

**PUBLIC SERVICE COMMISSION  
STATE OF MONTANA**

Brad Johnson, Chairman  
Travis Kavulla, Vice Chairman  
Kirk Bushman, Commissioner  
Roger Koopman, Commissioner  
Bob Lake, Commissioner



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July 9, 2015

TO: Monica Tranel - Attorney  
Montana Consumer Counsel  
111 North Last Chance Gulch, Suite 1B  
PO Box 201703  
Helena, MT 59620-1703

FROM: Gary Duncan and Mike Dalton

RE: Data requests in Docket D2014.11.91

Enclosed please find a data requests of the Montana Public Service Commission to the Montana Consumer Counsel numbered PSC-016 through PSC-019 in the above referenced docket. When responding, please restate the data request and identify the respondent. Additional discovery requirements are contained in the February 28, 2015 Procedural Order No. 7388c.

Per the July 9, 2015 Notice of Staff Action, responses must be filed on or before July 31, 2015. Respondent must file an original and four copies with the Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana 59620-2601. Responses must also be e-filed at <http://psc.mt.gov> (go to "Account Login/Registration" under the "Electronic Documents" tab).

If you have any questions regarding discovery, please contact Gary Duncan at 406-444-6189, [gduncan@mt.gov](mailto:gduncan@mt.gov) or Mike Dalton at 406-444-6185 [mdalton2@mt.gov](mailto:mdalton2@mt.gov). Questions on the e-filing process should be directed to Sandy Scherer at 406-444-6180, [sscherer@mt.gov](mailto:sscherer@mt.gov).

Sincerely,

A handwritten signature in black ink that reads "Gary Duncan".

Gary Duncan  
Regulatory Division  
Montana Public Service Commission

Service Date: July 9, 2015

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER OF CenturyLink QC's ) REGULATORY DIVISION  
Service Quality and Its Response to Notice of )  
Commission Action in Docket N2014.3.38, ) DOCKET NO. D2014.11.91  
Including Petition for Waiver of Admin. R. )  
Mont. 38.5.3371(7)(b) )

IN THE MATTER OF the Request of Staff of ) DOCKET NO. N2014.4.38  
the Montana Public Service Commission for )  
CenturyLink Service Quality Information )

**DATA REQUESTS PSC-016 THROUGH PSC-019 OF THE**  
**MONTANA PUBLIC SERVICE COMMISSION**  
**TO**  
**THE MONTANA CONSUMER COUNSEL**

PSC-016

Regarding: OOS by type of plant, Alternative Plan, Wyoming  
Witness: Loubé

- a. Please provide the work sheets for Table 1.
- b. From Page 16, line 13, please define “underperforming wire centers. That is, what metrics would be used to determine if a wire center is underperforming?
- c. Please list the wire centers that are underperforming wire centers where the witness believes CenturyLink QC should be required to perform the additional tasks identified on page 17.
- d. Please describe the information contained in the 471 report referenced on Page 17.
- e. Describe the compliance plan adopted by the Wyoming Commission which you mention on Page 19 of your testimony.

## PSC-017

Regarding: Wyoming compliance plan, CAF II

Witness: Loubé

- a. Please explain how the compliance plan in your testimony differs from the compliance plan adopted by the Wyoming Commission.
- b. On Page 20, Lines 12-14 of your testimony, you state that a census block is not eligible for CAF Phase II if the census block is served by another carrier. Is it your understanding that the census block is not eligible for CAF Phase II only if the census block is already served by an “unsubsidized” carrier (and not a carrier which is subsidized by high-cost support)?
- c. If CenturyLink declines the initial offer of CAF Phase II funds and elects to bid on specific census tracts which are auctioned off in a subsequent FCC process, does the Montana PSC have the authority to Order CenturyLink to bid on specific census tracts which contain analog carrier systems? Please explain.
- d. Assume CenturyLink QC refuses the CAF II funding and the CenturyLink QC eligible census blocks are auctioned. Assume that there will be census blocks with no bidders. What happens to those census blocks?
- e. Under the same scenario described in d. above, would CenturyLink QC continue to receive frozen high cost support for those census blocks?

## PSC-018

Regarding: Frozen High Cost Support

Witness: Loubé

- a. Regarding Frozen High Cost Support (FHCS), the November 18, 2011 FCC Transformation Order stated as follows:

¶150. Specifically, in 2013, all carriers receiving frozen high-cost support must use at least one-third of that support to build and operate broadband-capable networks used to offer the provider’s own retail broadband service For 2014, at least two-thirds of the frozen high-cost support must be used in such fashion, and for 2015 and subsequent years, all of the frozen high-cost support must be spent in such fashion. Carriers will be required to certify that they have spent frozen high-cost support consistent with these requirements in their annual filings pursuant to new section 54.313 of our rules.

In response to an earlier PSC data request concerning the use of FHCS, CenturyLink QC stated the Transformation Order ¶150 obligations for 2013 and beyond had been substantially modified by an Order Adopted and Released

October 30, 2013 by the Chief, Wireline Competition Bureau. DA 13-2101 which stated as follows:

¶10. Under the Act, universal service support is intended for the provision, maintenance, and upgrading of facilities and services. Historically, ETCs have used universal service support to recover costs previously incurred for network investment and ongoing operation and maintenance of those facilities. Moreover, as the Commission recognized in the *USF/ICC Transformation Order*, under the long-standing “no barriers” policy, it has been permissible for more than a decade to use universal service support for mixed-use facilities that can deliver both voice and broadband services, such as the extension of fiber closer to end-user premises or annual maintenance of such fiber. Therefore, consistent with long-standing Commission policy, we take this opportunity to restate that carriers may use their frozen high-cost support either to recover the costs of past network upgrades to extend broadband-capable networks in areas substantially unserved by an unsubsidized competitor, or to maintain and operate existing networks in such areas, or a combination of the two. Price cap carriers are not required to use one-third of their frozen support for new capital investment occurring in 2013.

CenturyLink QC stated in its response that it was not required to spend FHCS as outlined in the Transformation Order, but rather could spend FHCS to support existing broadband networks, not only in 2013 as stated in DA 13-2101, but also in 2014 and beyond.

Does the witness believe CenturyLink QC’s interpretation of DA 13-2101 is correct and if not, why not?

- b. Is the witness aware of any FCC obligations to use FHCS to build out voice and broadband networks in areas substantially unserved by an unsubsidized competitor?
- c. On Page 26, Line 10-11 of your testimony, you state CenturyLink has received approximately 42 million dollars in high cost support from April 2011 through April 2015. To your understanding, how much of that money was spent on CenturyLink’s network in rural Montana?
- d. To your understanding, how much of the high-cost support mentioned in part c. of this question was spent on CenturyLink’s network in Montana?
- e. To your understanding, is it possible to determine where the high-cost money mentioned in part c. to this question was spent and for what purpose?

PSC-019

Regarding: Analog Carriers

Witness: Loube

- a. Is the witness aware of networks technologies, other than FTTH, that could be utilized by CenturyLink QC to serve customers on the current analog carrier systems (for example a wireless technology)?