

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Qwest Corporation dba
CenturyLink QC Petition for Statewide
Exemption from Carrier of Last Resort
Obligations

)
) Docket No. 23-049-01
)
) Direct Testimony of
) Alyson Anderson
) On behalf of the
) Office of Consumer Services
)

PUBLIC REDACTED VERSION

October 19, 2023

1 **Q. WHAT IS YOUR NAME, OCCUPATION AND BUSINESS ADDRESS?**

2 A. My name is Alyson Anderson. I am a utility analyst for the Office of
3 Consumer Services (Office). My business address is 160 East 300 South,
4 Salt Lake City, Utah.

5

6 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

7 A. I earned a Bachelor of Business Administration in Accounting from Boise
8 State University. Upon graduation, I worked as an auditor for the Idaho
9 Public Utilities Commission. Prior to joining the Office of Consumer
10 Services, I managed several telecommunications programs and worked
11 as a self-employed consultant in the telecommunications field. I have
12 completed The Basics Practical Regulatory Training course through New
13 Mexico State University, as well as the NARUC Regulatory Studies and
14 Advanced Regulatory Studies programs through Michigan State
15 University. I have previously submitted testimony before the Utah Public
16 Service Commission ("PSC").

17

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19 A. I will address the Office of Consumer Services' ("OCS") recommendation
20 regarding the petition of Qwest Corporation dba CenturyLink QC ("CTL")
21 for statewide exemption from carrier of last resort obligations ("COLR") in
22 Utah.

23

24 **Q. PLEASE DESCRIBE THE RELIEF CENTURYLINK SEEKS IN ITS**
25 **PETITION.**

26 A. CTL is requesting exemption, either in whole or in part, from Utah's COLR
27 obligation that requires CenturyLink to provide public voice
28 telecommunication service to any customer that requests service within its
29 local exchange.

30

31 **Q. WHAT ARE THE FACTORS THE UTAH PUBLIC SERVICE**
32 **COMMISSION (PSC) MUST CONSIDER BEFORE GRANTING THE**
33 **EXEMPTION FROM COLR OBLIGATIONS?**

34 A. The PSC may grant the petition for CTL's entire service territory, or for
35 specific geographic areas within CTL's service territory if CTL is subject to
36 "effective competition" and the exemption is in the public interest.

37

38 **Q. WHAT SHOULD THE PSC CONSIDER IN DETERMINING IF**
39 **CENTURYLINK IS SUBJECT TO EFFECTIVE COMPETITION?**

40 A. Utah code § 54-8b-3(5) outlines the criteria the PSC should consider when
41 determining if CTL is subject to effective competition. These include:

- 42 a) The extent of competing telecommunications services offered
43 by alternative providers in CTL service territory;
44 b) Whether those services are functionally equivalent to CTL's
45 services and reasonably available at comparable prices;
46 c) The market share of CTL;
47 d) If there are economic or regulatory barriers to entry in CTL's
48 service territory;
49 e) The impact of potential competition; and
50 f) To what extent and the type of exemption being proposed.

51

52 **Q. DO YOU AGREE THAT CENTURYLINK IS SUBJECT TO EFFECTIVE**
53 **COMPETITION IN UTAH?**

54 A. CTL testimony and exhibits seem to show the existence of competition in
55 most of the wire centers through a decline in CTL market share, as well as
56 a general decline in traditional landline service throughout Utah. In
57 response to OCS Data Request 2.8 CTL stated that a “threshold of 50% or
58 less of customers served establishes effective competition.”¹ While I am
59 skeptical if 50% is the appropriate threshold in determining effective
60 competition, I do agree with CTL that many customers have chosen
61 competing services that are comparable in terms and price. However, I
62 am concerned there may be pockets of customers or even individual
63 customers within a “competitive” wire center that do not have access to
64 the competitive options available to the wire center as a whole. For
65 example, if CTL serves 5% of a wire center population, it might appear
66 that there is adequate competition in that wire center. However, there is
67 no assurance that the 5% of wire center population actually have access
68 to the competitive services and are not captive customers.
69

¹ 23-049-01 Exhibit OCS 1.1D, CenturyLink Response to OCS DR #2.8 10-05-2023.

70 **Q. CAN YOU PROVIDE AN EXAMPLE OF WHAT YOU MEAN BY**
71 **“POCKETS WITHIN A COMPETITIVE WIRE CENTER”?**

72 A. Yes. According to the CTL testimony and exhibits the [REDACTED] wire center
73 appears to be competitive. CTL serves a small percentage of the
74 population, and yet the OCS was recently contacted by a customer within
75 the service area that could not access the competitive options available
76 and is dependent on CTL solely for reliable telecommunication service.
77 There is no circumstance today where a customer should not have reliable
78 telecommunication service available.

79

80 **Q. PLEASE EXPLAIN FURTHER.**

81 A. Attached as Confidential Exhibit OCS 1.2 D is a declaration from a
82 CenturyLink customer. She takes service through the [REDACTED] wire
83 center. Her CTL service was interrupted for nearly a month and needed
84 repair. While waiting for CTL to repair her line, she attempted to receive
85 service from competitive options, but was unable to find functionally
86 equivalent service or a competitor willing to serve her location. Despite
87 her efforts, she was unable to access a competitive service, due to her
88 specific location within a very competitive wire center.² This is precisely
89 my concern: a customer who lives in a competitive service area with many

² 23-049-01 Exhibit OCS 1.2D Declaration 10-13-2023.

90 competitive choices but is nonetheless reliant on CTL for that service. If
91 CTL is relieved of its COLR obligation, who will provide service to these
92 customers?

93

94 **Q. WHAT SHOULD THE PSC CONSIDER IN DETERMINING WHETHER**
95 **GRANTING CENTURYLINK'S PETITION IS IN THE PUBLIC**
96 **INTEREST?**

97 A. Utah Code § 54-8b-3(6) outlines that the PSC must consider, along with
98 "other relevant factors, the impact the proposed exemption would have on
99 captive customers" of CenturyLink.

100

101 **Q. ON PAGE 14 OF HIS TESTIMONY, MR. ZIEGLER DISCUSSES THE**
102 **IMPACT OF THE CTL PETITION ON "CAPTIVE CUSTOMERS" AND**
103 **CITES UTAH CODE 54-8B-3(6). HE STATES, "THIS PETITION IS NOT**
104 **A REQUEST FOR DISCONTINUANCE TO ANY EXISTING**
105 **CUSTOMERS, AND THUS THERE IS NO IMPACT ON "CAPTIVE**
106 **CUSTOMERS." ANYONE WHO IS "CAPTIVE CAN CONTINUE USING**
107 **THEIR SERVICE." DO YOU AGREE WITH THIS ASSESSMENT?**

108 A. No. It appears that CTL believes the term captive customers only relates
109 to present and not potential customers. As a utility analyst, I believe the
110 concept of a "captive customer" in Utah Code § 54-8b-3(6) is best
111 understood in connection with the definitions of the carrier of last resort.
112 The definition of a COLR in Utah Code § 54-8b-15(1)(b) defines

113 customers as not only those who currently have service but also those
114 who request service from a COLR.³ Although I am not a lawyer, it would
115 seem logical that the term “captive customer” should utilize the definition
116 of “customer” from the related sections of the Utility Code. A customer is
117 only captive if the customer does not have any option for service other
118 than the COLR, who is obligated to serve all customers with an exchange.
119 Therefore, I do not agree that the Petition has no impact on “captive
120 customers” simply because CTL does not seek to discontinue service to
121 existing customers.

122

123 **Q. DO YOU BELIEVE THE CTL CUSTOMER DISCUSSED PREVIOUSLY IN**
124 **YOUR TESTIMONY IS A CAPTIVE CUSTOMER?**

125 A. Yes. As I stated earlier, a customer is captive if that customer does not
126 have a reliable option for telecommunication service other than the COLR,
127 who is obligated to serve all customers within an exchange. The customer
128 I discussed previously in this testimony is exactly that; a captive customer
129 dependent on CTL for reliable telecommunication service. Despite living
130 in a competitive wire center, she is unable to secure functionally
131 equivalent telecommunication service from a competing carrier. Thus, if
132 and when she relocates, the new resident at that location would have no

³ [A COLR] has the obligation to provide public telecommunication service to any customer or class of customers that request services within the local exchange. Section 54-8b-15(1)(b)(ii)(B).

133 guarantee of having any telephoneservice if CTL is relieved of its COLR
134 obligation because there are no alternatives.

135

136 **Q. DOES CENTURYLINK INTEND TO DISCONTINUE SERVICE TO**
137 **EXISTING CUSTOMERS IN UTAH?**

138 A. CTL's petition on page 2 states, "this petition does not seek relief from
139 discontinuance regulations to terminate services to existing customers.
140 Rather on a forward-looking basis, this petition seeks relief from the
141 obligation to provide voice service to every customer location regardless
142 of cost of service." However, it is unclear to me whether relieving CTL
143 from its COLR obligation in Utah will not effectively result in a
144 discontinuation of service through the attrition of existing customers
145 without CTL complying with the PSC's discontinuation of service rules.⁴
146 In contrast, it appears to me that unless a substitute carrier of last resort
147 is secured, discontinuation through attrition is precisely what will happen.
148 The PSC rules on the discontinuance of service provide that an exiting
149 carrier may be required to continue to provide service to customers that
150 have not had an adequate opportunity to obtain a replacement
151 telecommunications service. . This provision is critical for captive

⁴ UTAH ADMIN. CODE r. R746-350.

152 customers without competitive choices for their telecommunications
153 service.

154

155 **Q. ARE THERE “OTHER RELEVANT FACTORS” THE COMMISSION**
156 **SHOULD CONSIDER IN DETERMINING THE PUBLIC INTEREST?**

157 A. Yes, the PSC should consider requiring plans for the ongoing
158 maintenance of the existing telecommunication infrastructure and service
159 quality in determining the public interest. It is important that
160 telecommunications service quality be maintained to any captive
161 customers, as CTL modernizes its infrastructure.

162

163 **Q. DID CTL ADDRESS ONGOING MAINTENANCE AND SERVICE**
164 **QUALITY IN ITS PETITION?**

165 A. The CTL petition states that “It is not possible to both maintain a statewide
166 network for traditional voice service and make the significant investments
167 necessary to deploy new, enhanced networks capable of providing high
168 speed access to the internet.” My concern is whether CTL without the
169 COLR obligation will maintain adequate service quality to those customers
170 without a competitive choice for their telecommunications service while
171 modernizing its network.

172

173

174 **Q. ARE THERE SERVICE QUALITY RULES AND REGULATIONS IN**
175 **PLACE THAT MONITOR AND ENSURE RELIABLE**
176 **TELECOMMUNICATIONS SERVICE IS MAINTAINED FOR**
177 **CUSTOMERS?**

178 A. Rules for the maintenance of plant and equipment and end-user service
179 standards can be found in UTAH ADMIN. CODE r. 746-340-5 and 746-340-7.
180 However, the current rules are insufficient to address the issue I raise.
181 There is a need for robust service quality and maintenance rules to protect
182 consumers, particularly captive customers. Reliable telecommunications
183 is a basic necessity in today's modern world to keep us informed,
184 educated, employed, healthy and safe. There is no circumstance today
185 where a customer should be without reliable telecommunications service,
186 unless by choice.

187

188 **Q. SHOULD THE CENTURYLINK PETITION FOR RELIEF FROM ITS**
189 **COLR OBLIGATION BE APPROVED BY THE PSC?**

190 A. Not at this time. I am sympathetic to CTL's current position in the evolving
191 telecommunications marketplace and agree that the market seems to be
192 moving toward broadband and more advanced telecommunication
193 services. However, I have a few concerns that the PSC should ensure are
194 resolved before relieving CenturyLink from its COLR obligation can be
195 found to be in the public interest.

196 1. Who will be the provider for new customers in established CTL
197 service territory? For example, if a customer transfers ownership of
198 an existing location, the new owner will be considered a new
199 customer and without the COLR CTL has no obligation to serve
200 that customer. This will be especially important in the case of
201 isolated pockets of captive customers.

202 2. Will CTL maintain service quality for existing customers, as it
203 modernizes its network? Again, this is especially critical for those
204 customers without competitive choices. It is important there are
205 robust service quality standards to protect the consumer, and the
206 current rules may need to be revised and/or augmented.

207 Until there is proper protection for customers without competitive choice,
208 CenturyLink's petition cannot be found to be in the public interest.

209

210 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

211 A. Yes.

2.7 On page 2 of CenturyLink’s petition, it states” “CenturyLink now receives zero federal or state universal support in its high-costs areas in Utah.” Which wire centers identified in Confidential Exhibit 4 are in “high-cost areas in Utah”?

RESPONSE: CenturyLink objects to this request to the extent that it calls for a legal conclusion. CenturyLink objects to this request to the extent that it seeks confidential business information which would subject the party to financial or commercial hardship. CenturyLink objects to this request to the extent that it calls for speculation and/or is ambiguous. CenturyLink further objects to this request to the extent that it seeks information not relevant to determining whether COLR exemption is warranted due to effective competition, regardless of the cost of servicing a given wire center. CenturyLink also objects to this request to the extent that it seeks irrelevant information regarding which areas might be considered high cost, given that CenturyLink has not received any funding since 2021, regardless of the cost of servicing a given wire center.

Subject to and without waiving, upon information and belief “high-cost areas” is not a defined term within either Utah Code Ann. § 54-8b-15 *et seq* or U.A.C, Public Service Commission, R746-8 *et seq*, which authorize and implement Utah’s Universal Public Telecommunications Service Support Fund. Notwithstanding that CenturyLink no longer receives support from the fund, the purpose of the fund is to “provide a mechanism for a qualifying carrier of last resort to obtain specific, predictable, and sufficient funds to deploy and manage” its network. Utah Code Ann. § 54-8b-15(2)(b).

2.8 Confidential Exhibit 4 provides an estimate of residential households in Utah served by CenturyLink by wire center. On page 10 of CenturyLink’s petition, it states: “CenturyLink is subject to effective competition throughout its service territory. There is only one wire center where CenturyLink serves more than 20% of customers. It serves between 10 and 20 percent of the customers in seven wire centers and serves between 1.32 and 9.44 percent of customers in the remaining 53 wire centers.”

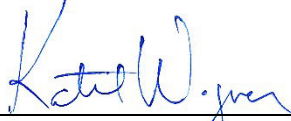
- a.) What percentage customers served does CenturyLink believe is the threshold that establishes effective competition in a wire center?
- b.) Please explain what comprises the effective competition in the [REDACTED] wire centers
- c.) What explains the anomaly between the 53 wire centers that serve less than 10% of customers and the percentage of customers served in [REDACTED] wire centers?

RESPONSE: CenturyLink objects to this request to the extent that it calls for speculation. CenturyLink reserves the right to supplement this response. Subject to and without waiving, CenturyLink believes that a threshold of 50% or less of customers served establishes effective competition. This figure is sufficient to establish that at least half of the market share has shifted to competing telecommunication services available from alternative providers. It also allows Utah citizens to vote with their wallet as to whether at least half of customers find the competing services to be functionally

equivalent, suitable, and reasonably available at comparable prices, terms, quality, and conditions.

Respectfully submitted this 5th day of October 2023.

CENTURYLINK

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Qwest Corporation d/b/a CenturyLink QC's
Petition for Statewide Exemption from Carrier of
Last Resort Obligations

Docket No. 23-049-01
Declaration of Sue Ashdown

I, Sue Ashdown, declare and state as follows:

1. I am over the age of eighteen (18) years, and a resident of [REDACTED] Utah, and I am competent to make this Declaration and have personal knowledge of the facts contained herein.
2. I reside at [REDACTED], Utah in a house my parents built in 1954.
3. I have lived in this house off and on since I was born in 1960.
4. The house is located at the Southeast quarter of a rectangular lot, nestled in a hollow with no clear line of sight beyond hills that surround it on three sides.
5. Upon returning to live in the house in 2019, I purchased DSL service from Century Link but did not purchase voice service.
6. However, in the fall of 2020, I purchased voice service from Century Link because of poor service quality from cell service, including repeated dropped calls.
7. Landline voice service has been problematic. Every six months to a year a

buzzing sound appears on the line and it takes several visits from Century Link service representatives to fix the problem.

8. In September of this year, my voice line was not usable for the entire month until, after many attempts, Century Link was able to eventually reestablish a useable connection.

9. During this prolonged outage, I investigated alternative options for telephone service.

I contacted Xfinity and ask them to evaluate the possibility of running a cable to the house.

10. However, because of the distance between my house and the company's node, Xfinity declined to extend a cable to the house.

11. I then contacted Verizon to see if I could get 5G wireless service but was told the service was not yet available in my area.

12. Because cell service was inadequate, I purchased a new SIM card through Verizon, whose service is better than the AT&T service I was using, but is still weak, drops calls, and is not comparable to landline service.

13. Its seems that the only somewhat reliable voice service available to me is from Century Link's landlines, although service quality issues with Century Link may still exist.

I declare under penalty of perjury that the foregoing is true and correct. Executed on October 13, 2023, in [REDACTED], Utah.

/s/ Sue Ashdown
Sue Ashdown
(e-signed with permission from Sue Ashdown via email on October 13, 2023)