

June 14, 2018

# Via Electronic Filing Only

Gary Widerburg Commission Administrator Utah Public Service Commission Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84111 <u>psc@utah.gov</u>

Re: Docket No. 17-R008-01

Dear Mr. Widerburg:

Attached for filing in the above entitled docket please find CenturyLink's Comments Regarding the Published Rules, along with a Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Carla Butler Lead Paralegal

Attachment cc: Service List

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Attorney for CenturyLink

## **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

Utah Administrative Code R746-8

**DOCKET NO. 17-R008-01** Published Commission Rules R746-8-301 (3)(a) (iii) and R746-8-403 (5)

## CENTURYLINK'S COMMENTS REGARDING THE PUBLISHED RULES

Qwest Corporation d/b/a CenturyLink QC and CenturyLink Communications, LLC ("CenturyLink") appreciate the opportunity to file comments in response to the Utah Public Service Commission's ("Commission") proposed new rule language that was published in the state bulletin on May 15, 2018.<sup>1</sup> As indicated in the bulletin, interested parties can submit written comments by no later than 5:00 pm on Thursday, June 14, 2018.

#### COMMENTS REGARDING THE NEW RULE LANGUAGE

In this published rule the Commission is proposing to add new language to its rule R746-8 Utah Universal Public Telecommunications Service Support Fund (UUSF). The proposed new language is as follows:

<sup>&</sup>lt;sup>1</sup> Utah State Bulletin, Number 2018-10, May 15, 2018: <u>https://psc.utah.gov/2018/04/04/docket-no-18-2601-01/</u>

**R746-8-301** (3)(a)(iii): <u>or (iii) subject to R746-8-403(5)</u>, receives subsidization through a federal Lifeline program approved by the FCC.

**R746-8-403 (5):** For an access line for which the UUSF surcharge is omitted pursuant to R746-8-301(3)(a)(iii), the UUSF surcharge amount that otherwise would have been remitted pursuant to R746-8-301 shall be deducted from the state Lifeline support paid to the provider.

This new rule language, if made effective, would provide an exemption for Eligible Telecommunication Carriers (ETCs) from paying the UUSF charge on the lines/connections used to serve federal lifeline only customers.<sup>2</sup> However, the UUSF charge will continue to be assessed to ETC's for the lines/connections used to serve lifeline customers that receive Utah lifeline support<sup>3</sup> and the lines/connections serving non-lifeline customers.<sup>4</sup>

The new rule language also changes the UUSF charge payment process for the line/connections of ETC's serving lifeline customers that receive Utah lifeline benefit. This is different from the normal process for payment of the UUSF charge by all providers (including ETCs on their non-Lifeline lines/connections).<sup>5</sup> This is a new streamlined process for paying UUSF charge for the lines/connections serving lifeline customers that receive Utah lifeline benefits. The UUSF charge of \$.36 per line/connection per month is deducted directly from the \$3.50 per Utah lifeline customer per month benefit reimbursement to the ETC<sup>6</sup> instead of the ETC paying the UUSF charge and getting the full \$3.50 reimbursement.

<sup>&</sup>lt;sup>2</sup> Federal Lifeline only, means the ETC does not receive state Lifeline support for these customers, but they do receive federal Lifeline support.

<sup>&</sup>lt;sup>3</sup> With these lifeline customers, ETCs receive both state and federal lifeline support. CenturyLink does not have or is not aware of any Utah lifeline only customers, meaning these customers would only receive the Utah lifeline benefit and not also the federal lifeline benefit.

<sup>&</sup>lt;sup>4</sup> Pursuant to the Commission's new rule language, the process for assessing/paying the lines/connections serving Utah lifeline customers will be different than the assessment and payment process for all other non-lifeline lines/connections subject to the UUSF.

<sup>&</sup>lt;sup>5</sup> Normal process for UUSF payment requires all providers to pay \$.36 per month per line/connection to the UUSF.

<sup>&</sup>lt;sup>6</sup> This streamlined process is consistent to CenturyLink's previous recommendation in this proceeding, except that the Commission has made it mandatory whereas CenturyLink said it should be an option for an ETC. CenturyLink's November 16, 2017 comments, page 5; "*Regarding the payment of the UUSF charge on a per line/connection basis, providers who are Eligible Telecommunications Carriers ("ETCs") that participate in the Utah Lifeline program should be given the option to deduct the per access line/connection UUSF charge assessment from the Lifeline* 

Regarding the federal lifeline only customers exemption, CenturyLink has reviewed the UUSF statute,<sup>7</sup> and believes this exemption is not required. As set forth in earlier comments in this docket, it is not unlawful for the Commission to impose the per line/connection charge on a provider, even if the customer is only receiving the federal lifeline credit. The statute is clear that the provider is responsible to pay the UUSF charge.<sup>8</sup> Given the need for the lines/connection-based approach, and the fact that the new surcharge mechanism, even with the proposed change, is at least more non-discriminatory and fairer than the old revenue-based approach, CenturyLink is not opposed to the exemption set forth in the proposed rule.

#### IMPLEMENTATION OF THE NEW RULE LANGUAGE

When this rule becomes effective, CenturyLink, since it receives Utah lifeline support for all of its Utah lifeline customers, will deduct the lines/connections serving these customers from the total number of lines/connections used to calculate the UUSF charge payment to the UUSF.<sup>9</sup> The UUSF charge payment for these excluded lines/connections will be made through the new process as a deduction from the monthly per customer Lifeline benefit reimbursement paid to CenturyLink by the Commission. When CenturyLink seeks reimbursement for the \$3.50 per month per Utah lifeline customer benefit it directly passes on to its lifeline customers, it will expect that the Commission will deduct \$.36 UUSF charge from the \$3.50 and provide a net \$3.24 per month per lifeline customer reimbursement to CenturyLink. This way the \$.36 per month per line/connection UUSF charge continues to be assessed on the lines/connections serving

support to be paid under Subsection R746-8-403. ETCs should be given this option because it may be an efficient way for the ETC to handle paying the UUSF charge and receiving the Lifeline credit reimbursement." https://psc.utah.gov/2017/07/06/docket-no-17-r008-01/

<sup>&</sup>lt;sup>7</sup> 54-8b-15: <u>https://le.utah.gov/xcode/Title54/Chapter8B/54-8b-S15.html?v=C54-8b-S15\_2017050920170701</u>

<sup>&</sup>lt;sup>8</sup> 54-8b-15 (8): "Each access line provider and each connection provider shall contribute to the Universal Public Telecommunications Service Support Fund through an explicit charge assessed by the commission on the access line provider or connection provider." <u>https://le.utah.gov/xcode/Title54/Chapter8B/54-8b-S15.html?v=C54-8b-S15.html?v=C54-8b-S15.2017050920170701</u>

<sup>&</sup>lt;sup>9</sup> It only takes one line/connection to provide lifeline service, so line/connections in this case is equal to customers.

CenturyLink's lifeline customers consistent with the UUSF statute requirement and the Commission's lifeline rule.

Regarding its bills to lifeline customers, CenturyLink is not planning to make any changes. CenturyLink collects \$.36 per month per line/connection from its customers including lifeline customers. Because of its participation in the Utah lifeline program, CenturyLink provides a \$3.50 monthly discount to its Utah Lifeline customer and will continue to do so. There will be no net change in billing amount for CenturyLink's lifeline customers because of the new rule language.

RESPECTFULLY SUBMITTED this 14th day of June 2018.

CENTURYLINK

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# CERTIFICATE OF SERVICE VIA EMAIL TRANSMISSION Docket No. 17-R008-01

I hereby certify that on the 14<sup>th</sup> day of June, 2018, I caused a true and correct copy of the foregoing CenturyLink's Comments Regarding the Published Rules to be served upon the following persons via electronic mail at the e-mail addresses shown below.

Public Service Commission: psc@utah.gov

### **Utah Division of Public Utilities:**

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