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July 13, 2015

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

**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 Mr. Wolf:

Enclosed for filing are the Reply Comments of Qwest Corporation d/b/a CenturyLink QC regarding the above-referenced matter.

Very truly yours,

/s/ Jason D. Topp

Jason D. Topp

JDT/bardm

Enclosures

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
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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
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**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

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**

**REPLY COMMENTS OF
QWEST CORPORATION DBA CENTURYLINK QC**

On May 1, 2015, Qwest Corporation d/b/a CenturyLink QC (CenturyLink QC) filed a petition with the Public Utilities Commission (Commission) and provided its customers with notification that rates for private and semi-private directory listings would be increased. On June 1, 2015, the identified private and semi-private directory listing rates went into effect. On June 17, 2015, the Legal Services Advocacy Project (LSAP) filed comments with the Commission recommending that the Commission require companies to offer customers who are victims of violence and low income private listings without charge. On June 18, 2015, the Department of Commerce (Department) requested the Commission grant it an extension of the initial comment period to July 1, 2015 in order to file comments.

CenturyLink QC respectfully submits the following Reply Comments.

I. The Commission Should Reject the Department's Arguments that the Commission Ignore the Terms of the AFOR and the Statutes Governing AFORs.

In reviewing CenturyLink QC's proposed rate increase, this Commission should be guided by the terms of CenturyLink QC's Second Revised Alternative Form of Regulation

Plan (AFOR). The Department urges the Commission to cast the terms of the AFOR aside and interpret its authority under Section 237.081 to allow it to revisit price changes at any time. While the AFOR provides that “the Commission retains its authority under Section 237.081 to investigate matters other than rate of return,”¹ interpreting the provision to allow the Commission to revisit any rate at any time flies in the face of the detailed provisions of the AFOR and obviates the specific provisions set forth for rate changes for price-regulated services and the procedures for objection to price increases for price-regulated services.

In its 2009 order approving the AFOR, the Commission declared that AFOR plans “replace rate-of-return regulation with more flexible pricing procedure.”² The Commission carefully considered procedures related to price increases for price-regulated services and used the following analysis when ordering this language:

The Commission looks for opportunities to eliminate unwarranted regulatory burdens. In this context, the Commission finds no fault with the proposition that a party would raise an initial objection within 30 days of Qwest’s filing a rate increase. However, the Commission is persuaded that Sprint’s and the Department’s other concerns are justified. Given this 30-day window in which to analyze a proposed rate change and articulate objections, however, a statement from Qwest setting forth the justification for its proposed rate increase is necessary. Finally, Qwest always bears the burden to show that its tariffs are in the public interest.³

The procedure set forth in the AFOR was carefully considered by this Commission and should not be cast aside.

¹ AFOR, Section III.A, p. 4.

² *In the Matter of a Petition by Qwest Corporation for Approval of its Second Revised Alternative Form of Retail Regulation (AFOR) Plan*, Order Approving Qwest’s Alternative Regulation Plan as Modified, (Order Approving Qwest’s AFOR), Dkt. P-421/AR-09-790 (Dec. 23, 2009), p. 2
<https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={BF1EE0EA-42CB-4F11-8CFB-15BDF5F89737}&documentTitle=200912-45353-01>.

³ Order Approving Qwest’s AFOR, p. 9.

The procedures in CenturyLink QC's AFOR are clear. "Interested parties shall have 30 days to file comments from the date of the initial filing..."⁴ and that "[a]ny interested person may file an objection with the Commission or the Commission, on its own motion, may act within 30 days of the notice."⁵ Neither LSAP nor the Department has met the 30 day deadline. CenturyLink QC filed its proposed rate increase on May 1. The deadline for objections was May 30. LSAP missed this deadline by 17 days and the Department filed its comments on July 1, more than 30 days past the deadline.

The Commission's order granting the Department a July 1 deadline for comments does not change this analysis. On June 18, the Department requested an extension to file comments.⁶ It notably did not seek an extension to object to the rate increase. Even if it had, its request was made beyond the 30 day time period provided for in the AFOR.

For this same reason, this Commission should not cast aside the carefully considered and very clear requirements for altering prices in an AFOR under the guise of general investigatory authority under Minn. Stat. §237.081. Such an approach renders meaningless the exemption from rate of return or earnings investigations set forth in Minn. Stat. §237.763 and undermines the entire concept of more flexible regulation dictated by Minn. Stat. §237.76. The Commission should also reject proposals from the Department to open a generic docket to consider providing directory listings for free to low income customers. Such an approach undermines the pricing structures applicable to each company, ignores the statutes that govern pricing in each instance, ignores existing state programs that have been

⁴ AFOR, Section IV.B.1.b, p. 7.

⁵ AFOR, Section IV.B.1.c, p. 7.

⁶ Letter from Diane Dietz and Katherine Doherty to Dan Wolf, filed June 18, 2015
<https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={B8973C73-0DCA-455A-9E44-AFD99147C1BB}&documentTitle=20156-111555-01>.

carefully constructed to address customer confidentiality concerns, and would be vulnerable to a legal challenge.

The objections filed by LSAP and the Department are untimely and should be rejected.

II. CenturyLink QC's Rate Increases are Well Within Industry Norms and are in the Public Interest.

The Department criticizes CenturyLink QC's petition as providing no reasonable basis for increasing rates for private and semi-private directory listings and for not providing "affirmative evidence" to support such a rate.⁷ CenturyLink QC filed a statement in support of its rate change that states:

One of CenturyLink's strategic initiatives is to standardize rates across all territories within the Company. Based on historical Company tariffs, the rates for Private and Semi-Private Directory Listings have not increased since at least October 1984. With this filing, the Company moves toward more consistent and uniform rates throughout its legacy Qwest region.

In addition, this increase is intended to address revenue challenges of the Company. Private and Semi-Private Directory Listings are a specialized, discretionary service offering to which customers have the ability to subscribe or unsubscribe at will.⁸

The Commission explicitly contemplated a statement of this type, rather than a more substantial filing, when it added the affirmative evidence language to this section of the AFOR.⁹

Furthermore, CenturyLink QC's justifications are appropriate. It is trying to standardize rates. While regulatory requirements do not make rates entirely uniform, the

⁷ Department Comments, p. 3.

⁸ Statement in Support of the Filing, filed May 1, 2015

<https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={28112CC1-3D55-4A62-976D-2C3A6D72BABF}&documentTitle=20155-110048-02.>

⁹ Order Approving Qwest's AFOR, p. 9. "Given this 30-day window in which to analyze a proposed rate change and articulate objections, however, a statement from Qwest setting forth the justification for its proposed rate increase is necessary."

chart attached as Attachment A shows that the rates are being brought to comparable levels where possible.

In addition, there can be no doubt that CenturyLink has a need to increase revenue. Affidavits filed in the service quality case demonstrate that since 2001, CenturyLink's access lines have decreased from 2,251,637 to 737,283, a decrease of over 67%.¹⁰ It should not at all be surprising that CenturyLink QC would seek to add additional revenue where it might be possible to do so.

Furthermore, CenturyLink QC's proposed rate falls well within industry norms. The Department's chart omits the rates offered by some of the largest providers in the state, including Charter at \$5 and FiberNet Monticello's price of \$5.50.¹¹ Moreover, the proposed rates are less than rates in other states as demonstrated in Attachment A to the Department's Comments.

Finally, the Commission should take into account customer alternatives when reviewing this rate. Over 40% of customers have chosen to eliminate landline service entirely, thereby making this price change meaningless. Wireless customers do not have directory listings. For customers that face dangerous situations, CenturyLink QC offers free private listings to those that enroll in the Secretary of State's Safe at Home Program. To the extent the Commission would like to see the Safe at Home program participant exemption specifically spelled out in the tariff, CenturyLink QC has no objection to adding such language. Thus, the customers that will be impacted by this rate change truly are those

¹⁰Affidavit of Robert Brigham dated December 12, 2014, *In the Matter of a Rulemaking to Consider Possible Amendments to Minnesota Rules, parts 7810.4100 through 7810.6100*, Docket No. P-999/R-14-413, ¶ 6.

¹¹ See Attachment A, Directory Listing Rate Comparison.

customers that see a private or semi-private listing as a beneficial option. Paying \$3.45 a month for such an option is a reasonable price and one that should be approved.

CONCLUSION

CenturyLink QC's rate changes were properly filed and well supported. The Commission should reject the late filed objections of LSAP and the Department and close this docket.

Dated this 13th day of July, 2015.

**QWEST CORPORATION D/B/A
CENTURYLINK QC**

/s/ Jason D. Topp

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Directory Listing Rate Comparison

	Private/ Non-Published	Semi-Private/ Non-Listed
Arvig	\$ 2.00	\$ 2.00
CenturyLink QC	\$ 3.45	\$ 2.15
Charter	\$ 5.00	\$ 5.00
Citizens	\$ 3.00	\$ 3.00
Comcast	\$ 2.25	\$ 1.00
FiberNet Monticello	\$ 5.50	\$ 3.50
Frontier	\$ 3.01	\$ 2.05
Popp	\$ 2.45	\$ 1.15
Scott-Rice dba Integra	\$ 1.75	\$ 1.75
TDS	\$ 2.00	\$ 2.00
Velocity	\$ 2.50	\$ 2.50
WindomNet	\$ 2.50	\$ 1.25
Windstream	\$ 1.99	\$ 1.99

Attachment A