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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP DIVISION

DOCKET CONTROL

2015 MAY 20 PM 4:00

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Chairman
- 3 BOB STUMP
Commissioner
- 4 BOB BURNS
Commissioner
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Commissioner
- 6 TOM FORESE
Commissioner
- 7

Arizona Corporation Commission

DOCKETED

MAY 20 2015

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF QWEST CORPORATION D/B/A CENTURYLINK-QC ("CENTURYLINK") TO CLASSIFY AND REGULATE RETAIL LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES AS COMPETITIVE, AND TO CLASSIFY AND DEREGULATE CERTAIN SERVICES AS NON-ESSENTIAL

DOCKET NO. T-01051B-11-0378

NOTICE OF TERMINATION OF CONDITIONS ON COMPETITIVE CLASSIFICATION AND PROPOSED ORDER

Qwest Corporation dba CenturyLink QC ("CenturyLink") notifies the Arizona Corporation Commission (the "Commission") and parties that pursuant to Decision No. 73354, which approved the Settlement Agreement in this matter, the conditions on competitive classification of CenturyLink's retail services stated in Sections 2.2, 2.3, and 2.4 of the Settlement Agreement (the "Conditions") terminate on August 24, 2015. The provisions of Decision No. 73354 make the termination of these conditions self executing inasmuch as no further action is required by CenturyLink or the Commission for that to occur. Should the Commission consider it prudent, however, to memorialize the termination of Conditions by an order, a proposed order is attached for the Commission's consideration.

In Decision No. 73354, the Commission approved the request of Qwest Corporation dba CenturyLink QC ("CenturyLink") for competitive classification of its retail services subject to certain conditions stated in Sections 2.2, 2.3 and 2.4 of the Settlement Agreement approved in that Decision. Section 2.4 of the Settlement Agreement provided for those conditions to terminate after three (3) years, upon a CenturyLink filing demonstrating (through defined indicia) that the telecommunications services

1 markets remain as competitive as or more competitive than they were at the time CenturyLink filed its
2 original application in this docket, and Staff verification of CenturyLink's findings.

3 Further, the Commission clarified in paragraph 76 of Decision No. 73354 that upon the
4 occurrence of the circumstances and actions which result in the elimination of conditions in
5 Sections 2.2, 2.3 and 2.4 of the Settlement Agreement, no further action shall be required by the
6 Commission to allow CenturyLink to increase rates for competitive services by making further filings
7 pursuant to A.A.C. R 14-2-1110 or -1109. It was the understanding of the parties at the time that this
8 clarification was intended to make the termination of the conditions in Sections 2.2, 2.3, and 2.4 self
9 executing if those other circumstances and actions were satisfied.

10 On February 23, 2015, Qwest Corporation dba CenturyLink QC ("CenturyLink") filed an
11 Arizona Competitive Report ("Report") pursuant to Section 2.4 of the Settlement Agreement approved
12 by the Arizona Corporation Commission ("Commission") in Decision No. 73354. The Report shows
13 that the competitive conditions are more competitive than conditions existing when CenturyLink filed its
14 application.

15 No objections to CenturyLink's Report have been filed by Staff or any other interested party.

16 On May 11, 2015, Staff filed a Memorandum noting that no party has filed objections, and
17 stating that Staff has verified that CenturyLink has met the criteria set out in Section 2.4 of the
18 Agreement. Staff concludes that CenturyLink has met the criteria contained in Section 2.4 of the
19 Settlement Agreement, and that Conditions 2.2, 2.3 and 2.4 should terminate August 24, 2015.

20 Although the elimination of the Conditions is specifically provided for by Decision No. 73354
21 upon the occurrence of the Staff's verification, without further Commission action, the Staff
22 Memorandum recommends that the Commission enter an order finding that CenturyLink has met the
23 criteria contained in Section 2.4 of the Settlement Agreement, and that Conditions 2.2, 2.3 and 2.4
24 should terminate August 24, 2015. If the Commission considers it prudent to acknowledge and
25 memorialize the Staff's verification and the consequent termination of conditions, CenturyLink offers
26 for the Commission's consideration the attached proposed order, confirming that the conditions on
27 competitive classification terminate August 24, 2015 and that CenturyLink is free to make further retail
28

1 rate increase filings pursuant to A.A.C. R 14-2-1110- or -1109. CenturyLink respectfully requests that
2 any such order be issued prior to the August 24th, 2015 termination date for the conditions.

3
4 RESPECTFULLY SUBMITTED, this 20th day of May, 2015.

5 QWEST CORPORATION d/b/a
6 CENTURYLINK-QC

7 
8 Norman G. Curtright
9 Associate General Counsel
10 20 E. Thomas Road, 1st Floor
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12 Telephone: (602) 630-2187

11 ORIGINAL and thirteen (13) copies of the foregoing
12 Filed this 20th day of May, 2015 with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

15 **COPIES** of the foregoing hand-delivered
16 this same day to:

17 Steve M. Olea
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21 Phoenix, Arizona 85007

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Chief Counsel, Legal Division
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1200 West Washington Street
Phoenix, Arizona 85007

20 Ms. Lyn Farmer
21 Chief Administrative Law Judge
22 Hearing Division
23 ARIZONA CORPORATION COMMISSION
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25 Phoenix, Arizona 85007

24 **COPIES** of the foregoing mailed this
25 20th day of May, 2015 to:

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9 *Rec'd Return*

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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

DOCKET NO. T-01051B-11-0378

DECISION NO. _____

ORDER

IN THE MATTER OF THE APPLICATION OF
QWEST CORPORATION D/B/A CENTURYLINK-
QC ("CENTURYLINK") TO CLASSIFY AND
REGULATE RETAIL LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES AS
COMPETITIVE, AND TO CLASSIFY AND
DEREGULATE CERTAIN SERVICES AS NON-
ESSENTIAL

Open Meeting
_____, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. In Decision No. 73354, the Commission approved the request of Qwest Corporation dba CenturyLink QC ("CenturyLink") for competitive classification of its retail services subject to certain conditions stated in Sections 2.2, 2.3 and 2.4 of the Settlement Agreement approved in that Decision. Section 2.4 of the Settlement Agreement allowed for those conditions to terminate after three (3) years, if CenturyLink makes a filing demonstrating (through defined indicia) that the telecommunications services markets remain as competitive as or more competitive than they were at the time CenturyLink filed its original application in this docket, no party objects to CenturyLink's demonstration, and Staff verifies CenturyLink's findings.

2. Further, the Commission clarified in paragraph 76 of Decision No. 73354 that upon the occurrence of the circumstances and actions which result in the elimination of conditions in Sections 2.2, 2.3 and 2.4 of the Settlement Agreement, no further action shall be required by the Commission to

1 allow CenturyLink to increase rates for competitive services by making further filings pursuant to
2 A.A.C. R 14-2-1110- or -1109.

3 3. On February 23, 2015, Qwest Corporation dba CenturyLink QC ("CenturyLink") filed an
4 Arizona Competitive Report ("Report") pursuant to Section 2.4 of the Settlement Agreement approved
5 by the Arizona Corporation Commission ("Commission") in Decision No. 73354.

6 4. No objections to CenturyLink's Report have been filed by Staff or any other interested
7 party.

8 5. On May 11, 2015, Staff filed a Memorandum noting that no party has filed objections,
9 and stating that Staff has verified that CenturyLink has met the criteria set out in Section 2.4 of the
10 Agreement. By the Memorandum, Staff recommends that the Commission enter an order finding that
11 CenturyLink has met the criteria contained in Section 2.4 of the Settlement Agreement, and that
12 Conditions 2.2, 2.3 and 2.4 should terminate August 24, 2015.

13 6. On May 20th, 2015, CenturyLink filed a notice stating that upon the basis of the
14 foregoing, Conditions 2.2, 2.3 and 2.4 terminate on August 24, 2105. CenturyLink states that the
15 provisions of Decision No. 73354 relieving CenturyLink from the Conditions are self executing and do
16 not require any further Commission action; however, if the Commission considers it prudent to
17 acknowledge the Staff's verification and the consequent termination of conditions, CenturyLink offered
18 a proposed order.

19 ANALYSIS AND CONCLUSION

20 7. By its filing made February 23, 2015, CenturyLink has met the requirements of
21 Section 2.4 of the Settlement Agreement demonstrating that the state of competition for voice services in
22 Arizona is the same or greater than the levels at the time it filed its Application.

23 8. By its Memorandum filed May 11, 2015, Staff has verified that CenturyLink has met the
24 requirements of Section 2.4 of the Settlement Agreement.

25 9. Neither Staff nor any party has docketed an objection to the termination of conditions on
26 competitive classification for CenturyLink retail services.

27 10. While Decision No. 73354 is self executing and does not require further Commission
28 action for CenturyLink to be relieved of the Conditions, it is reasonable for the Commission to enter an

Decision No. _____

1 order acknowledging Staff's verification, finding that CenturyLink has met the criteria contained in
 2 Section 2.4 of the Settlement Agreement adopted in Decision No. 73354, that Conditions 2.2, 2.3 and
 3 2.4 should terminate August 24, 2015, and that no further action is required by the Commission to allow
 4 CenturyLink to make further filings to amend its rates for competitive services pursuant to A.A.C. R 14-
 5 2-1110 or -1109.

ORDER

7 IT IS THEREFORE ORDERED that the conditions on competitive classification in Sections 2.2,
 8 2.3 and 2.4 of the Settlement Agreement approved in Decision No. 73354 terminate August 24, 2015,
 9 and that Qwest Corporation dba CenturyLink QC shall be entitled at that time to request changes to its
 10 rates for competitive retail services under A.A.C. R-14-1110 or -1109 without conditions and with no
 11 further action required by the Commission except as provided by the applicable Rules.

12 IT IS THEREFORE ORDERED that this Decision shall become effective immediately.

13 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

14
15
16 CHAIRMAN

COMMISSIONER

17
18 COMMISSIONER

COMMISSIONER

COMMISSIONER

19 IN WITNESS WHEREOF, I JODI JERICH, Executive
 20 Director of the Arizona Corporation Commission, have
 21 hereunto, set my hand and caused the official seal of
 22 this Commission to be affixed at the Capitol, in the City
 23 of Phoenix, this __ day of _____, 2015.

24 _____
 25 JODI JERICH
 26 EXECUTIVE DIRECTOR

27 DISSENT: _____

28 DISSENT: _____

1 SERVICE LIST FOR: QWEST CORPORATION D/B/A CENTURYLINK-QC
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