

July 1, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Qwest Corporation d/b/a CenturyLink's Proposal to Increase Monthly Rates for Private and Semi-Private Directory Listings
Docket No. P421/AM-15-417

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce (Department) in the above referenced matter. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ DIANE DIETZ
Rates Analyst

And

/s/ KATHERINE DOHERTY
Rates Analyst

DD/KD/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE**

DOCKET No. P421/AM-15-417

I. PROCEDURAL BACKGROUND

On May 1, 2015, Qwest Corporation d/b/a CenturyLink (Qwest) filed a petition proposing to increase the monthly rate for Private (non-published) and Semi-Private (non-listed)¹ directory listings services from \$2.45 to \$3.45, and from \$1.15 to \$2.15, respectively, effective June 1, 2015.

On June 18, 2015, comments were filed by the Legal Services Advocacy Project, raising public interest concerns related to the instant docket, and addressing more broadly public interest concerns as they relate to all Minnesota local service providers who offer Private (or non-published) and Semi-Private (non-listed) directory service.

On June 19, 2015, at the request of the Department, the Commission extended the initial comment period from June 1 to July 1, 2015. The new deadline for filing reply comments is July 13, 2015.

II. STATEMENT OF LAW

Qwest is regulated in Minnesota pursuant to an Alternative Form of Regulation (AFOR) plan. The plan was approved by the Minnesota Public Utilities Commission (Commission) on December 23, 2009 in Docket No. P421/AR-09-790 and became effective December 31, 2009. On November 20, 2013, the Commission approved Qwest's request to extend the AFOR Plan for an additional three years to December 31, 2016.²

¹ Private (non-published) listings are omitted from the directory, and are posted on directory assistance records without a telephone number. Semi-Private (non-listed) listings are omitted from the directory but otherwise posted on the directory assistance records and are given out on request. Qwest tariff #1, Section 5.7.1(B)(1)(a) and (c).

² In the Matter of Extending CenturyLink's Second Revised Form of Regulation Plan, Docket P421/AR-13-498, *Order Approving Extension of Second Revised Form of Regulation Plan*, Ordering Paragraph 2, page 2.

An AFOR plan is designed, in part, to provide a telephone company's customers with service of a quality consistent with commission rules at affordable rates,³ and must contain provisions that provide for classification of telephone services as price regulated, flexibly priced, or non-price regulated, as defined in subdivisions 2 to 5 of Minnesota Statute 237.761.

Qwest's AFOR Plan classifies Private and Semi-Private directory listings as "price regulated" services.⁴ Price regulated services are those services that are:

- (1) essential for providing local telephone service and access to the local telephone network;
- (2) integrally related to privacy, health, and safety of the company's customers; and
- (3) for which no reasonable alternative exists within the relevant market or geographic area on reasonably comparable terms and conditions.⁵

The Plan states that:

In the event Qwest proposes a price increase above the Regulated Price of a Price-Regulated Service, the proposal shall be supported by affirmative evidence. Any interested person may file an objection with the Commission or the Commission, on its own motion, may act within 30 days of the notice. In its objection, the interested person or the Commission shall specify the manner in which Qwest's proposal violates state law or Commission rules or is otherwise not in the public interest. If, after receipt of a valid objection or upon its own motion, the Commission within 120 days of the date of notice makes specific findings based on substantial evidence demonstrating that Qwest's proposal violates state law or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase. If the Commission does not make such a determination within 120 days, the proposal shall be deemed approved. If no objection is filed or the Commission on its own motion does not act within 30 days of Qwest's filing, the price increase(s) shall be deemed approved. Qwest may not increase the price of a price-regulated service if it has not demonstrated substantial compliance with the quality of service standards set forth in the Plan.

³ Minnesota Stat. §237.76.

⁴ Qwest AFOR Plan Appendix A.

⁵ Minnesota Stat. §237.761, subd. 2

Minnesota Statute 237.081, subd. 1 states that “[w]henver the commission believes that a service is inadequate or cannot be obtained or that an investigation of any matter relating to any telephone service should for any reason be made, it may on its own motion investigate the service or matter with or without notice, except that the commission shall give notice to a telephone company before it investigates the level of rates charged by the company.”

III. DEPARTMENT COMMENTS

Qwest filed its petition thirty days prior to the proposed effective date. Customers were noticed appropriately, and the increased rates became effective on June 1, 2015.

On June 18, 2015, LSAP filed comments raising public interest concerns related to the rate increase.

The Department acknowledges that no objection was filed within the thirty days following the filing of Qwest’s petition as contemplated by the AFOR plan, and that, according to the terms of the AFOR Plan, if no objection is filed within 30 days, the petition is deemed approved . The Department notes, however, that the Commission has extended the initial comment period, at the Department’s request for an additional 30 days. Further, regardless of whether the petition is “deemed approved,” the Department notes that the Commission has the authority to investigate any matter related to any telephone service for any reason at any time.

The Department believes that the comments of LSAP, as well as the petition itself, raise important public interest issues that the Commission may wish to address, not only for Qwest, but for all local service providers subject to the Commission’s jurisdiction that offer Private and Semi-Private directory listing services to their customers.

The Department therefore provides the following analysis for the Commission’s consideration.

IV. ANALYSIS

- *Qwest provided no reasonable basis, in its petition, other than to increase revenue, for increasing the rates for Private and Semi Private directory listing services.*

Qwest’s AFOR Plan requires that in the event Qwest proposes a price increase above the Regulated Price⁶ of a Price-Regulated Service, the proposal shall be supported by affirmative

⁶ The Plan defines “Regulated price” as the price in effect on the effective date of the Plan.

evidence. While Qwest filed a “Statement of Support,” with its petition, the statement contains no evidence that such an increase is in the public interest.

Qwest stated that a strategic initiative is to “standardize rates across all territories within the Company” and that “[w]ith this filing, the Company moves toward more consistent and uniform rates throughout its legacy Qwest region.”⁷

The Department has examined the rates for Private and Semi Private Listings as reflected in Qwest’s tariffs and price lists throughout the 14-state legacy Qwest region. The results are reflected in Attachment A. It is unclear to the Department how Qwest intends to “standardize” its rates, or at what level Qwest believes a standardized rate would be appropriate. Notably, as of June 1, 2015, Qwest *raised* its rates in five states whose rates for Private and Semi-Private listings were already at the top of the range of rates throughout the region. To the Department’s knowledge, Qwest has not reduced its Private and Semi-Private listings rates in any of the Qwest legacy states.⁸ It appears that Qwest intends to “standardize” its rates in an upward direction.

In addition, Qwest’s increased rate for Private Listings is significantly higher than any other CenturyLink operating company in Minnesota, and is higher than any other large incumbent local exchange carrier (ILEC) in Minnesota (see Attachment B).

Qwest’s also stated in support of its petition that the increase is “intended to address revenue challenges of the Company, but provided no rationale as to why it is appropriate to address revenue challenges with rate increases to price-regulated services, services which are deemed “essential for providing local telephone service and access to the local telephone network,” are “integrally related to privacy, health, and safety of the company's customers,” and “for which no reasonable alternative exists within the relevant market or geographic area on reasonably comparable terms and conditions.”⁹

- *The increases to Private and Semi-Private directory listings rates are not in the public interest.*

Qwest stated in its petition that “Private and Semi-Private Directory Listings are a specialized, discretionary service offering to which customers have the ability to subscribe or unsubscribe at will.”¹⁰

⁷ Statement in Support of Filing.

⁸ Qwest raised its rates for both Private and Semi-Private listings in Washington to \$5.00 in May of 2014, and reduced them a month later to \$2.00.

⁹ Minn. Stat. 237.761, subd. 2.

¹⁰ Statement in Support of Filing.

Customer privacy, however, cannot be considered “discretionary.” The Department notes, for example, that the Commission has recently approved amendments to its rules concerning white pages directory publication and distribution.¹¹ The amendments allow local service providers to offer electronic directories to satisfy the rules' directory requirements. Customers who may have found the exposure of their names, addresses, and telephone numbers in a paper directory a tolerable risk, may be more averse to the risk of publishing their personal information in an on-line electronic directory. Customers should not be subject to higher and higher rates simply to preserve their privacy.

As LSAP points out in its comments, for some customers, “maintaining confidentiality about their whereabouts is a matter of safety and, not infrequently, life or death, for themselves and their children.”¹² Customers may, as Qwest suggests, have the *ability* to subscribe or unsubscribe at will, but to unsubscribe may result in significant harm to many customers. Requiring customers to choose between personal privacy and safety, and an affordable telephone bill is simply no choice at all.

- *Qwest has provided no evidence that a reasonable alternative to Private and Semi-Private directory listings service exists.*

Qwest indicated in response to the Department’s query as to what alternatives are available to consumers who wish or need to protect the privacy of their name, address and/or telephone number, that:

Customers who need to protect the privacy of their name, address or telephone number may participate in an address confidentiality program administered by the Minnesota Secretary of State. The Minnesota Secretary of State's Office offers an address confidentiality program in collaboration with local victim service providers to help survivors of domestic violence, sexual assault, stalking, or those who fear for their safety, a confidential address. All Minnesota utilities are required to participate in this program.¹³

While the Minnesota Secretary of State’s Safe-At Home program does provide participants with a confidential *address*, and Minnesota utilities are required to participate in the program, the Department has verified with the director of the program that it does not address the issue of private or semi-private *telephone* directory listing service, and does not

¹¹ CenturyLink’s ILEC operating companies in Minnesota include Qwest, Embarq, CenturyTel of Minnesota, CenturyTel of Chester, and CenturyTel of Northwest Wisconsin.

¹² LSAP comments, page 2.

¹³ Qwest Response to Department IR #5 (See Attachment C).

provide participants with the option of a non-published telephone number at no charge. If a participant identifies a need for non-published telephone service, in *addition* to the address protection that the Safe-At-Home program provides, participants retain responsibility for any applicable monthly and non-recurring charges that are imposed by his/her telephone service provider.

While Qwest may offer non-published service to Safe at Home program participants at no charge on a voluntary basis, neither Qwest nor any other telephone company is required by the Safe At Home program to do so. Safe at Home cannot be considered a substitute for private or semi-private telephone number service.

LSAP recommended, in its comments, that the Commission consider requiring Qwest and other Minnesota local service providers that offer non-published and non-listed telephone number services to incorporate in their tariffs a provision that provides for a waiver of charges associated with these services, for customers who can demonstrate that:

1. They or their children are victims of violence in need of non-published and non-listed number services protection; and
2. They are recipients of public assistance or eligible for Legal Aid services.¹⁴

The Department supports LSAP's recommendation and believes that such a tariff provision is appropriate to address the privacy needs of the most vulnerable customers. To the extent that Qwest already offers such a waiver to Safe at Home participants, it should have no objection to adding such a tariff provision. The Commission may wish to open a separate docket and solicit comments as to the applicability of the requirement to other local service providers who offer Private (or non-published) and Semi-Private (non-listed) directory services.

V. COMMISSION OPTIONS

A. With respect to Qwest's filing:

1. Accept the rates for Private and Semi-Private listings as filed and implemented by Qwest.
2. Find that Qwest's rate increases to Private and Semi-Private Listings are not in the public interest and require that Qwest reduce the rates to their previous levels (\$2.45 and \$1.15, respectively) within thirty days of the Commission's order.

¹⁴ Comments of LSAP, page 3.

3. Find that Qwest's rate increases to Private and Semi-Private Listings are in the public interest if Qwest agrees to file a tariff provision, as recommended by LSAP, within 30 days of the Commission's order, that provides for a waiver of charges associated with Private and Semi-Private Listings, for customers who demonstrate that:
 - a. They or their children are victims of violence in need of non-published and non-listed number services protection; and
 - b. They are recipients of public assistance or eligible for Legal Aid services.
 4. Find that Qwest's rate increases to Private and Semi-Private Listings are not in the public interest and require 1) that Qwest reduce the rates to their previous levels (\$2.45 and \$1.15 respectively) within thirty days of the Commission's order *and* 2) that Qwest file a tariff provision as recommended by LSAP within 30 days of the Commission's order, that provides for a waiver of charges associated with Private and Semi-Private Listings under the circumstances outlined in option 3.
 5. Other action of the Commission's choosing.
- B. With respect to the tariffs of all local service providers who offer Private (non-published) and/or Semi-Private (non-listed) Directory Listings to customers:
1. Open a generic docket and solicit comments as to whether LSAP's recommendation (as outlined above) should be applied to the tariffs of all local service providers subject to the Commission's jurisdiction who offer Private (non-published) and/or Semi-Private (non-listed) Directory Listings to customers.
 2. Take no action.
 3. Other action of the Commission's choosing.

VI. DEPARTMENT RECOMMENDATION

The Department recommends A2, A3 or A4, and B1.

/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. P421/AM-15-417

Dated this 1st day of July 2015

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-417_15-417
Linda	Chavez	linda.chavez@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 55101-2198	Electronic Service	No	OFF_SL_15-417_15-417
JoAnn	Hanson	joann.hanson@centurylink.com	CenturyLink	200 S 5th St Ste 2200 Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_15-417_15-417
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_15-417_15-417
Jason	Topp	jason.topp@centurylink.com	CenturyLink	200 S 5th St Ste 2200 Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_15-417_15-417
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-417_15-417

Qwest Rates Throughout the 14-state Legacy Qwest Territory			
State	Private	Semi-Private	Notes
Arizona	\$0.90	\$0.35	
Colorado	\$2.50	\$1.80	
Idaho	\$6.00	\$6.00	Increased as of June 1, 2015
Iowa	\$6.00	\$6.00	Increased as of June 1, 2015
Minnesota	\$3.45	\$2.15	Increased as of June 1, 2015
Montana	\$5.00	\$3.50	Increased as of June 1, 2015
Nebraska	\$6.00	\$6.00	Increased as of June 1, 2015
New Mexico	\$2.25	\$1.40	
North Dakota	\$6.00	\$6.00	Increased as of June 1, 2015
Oregon	\$0.65	\$0.35	
South Dakota	\$6.00	\$6.00	
Utah	\$6.00	\$6.00	
Washington	\$2.00	\$2.00	
Wyoming	\$6.00	\$6.00	

CenturyLink Operating Companies Rates		
	Private	Semi-Private
Qwest dba CenturyLink	\$3.45	\$2.15
Embarq Minnesota dba CenturyLink	\$2.00	\$2.00
CenturyTel of Minnesota dba CenturyLink	\$2.70	\$2.00
CenturyTel of NW Wisconsin dba CenturyLink	\$2.00	\$2.00
CenturyTel of Chester dba CenturyLink	\$2.00	\$2.00

Large Incumbent Local Exchange Carrier Rates		
	Private	Semi-Private
Qwest dba CenturyLink	\$3.45	\$2.15
Frontier Communications of Minnesota	\$3.01	\$3.05
Citizens Telecommunications Company	\$3.00	\$3.00
Embarq Minnesota dba CenturyLink	\$2.00	\$2.00

Attachment C
Public

Received At Front Desk

JUN 26 2015

Minnesota Department
of Commerce



Jason D. Topp
Associate General Counsel - Regulatory
(651) 312-5364

June 26, 2015

Ms. Katherine Doherty
MN Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, MN 55101-2198

**Re: In the Matter of Qwest Corporation d/b/a CenturyLink's Proposal to
Increase Monthly Rates for Private and Semi-Private Directory Listings
Docket No. P-421/AM-15-417**

Dear Ms. Doherty:

Enclosed are Qwest Corporation d/b/a CenturyLink's Responses to the Department of
Commerce's Information Request Nos. 1-5 regarding the above-referenced matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jason D. Topp".

Jason D. Topp

JDT/bardm

Enclosures

PUBLIC DOCUMENT
TRADE SECRET DATA
HAS BEEN EXCISED

200 South 5th Street, Room 2200
Minneapolis, MN 55402
www.centurylink.com

**TRADE SECRET/PRIVILEGED INFORMATION
CLASSIFICATION RATIONALE**

State: Minnesota

Description/Title of Information: In the Matter of Qwest Corporation d/b/a CenturyLink's Proposal to Increase Monthly Rates for Private and Semi-Private Directory Listings
Docket No. P-421/AM-15-417

Trade Secret/Privileged Designation Rationale:

Qwest Corporation d/b/a CenturyLink's Responses to the Department of Commerce's Information Requests and Trade Secret Attachments A and B contain information that is considered Trade Secret because (1) CenturyLink makes reasonable efforts to ensure its privacy and (2) the data derives actual or potential independent economic value because the information is not generally known to, and not being readily ascertainable by proper means by, other persons who can obtain value from its disclosure or use. For this reason, Qwest Corporation d/b/a CenturyLink's Responses to the Department of Commerce's Information Requests and Trade Secret Attachments A and B should be protected from public disclosure.

**QWEST CORPORATION D/B/A CENTURYLINK'S RESPONSES TO
DEPARTMENT OF COMMERCE'S INFORMATION REQUESTS**

Qwest Corporation d/b/a CenturyLink QC ("CenturyLink QC") objects to these requests based on the terms of its second revised alternative form of regulation plan ("AFOR"), which provides that "[CenturyLink QC's] retail services are not subject to rate of return regulation or earnings investigations pursuant to sections 237.075 or 237.081 of Minnesota Statutes during the term of the Second Revised Plan." CenturyLink QC further asserts that, while Private and Semi-Private listings are classified in the AFOR as price regulated, such classification is no longer appropriate given the alternatives that are available in the marketplace. Finally, CenturyLink QC objects on the grounds that no timely objection was filed for these rate changes. Notwithstanding and without waiving these objections, CenturyLink QC responds as follows:

Request No. 1:

In its Statement in Support of the Filing, CenturyLink QC stated that "the annual revenue impact of the proposed increase for legacy Qwest in Minnesota is estimated to be as follows: ***Business and Residence forecasted increase is being determined and will be provided when available.***" Please provide the revenue impact of the increase to private and semi-private listing rates. If the revenue impact information is still not available, please provide a date on which the revenue impact data will be provided.

Response:

The total forecasted annual revenue impact is [TRADE SECRET DATA BEGINS
TRADE SECRET DATA ENDS] Residence and [TRADE SECRET
DATA BEGINS TRADE SECRET DATA ENDS] Business.

PUBLIC DOCUMENT

TRADE SECRET DATA
HAS BEEN EXCISED

Request No. 2:

What is the date of the most recent cost study(ies) for 1) private directory listing service and 2) semi-private directory listing service? Could you provide copies of the cost studies?

Response:

The most recent cost study was completed in 2010. The study description and files are attached as Trade Secret Attachments A and B.

Request No. 3:

How many residential CenturyLink QC Minnesota customers currently subscribe to private listing service?

Response:

CenturyLink currently has approximately [TRADE SECRET DATA BEGINS
TRADE SECRET DATA ENDS] subscribers in Minnesota with Non-Published
Number service.

Request No. 4:

How many residential CenturyLink QC Minnesota customers currently subscribe to semi-private listing service?

Response:

CenturyLink currently has approximately [TRADE SECRET DATA BEGINS
TRADE SECRET DATA ENDS] subscribers in Minnesota with Non-Listed Number
service.

Request No. 5:

What alternatives to purchasing private or semi-private directory listing service are available to consumers who wish to or need to protect the privacy of their name, address and/or telephone number?

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HAS BEEN EXCISED

