

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of an Investigation in which to	)	
Gather Information about the Facility	)	
Extension Practices of ETCs Eligible to	)	File No. TO-2016-0184
Receive High Cost USF Support	)	

**RESPONSE OF CENTURYLINK<sup>1</sup>**

**Questions for companies receiving high-cost USF support regarding service requests in areas where the company lacks sufficient facilities to provide service.**

1. Provide a direct link to the specific portion of a company's website or alternatively cite the specific portion of a company's tariff that describes the charges, allowances and other relevant information for line extensions or situations where facilities are not in place to fulfill an applicant's request for service.

RESPONSE:     See:

Embarq Missouri, Inc. d/b/a CenturyLink, Local Terms of Service,  
Section 8 CHARGES APPLICABLE UNDER SPECIAL CONDITIONS --  
[http://www.centurylink.com/tariffs/mo\\_eqmo\\_loc\\_terms.pdf](http://www.centurylink.com/tariffs/mo_eqmo_loc_terms.pdf)

CenturyTel of Missouri, LLC d/b/a CenturyLink, Local Terms of Service,  
Section 2.18 CHARGES APPLICABLE UNDER SPECIAL CONDITIONS --  
[http://www.centurylink.com/tariffs/mo\\_ct-mo\\_loc\\_terms.pdf](http://www.centurylink.com/tariffs/mo_ct-mo_loc_terms.pdf)

Spectra Communications Group, LLC d/b/a CenturyLink, Local Terms of Service,  
Section 2.17 CHARGES APPLICABLE UNDER SPECIAL CONDITIONS --  
[http://www.centurylink.com/tariffs/mo\\_ct-mo\\_loc\\_terms.pdf](http://www.centurylink.com/tariffs/mo_ct-mo_loc_terms.pdf)

CenturyTel of Northwest Arkansas, LLC (Missouri) d/b/a CenturyLink, Local Terms of Service,  
Section 2 GENERAL TERMS AND CONDITIONS –  
[http://www.centurylink.com/tariffs/mo\\_ct-nw-ar\\_loc\\_terms.pdf](http://www.centurylink.com/tariffs/mo_ct-nw-ar_loc_terms.pdf)

See also:  
CENTURYLINK® LOCAL TERMS OF SERVICE:  
SPECIAL CONSTRUCTION AND PROVISION/EXTENSION OF FACILITIES  
(a.k.a. Line Extensions and Special Construction Services)  
[http://www.centurylink.com/tariffs/LTOS\\_Construction\\_Charges.pdf](http://www.centurylink.com/tariffs/LTOS_Construction_Charges.pdf)

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<sup>1</sup> The CenturyLink companies responding to this request include Embarq Missouri, Inc., d/b/a CenturyLink; CenturyTel of Missouri, LLC, d/b/a CenturyLink; Spectra Communications Group, LLC, d/b/a CenturyLink; and CenturyTel of Northwest Arkansas, LLC, d/b/a CenturyLink.

2. Does your company not apply any construction or similar one-time charges if the distance to extend facilities is within a certain distance? If yes, what is the maximum distance whereby the company will not apply any special charges to extend facilities?

RESPONSE: CenturyLink evaluates individual line extension requests to determine if the cost of the extension is expected to be recovered within a reasonable period of time. If not, the company will pursue a line extension charge payment from the customer prior to agreeing to complete the requested line extension. Costs related to line extensions vary widely depending upon terrain, local requirements, available facilities, weather, and geography. Because of changing costs and expected revenue over time, establishing a distance-based allowance or per-mile rate is difficult to do and ensure proper costs are recoverable. CenturyLink has determined that a line extension costing about \$675 can be recovered in a reasonable period of time from non-recurring and recurring revenues during the expected time the customer retains CenturyLink's service. CenturyLink Operations has established as a guideline for its operations personnel that any direct buried facility extension of 550 feet or less would approximate the \$675 allowance. Therefore, any direct buried facility extension of 550 feet or less would not require a line extension charge to the customer unless it involved unusual construction costs. Facility extensions greater than 550 feet are sent to engineering for development of the line extension charge amount, based on the actual cost of the facility extension but only the cost of extension beyond the standard 550 feet will be requested from the customer. If a bore is required, even if the facility placement is less than 550 feet, the cost may exceed \$675. The figures discussed in this response are not cited in the Local Terms of Service related to Missouri line extensions because of the potential that specially constructed facilities may require costly construction that cannot be determined prior to the engineering of the facilities. For example, a short line extension of 550 feet or less may require one or more road bores or other unusual construction costs that require a charge to the customer.

3. Does your company provide the customer with a certain dollar allowance for construction costs to extend facilities? If yes, what is the allowance?

RESPONSE: See response the Question No. 2.

4. Are charges for extending facilities applied based on a set formula (i.e., \$100 per 1/10 mile) or alternatively are charges determined on an individual case basis?
- If charges are based on a set formula then identify the formula.
  - If charges are based on an ICB basis then:
    - Explain what types of costs are identified to form the basis for these charges.
    - Approximately what percent of all costs for extending facilities is the customer expected to pay?

RESPONSE:

- See response to Question No. 2.
- i. In addition to costs identified in response to Question No. 2, line extension costs include all material, supplies, engineering, labor, supervision, transportation, and rights-of-way/easements for placing all facilities necessary to provide the requested service, including but not limited to channel equipment, feeder, distribution, and

drop facilities, electronics, cards, and any applicable overhead, as determined by CenturyLink.

b.ii. CenturyLink allows for \$675 in cost recovery which is the equivalent of 550 feet of standard direct buried cable, the remaining costs are to be paid by the customer as a line extension charge prior to construction. It is not possible to calculate the percentage of costs paid by the customer as the costs vary extensively in each individual circumstance.

5. If a customer agrees to pay special construction charges and facilities are installed, does the company generally install sufficient facilities to serve other neighboring customers in the subdivision or nearby area?

If yes, explain what happens, if anything, to the initial customer as well as any subsequent customers requesting service in that area. For example are subsequent customers assessed any special construction charges?

Can the initial customer receive a credit or refund? Explain how the company handles such situations.

**RESPONSE:** Line extension charges quoted to customers are based on the costs required to serve that customer request. If the customer agrees to pay the line extension charge and CenturyLink decides to install additional capacity at the same time, CenturyLink incurs the costs of that additional capacity.

If multiple customers that would benefit from a line extension are identified at the same time and approach the company with a combined request, the line extension costs and allowances are aggregated and the resulting charges shared among the requesting customers.

Because of the uncertainty about potential future customer requests and the length of time the potential future customer might subscribe to the company's services, CenturyLink does not rebate line extension charge payments based on subsequent customer requests for service.

6. If the company lacks facilities to provide service is the customer required to agree to any special terms or conditions for obtaining service (i.e., subscribe to service for a minimum length of time) that typically are not applied to other customers where sufficient facilities are in place? If yes, describe such any terms or conditions.

**RESPONSE:** No.

7. Does your company apply any termination charge(s) if a customer fails to subscribe to service for a certain length of time? If yes, identify the charge(s).

**RESPONSE:** No.

8. How long have the existing policies in response to Questions 1 thru 7 been in place in Missouri?

**RESPONSE:** CenturyLink's line extension policies described above have been in place since October, 2014.

9. If your company operates in other states besides Missouri does the company apply the same policies (as provided in responses to Questions 1 thru 7) in these other states for service requests in areas where the company lacks sufficient facilities to provide service? If yes, identify the states. If no, identify the states and explain how and why the company's policies differ.

RESPONSE: Yes. These policies are in place for CenturyLink's operations in 25 companies located in Alabama, Arkansas, Florida, Iowa, Mississippi, Missouri, North Carolina, Oklahoma, and Tennessee. Due to the presence of the Arkansas Extension of Facilities Fund, the footnote on page 6 of these policies calls out the allowance for Arkansas and Oklahoma customers. Arkansas' Extension of Facilities Fund calls for the company to fund an extension up to an amount equal to 60 months of basic local service revenue from the customer. That approximates ¼ mile of construction which is footnoted in the CenturyLink special construction charges terms. Also, as part of the Extension of Facilities Fund, the customer pays up to \$250 and the Fund covers the balance of the extension costs. These terms are not applicable for other states because there is no fund similar to the Arkansas Extension of Facilities Fund. CenturyLink's small presence in Oklahoma is operated out of the Arkansas operations group and, for simplicity, the process for Oklahoma mirrors the Arkansas procedures.

10. Describe or provide a script of what information is provided by the company to the customer if the company lacks facilities to respond to the customer's service request.

RESPONSE: If the company lacks facilities to respond to a customer request for service, CenturyLink Engineering and Construction management develops the cost of providing the service and contacts the customer. Following is a typical script of the information provided.

Hello,  
I'm calling in regards to your pending service request with CenturyLink for (address). I have calculated the construction charges and wanted to provide you with the amount. If you are accepting of these costs, I will initiate an invoice with payment instructions that you will receive over the next 2 to 3 days. If you wish to decline payment, I will request a cancellation of the service order.

11. Please provide the following information for your company's Missouri operations for the most recent 12 month time period:
- Total requests for service.
  - Service requests for an area where the company lacks sufficient facilities to provide service. Among these requests break this number down into the following categories:
    - Number of requests where the company installed facilities without applying special construction or similar charges.
    - Number of requests where the customer paid the construction charges.
    - Number of requests where the customer declined to pay the construction charges and service was not installed.
    - Other. Explain.

**RESPONSE:** Upon the effective date of the Local Terms of Service related to Special Construction and Provision/Extension of Facilities in October 2014 tracking and reporting of customer contacts and service requests and whether requests for special construction were rejected or accepted are not required -- and have never been required. No formal tracking or reporting process exists. CenturyLink objects to providing this data as a response to this request would be unduly burdensome in that it would require a manual special study that would take significant time and effort, but could not be guaranteed for completeness.

12. Does the company consider an unfilled service request as reported in Form 489 to include a customer who requests service but ultimately declines to pay construction or similar charges? If no, explain why not.

**RESPONSE:** No. If a customer decides not to pay the required construction charges, the service request is cancelled and is not an unfulfilled request for Form 481 submissions.

13. Please provide the following information for any customer requesting service in the past 12 months whereby the company attempted to apply construction or similar charges in order to have service be extended to the customer:
- a. Name of applicant.
  - b. Location of applicant.
  - c. Total amount of construction charges.
  - d. Indicate whether the customer paid the charges and service was installed.

**RESPONSE:** Again, tracking and reporting of customer contacts and service requests and whether requests for special construction were rejected or accepted are not required -- and have never been required. No formal tracking or reporting process exists. CenturyLink objects to providing this data as a response to this request as it would be unduly burdensome in that it would require a manual special study that would take significant time and effort, but could not be guaranteed for completeness. Further, this request asks for Customer Proprietary Network Information that CenturyLink has determined under federal privacy laws requires a subpoena to be submitted by the Commission, a government agency under 18 U.S.C. § 2701 et seq.

14. If a company has detariffed is the link provided in response to Question No. 1 a link to the company's rates and charges for all other retail services or is the link to some other separate document?

**RESPONSE:** The four web links (one for each CenturyLink Missouri company) provided in response to Question No. 1 are for the detariffed Local Terms of Service documents for those individual companies. The web link provided under the "See also" portion of the response is to the separate document for special construction charges for all detariffed CenturyLink companies / states.