.000138	
	Terminating 3rd Party	0.000225	0.000025	(C)
	Terminating End Office	0.000107 (R)	0.000000 (R)	(N)
	Zone 2			
	Originating	0.000912	0.000138	
	Terminating 3rd Party	0.000255	0.000035	(C)
	Terminating End Office	0.000110 (R)	0.000000 (R)	(N)

ACCESS SERVICE

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

		RATE PER ACCESS MINUTE			
		<u>Originating</u>	<u>Terminating 3rd Party</u>	<u>Terminating End Office</u>	(T) (C)
(2)	Tandem Switching				
	Zone 1	\$0.005000	\$0.000150	\$0.000150	(C)
	Zone 2	0.005000	0.000160	0.000160	(C)
(3)	Common Transport Multiplexing				
	Zone 1	0.000225	0.000225	0.000000 (R)	(C)
	Zone 2	0.000240	0.000240	0.000000 (R)	(C)

MONTHLY RATE

(4)	Dedicated Trunk Port				
	DS0		\$ 4.83		
	DS1		100.00		
		MONTHLY RATE	NONRECURRING CHARGES		
(5)	Dedicated Transport Multiplexing, DS3 to DS1				
	Zone 1	\$350.00		\$180.50	
	Zone 2	410.00		180.50	

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.3 Local Switching

<u>Premium Rates</u>	<u>Rate Per Access Minute</u>	
LS1 - Feature		
Group A and B		
Originating	\$0.003866	
Terminating	0.000000 (R)	
LS2 - Feature		
Group C and D		
Originating	\$0.003866	
Terminating	0.000000 (R)	
 Non-Premium Rates		
LS Transitional		
Originating	\$0.001801	
Terminating	0.000000 (R)	
	RATE PER ACCESS MINUTE	
	<u>Originating</u>	<u>Terminating</u>
<u>Common Trunk Port</u>	\$0.000428	\$0.000000

CERTIFICATION

I am Vice President – Regulatory Operations for CenturyLink. I hereby certify that I have overall responsibility for supervision of the personnel who prepare all of the data supporting the CenturyLink Operating Companies– July 1, 2017 Annual Access Charge Tariff Filing bearing Tariff F.C.C. Nos. 1, 2, 3, 6, 7, 8, 9 and 11 for all issuing carriers and that I am authorized to execute this certification. Based upon the information provided to me by employees responsible for the preparation of, or for the supervision of the preparation of, the data submitted in support of the Tariff Review Plan information contained herewith, I hereby certify that the data has been examined and reviewed and is true, correct and complete to the best of my knowledge and belief.

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

May 15, 2017



Jeff Glover
Vice President – Regulatory Operations

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