

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF)
QWEST CORPORATION DBA)
CENTURYLINK QC FOR APPROVAL TO)
REPLACE THE PERFORMANCE)
ASSURANCE PLAN BASED UPON)
SETTLEMENT AGREEMENT IN)
COLORADO)

CASE NO. QWE-T-13-05
ORDER NO. 32899

On July 31, 2013, Qwest Corporation dba CenturyLink QC (CenturyLink QC) filed a Petition requesting the Commission approve replacement of the Company’s Idaho Quality Performance Assurance Plan (Plan or QPAP) with a revised QPAP. The new Plan results from a settlement agreement between CenturyLink QC and various competitive local exchange carriers (CLECs) that participated in a Plan review before the Colorado Public Utilities Commission.

Under the federal Telecommunications Act of 1996 (1996 Act) CenturyLink is an “incumbent local exchange carrier” (ILEC) as defined in Section 251(h) of the 1996 Act, 47 U.S.C. § 251(h). Pursuant to Sections 251 and 252 of the Act, CenturyLink is required to enter into interconnection agreements with other providers of telecommunications services who request access to its network, facilities or services. Section 271 of the Act also provides the means by which CenturyLink successfully gained entry into in-region interLATA service markets from which it had been legally precluded, commonly referred to as “the 271 process.” A primary objective of the 271 process was to verify that the local exchange marketplace was open for wireline competition, it would remain open, and that CenturyLink would maintain nondiscriminatory interconnection services once it was approved for interLATA service.

In seeking FCC approval under Section 271, CenturyLink worked with CLECs and other interested parties to develop performance measures known as Performance Indicator Definitions (PIDs), and put into place a QPAP that applied specific standards to the performance data to monitor CenturyLink’s compliance with its Section 271 interconnection requirements. The PIDs and the QPAP became exhibits to the interconnection agreements that CenturyLink offers to CLECs (specifically, Exhibits B and K, respectively).

On May 2, 2008, CenturyLink filed a petition with the Commission seeking to withdraw its Statement of Generally Available Terms (SGAT) and eliminate its QPAP and PIDs,

Case No. QWE-T-08-04. The Commission granted CenturyLink's request to withdraw its SGAT by Order No. 30750 issued March 17, 2009, but left open CenturyLink's request to withdraw its Plan. On July 30, 2010, CenturyLink filed an amended petition proposing adoption of a new performance plan (QPAP II) in lieu of withdrawing the existing QPAP. As that docket progressed, the Commission approved some changes agreed to by the parties, but the issue of replacement of the existing QPAP with QPAPII remained undecided. On July 1, 2011, a joint request of CenturyLink and a group of participating CLECs, collectively referred to as "Integra," asked the Commission to take no further action in the docket "until at least eighteen months after the Closing Date of the Qwest/CenturyLink merger." The merger officially closed April 1, 2011.

CenturyLink had filed a similar proceeding before the Colorado Public Utilities Commission (CPUC). The CPUC began a six-year review of the Colorado PAP (CPAP). In the review process, the CPUC gave specific directions regarding some terms and general directions on other issues, and directed the parties to negotiate terms for a new CPAP that complied with those directions. The parties in the Colorado CPUC case ultimately agreed upon a Settlement Agreement and a redesigned CPAP. An integral provision of the Settlement Agreement was that CenturyLink would petition the other 13 states in which the QPAP operates requesting adoption of the redesigned QPAP in place of the QPAPs currently in effect in the respective states.

CenturyLink's Petition in this case, presenting a redesign of the current Idaho QPAP, is based on the Colorado CPAP review and the redesign adopted in that state and supported by participating CLECs. CenturyLink provided the redesigned Idaho QPAP and PIDs as Attachments 1 and 2 to its Petition. Attachment 1 consists of the new QPAP which constitutes a revised Exhibit K for interconnection agreements; Attachment 2 consists of the new PIDs that constitute Exhibit B for interconnection agreements. Attachment 3 provides a comprehensive description of changes that the proposed, redesigned QPAP and PIDs would make to the existing Idaho QPAP and PIDs.

On August 14, 2013, the Commission issued a Notice of Petition and Notice of Modified Procedure to establish the process for CenturyLink's Petition, including a period for interested parties to file written comments. Staff was the only party to file comments; CenturyLink filed brief reply comments, asking the Commission to approve the new QPAP effective January 1, 2014, and to close Case No. QWE-T-08-04.

Staff in its comments reported that there have been two audits of the multi-state QPAP and PIDs performed by an independent third party since the completion of the 271 case. After each audit a comprehensive report revealed that CenturyLink's QPAP penalty payments were declining. Reductions were attributed to the Company improving its wholesale services as well as a decline in the number of CLEC providers. As a result of the improved performance, the Commission approved a reduction in certain PIDs. CenturyLink has continued to provide monthly reports on its performance and penalty payments to Staff. Overall the Company has shown further reductions in penalty payments, although a few months show an anomaly and a spike in certain PAP payments. Staff stated that a couple of PIDs remain that the Company consistently misses, but with the revised PID/PAP proposal the Company still could make significant penalty payments.

The Colorado settlement includes a provision that “. . . effective on January 1, 2014. CenturyLink further requests that the Commission deem all existing interconnection agreements that currently contain the QPAP be modified to incorporate these revisions, also effective January 1, 2014, without need for further filings or approvals.” Petition, p. 5. Staff noted that the CLECs involved in the settlement agreed to this provision, and all CLECs in Idaho were notified of the terms by the Commission's Notice in this case. Staff supported approval of the new QPAP and applying the revised QPAP to existing interconnection agreements.

Based on the record in this case, the Commission finds it reasonable and appropriate to approve the revised Plan filed by CenturyLink. The Commission finds that the changes proposed in the QPAP should not adversely affect CenturyLink's wholesale services in Idaho. The changes to the existing Plan were derived through a multi-year process before the Colorado Commission, which reviewed and approved the revised terms set forth in the settlement agreement. The terms of the settlement agreement were negotiated with several CLECs, including the CLECs that have participated in similar cases before this Commission. The QPAP as revised retains meaningful incentives for CenturyLink to maintain reliable service to its interconnected carriers, while recognizing that changes are justified by technological advances and CenturyLink's success in providing nondiscriminatory interconnection services. The Commission approves the revised QPAP, effective for new and existing interconnection agreements as of January 1, 2014, and hereby closes Case No. QWE-T-08-04.

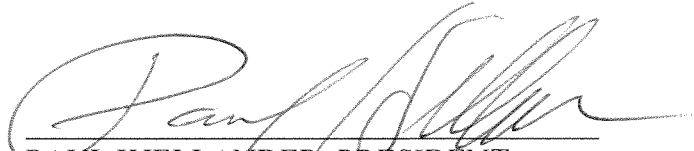
ORDER

IT IS HEREBY ORDERED that the redesigned Quality Assurance Plan and associated Performance Indicator Definitions filed with CenturyLink's Petition are approved for all new and existing interconnection agreements with CenturyLink, effective January 1, 2014.

IT IS FURTHER ORDERED that Case No. QWE-T-08-04 is closed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th day of September 2013.



PAUL KJELLANDER, PRESIDENT

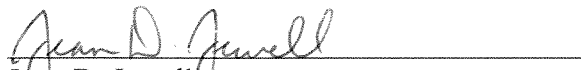


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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